

A.TREDS LIMITED

ANNUAL REPORT

FY 2023-24

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DIRECTORS' REPORT

Dear Members,

The Board of Directors have the pleasure of presenting the 8th Annual Report of the Company together with the Audited Statement of Accounts, Auditors' Report and the Report on the business and operations of the Company for the financial year ended 31st March 2024.

FINANCIAL PERFORMANCE:

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

Particulars	(Amount in ₹)	
	2022-23	2023-24
Income from Operation (A)	31,71,59,792	54,82,55,175
Other Income (B)	52,76,449	1,21,77,016
Total Income (A+B)	32,24,36,241	56,04,32,191
Operating Expenses	24,15,39,704	36,32,32,160
Profit/(Loss) before Depreciation , provisions for tax	8,08,96,536	19,72,00,031
Depreciation	1,35,31,800	1,90,91,897
Provision for Tax	-	-
Profit / (Loss) After Tax	6,73,64,736	17,81,08,134
Appropriations	-	-
Balance carried to Balance Sheet	6,73,64,736	17,81,08,134

BUSINESS OVERVIEW AND FUTURE OUTLOOK

In March'24, the company crossed a milestone of facilitating **₹ 1lac+ crores (appx US\$ 12 bn)** of MSME Invoice financing since inception. **26lakh+ MSME invoices** have got financed till date and the platform continued its **leadership position for 7th** consecutive year!

During FY'24, transactions of ₹48,415 crs was financed and this was the highest amongst all the three TReDS platforms. The company continues to have increased registration of participants and as on year ended 31st March 24 had total 1763 Buyers, 29608 MSMEs and 61 Financiers. The last 3 months of the year saw 1000+ MSME getting registered each month (1st for any TReDS platform) and we are now servicing MSMEs in 1000+ cities/towns across 5000+ postal codes in the country. This shows the increasing awareness amongst MSMEs in the country as a result a various awareness building sessions undertaken by the company with due support from Buyers, Government, Reserve Bank of India and reputed industry associations/bodies like CII, FICCI, ASSOCHAM etc.

Invoicemart recorded an income from operations of ₹ 54.83 crs in FY'24 compared to ₹ 31.72 crs in FY'23. The growth in income is largely attributed to increase in transaction volumes thereby increasing transaction revenues. The company ended FY'24 with a profit after tax of ₹ 17.81crs registering a growth from profit after tax of ₹ 6.73 crs in FY'23. This is the 2nd full year of profits achieved by the company. FY24 saw several other milestones in terms of highest annual and quarterly throughput coupled with 1000+ MSME registrations in 3 months back to back. The focus continues to be to build a granular business, diverse customer and increased activation of Buyers.

The company was given "Perpetual License" to set up and operate the payment system for Trade Receivables Discounting System (TReDS) in terms of RBI Circular on "Perpetual Validity for Certificate



A.TREDS Ltd. | A Joint Venture of Axis Bank Limited and mjunction services limited

Corporate Office: 11th Floor, A3, Ashar IT Park, Road No. 16Z, Wagle Industrial Estate, Thane (West) – 400 604.

022 6235 7300 www.invoicemart.com

Registered Office: Axis House, C-2 Wadia International Center, P. B. Marg, Worli, Mumbai - 400 025.

022 4325 2525

CIN – U74999MH2016PLC281452

of Authorisation (COA) issued to Payment System Operators (PSO) under Payment and Settlement Systems Act, 2007.

Direct Settlement of not discounted/unfinanced FUs went live in January'24 and this is expected to smoothen the process of MSME payments for Buyers.

The platform's migrated to Amazon Web Services (Cloud) at end of FY23 and has completed one full year of operations on the "Cloud". The investment in cutting edge technology has helped handle larger volumes during the year. This will continue to be a focus area to ensure we are ready to handle significant growth in volumes and transactions. Renewal of ISO 27001 certification was another highlight during the year and reconfirmed the company's commitment to data security and information management.

With many Financiers now participating through a branch model we saw India's largest public sector bank complete integration with the platform to enable smoother flow of transactions. The platform continues to be the preferred TReDS platform amongst all Financiers. In earlier years, while we saw active participation from the Tier 1 branches of the Financiers in this year we saw their Tier 2 branches also play an active role in financing transactions.

TReDS is now covered under the Raising and Accelerating MSME Performance (RAMP) scheme which is a World Bank assisted initiative by Govt of India under aegis of Ministry of MSME. This has helped in increasing focus on TReDS at State level. The company has now signed MoUs with 5 State Governments with 1 in final stage of execution. Discussions are underway with several other State Governments too. Also, there were several awareness building workshops conducted by RBI FIDD and Govt of India under RAMP Program.

This year saw successful execution of the 1st government transaction when the platform facilitated an urban local municipal corporation to clear payments to its MSME suppliers in record time.

During the year, the company has been awarded:

1. "Dun & Bradstreet StartUp 50 Trailblazer 2023" at LEAP India StartUp Summit
2. Honorable Mention for "Product Innovation of the Year" at Global SME Finance Awards 2023
3. "Best Technology Enabler for MSME Financing" at ASSOCHAM's 10th MSME Excellence Awards

We have given below SWOT analysis of the Company:

Strengths and Opportunities:

- Highest number of Buyers and MSMEs with increasing activation
- Consistent and strong compliance culture
- Existence of inclusive and diversity friendly work culture
- Increased no of integrations enabling customer stickiness and show casing Buyer/Financier confidence
- With continued regulatory and government push many of the Corporates who are registered can become active and contribute to the volumes
- Enablers announced by RBI in June'23 shows the impact TReDS has created and the potential for growth /volumes that exists in the ecosystem particularly in MSME space
- Growth coming in from the new enablers i.e. Insurance backed transactions and secondary market



Weakness and Threats:

- New player(s) entering the market
- Availability of sufficient and on time liquidity
- Slow adoption amongst Corporates and Govt entities

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

DIVIDEND:

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities, and therefore do not recommended payment of any dividend on shares for the financial year ended as on 31st March, 2024.

TRANSFER TO GENERAL RESERVE:

During the financial year under review, the Company transferred the net profits of the company amounting to ₹17.81cr to General Reserves.

SHARE CAPITAL:

During the year under review, there has been no fresh infusion of capital in the Company.

The issued and paid-up equity share capital of the Company, as on 31st March 2024 stands at ₹45 cr and Non cumulative compulsorily convertible preference shares (NCCCPS) stands at ₹25 cr. The total paid up share capital of the company is ₹65 cr while Authorized Capital stands at ₹ 70cr.

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 which occurred between the end of the Financial Year 2023-24 of the Company to which the Financial Statements relate and the date of this Report.

ANNUAL RETURN:

In accordance with the Companies (Amendment) Act, 2017, read with Section 134(3) of the Companies Act, 2013, the Annual Return, under Section 92 (3) of the Companies Act, 2013, can be accessed on the website of the Company at <https://www.invoicemart.com/diclosure>.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143 (12) OF THE COMPANIES ACT, 2013:

There was no occurrence of fraud pursuant to Section 143 (12) of The Companies Act, 2013. This is also being supported by the report of the auditors of the company as no fraud has been reported in their Report for the Financial Year ended 31st March, 2024.



EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATIONS, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE BY THE AUDITOR IN HIS REPORT:

The Audit Report for FY 2023-24 does not contain any qualification, reservation or adverse remark.

RISK MANAGEMENT POLICY:

The Company has formulated a Risk Management Policy to identify and mitigate the risks. Major risks identified by the management are: Strategic & Business Environment Risk, Participants Risk, Operational Risk, Information Security & IT Risk, Financial And Capital Erosion Risk, People Risk, Legal and Reputational risk. Mitigation measures against each kind of risk has been strategized which is tracked on an ongoing basis and presented before Risk Management Committee in every meeting.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The provisions of the Companies Act 2013 relating to Corporate Social Responsibility (CSR) have become applicable to your company due to average net profit earned more than ₹5cr in FY24. As per calculations, an amount of INR13.12L (approx.) is required to be spent in FY25 towards CSR activities.

The Company has drafted a CSR policy which provides the focus areas (in accordance with Schedule VII of the Act) under which various developmental initiatives will be undertaken.

The CSR policy and projects/programs approved by the Board shall be made available on the website of the company.

However, pursuant to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the MCA clarifications, the Company is not required to constitute the CSR Committee of the Board as the amount required to be spent by your company on CSR during the year in terms of Section 135(5) of the Companies Act, 2013 is less than INR 50L. All the duties of CSR Committee as mentioned in the Act will be undertaken by the Board.

SECRETARIAL STANDARDS:

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, from time to time.

INTERNAL FINANCIAL CONTROLS:

The Internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material observation has been received from the Statutory Auditors of the Company for inefficiency or inadequacy of such controls. These internal financial controls help in safeguarding of assets, prevention and detection of frauds and/or errors, maintaining the accuracy and completeness of the accounting and financial records. These controls help in the timely preparation of transparent, complete and accurate financial information and statements as per the laid down accounting standards and principles.

WHISTLEBLOWER POLICY:

The company has formulated a Whistleblower Policy to ensure highest degree of transparency, integrity, accountability. No complaints were received under Whistleblower during the year under review.



DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company is committed to providing a safe and conducive work environment to its employees and has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COST AUDIT:

Cost audit as per provisions of Section 148(1) of the Act is applicable to the Company.

BOARD OF DIRECTORS:

During the year under review:

- i. Shri Rajiv Anand (DIN: 02541753), Chairperson and Shri Neeraj Gambhir (DIN: 00257375), Director of the Company, resigned from the Board of Directors of the Company with effect from 13th January, 2024. The Board of Directors placed on record their warm appreciation for valuable contribution made by them during their tenure as Non Executive Directors.
- ii. Pursuant to recommendation of the NRC, Shri Arjun Chowdhry (DIN: 02947622) and Shri Sumit Bali (DIN: 02896088) were appointed as Additional Non Executive Director of the Company with effect from 13th January, 2024 to hold office as such upto the date of ensuing Annual General Meeting. They are liable to retire by rotation.
- iii. Pursuant to resignation of the Chairperson, Shri Munish Sharda was appointed as the Chairperson of the Company w.e.f. 13th January 2024 to Chair all the Board and Shareholders' meeting.

During the year, no other changes took place in the composition of the Board of Directors of the Company and the composition of the Board of Directors is in compliance with the applicable norms.

In accordance with the provisions of the Companies Act, 2013 and the relevant rules made thereunder, Shri Vinaya Varma (DIN 07527550) and Shri Munish Sharda (DIN 06796060) shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Directors of the Company.

Resolution(s) in respect of appointment / re-appointment of the Directors, as aforesaid, have been included in the Notice convening the 8th Annual General Meeting of the Company.

The Board has formed an opinion that the Independent Directors have the integrity, expertise and experience (including proficiency), which is beneficial to the business interest of the Company.

DECLARATION OF INDEPENDENCE:

Both the Independent Directors of the Company have given their respective declarations stating that they meet the criteria prescribed for independence under the applicable laws and in the opinion of the Board, the Independent Directors meet the said criteria.

KEY MANAGERIAL PERSONNEL:

Shri Prakash Sankaran, Managing Director & CEO, Shri Saurabh Jain (w.e.f. 27.06.2023), Chief Financial Officer and Smt Meenakshi Agarwal, Company Secretary, are the Key Managerial Personnel of the Company, as defined in Section 2(51) of the Companies Act, 2013.



No other changes took place in the composition of the Key Managerial Personnel of the Company.

PARTICULARS OF MEETINGS:

During the year, the number of Board and Committee Meetings convened are as follows:

Sr. No.	Type of Meeting	Number of meetings
1	Board Meeting	4
2	Audit Committee Meeting	4
3	Nomination & Remuneration Committee Meeting	2
4	Risk Management Committee Meeting	3
5	Meeting of Independent Directors	1
6	General Meeting (including Extra – Ordinary General Meeting)	1

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

BOARD MEETING:

The Board comprises of eight (8) members, of which two (2) are Independent Directors and five (5) are Non-Executive Directors. During the financial year 2023-24, the Board met four (4) times on 13th April, 2023, 13th July, 2023, 13th October, 2023 and 12th January, 2024.

Name of the Director	Date and attendance of the meeting				Attendance (in %)
	13.04.2023	13.07.2023	13.10.2023	12.01.2024	
Shri Rajiv Anand (Resigned w.e.f. 13th January, 2024)	Present	Present	Present	Present	100%
Shri Rakesh Makhija	Present	Absent	Present	Present	75%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	100%
Shri Vinaya Varma	Present	Present	Present	Present	100%
Shri Prakash Sankaran	Present	Present	Present	Present	100%
Shri Neeraj Gambhir (Resigned w.e.f. 13th January, 2024)	Absent	Present	Present	Present	75%
Shri Aninda Chatterjee	Present	Present	Present	Present	100%
Shri Munish Sharda	Present	Present	Present	Present	100%
Shri Arjun Chowdhry (Appointed w.e.f. 13th January, 2024)	NA	NA	NA	NA	NA
Shri Sumit Bali (Appointed w.e.f. 13th January, 2024)	NA	NA	NA	NA	NA



The Company and its Board has constituted a set of independent, qualified and focused Committees of the Board constituting Directors of the Company. These Board Committees have specific terms of reference/scope to focus effectively. Currently the Board has three (3) committees i.e. Audit Committee, Nomination & Remuneration Committee and Risk Management Committee.

AUDIT COMMITTEE:

The Audit Committee comprises of three (3) members, of which two (2) are Independent Directors. During the financial year 2023-24, the Committee held four (4) meetings on 13th April, 2023, 13th July, 2023, 13th October, 2023 and 12th January, 2024:

Name of the Director	Date and attendance of the meeting				% of attendance
	13.04.2023	13.07.2023	13.10.2023	12.01.2024	
Shri Rakesh Makhija	Present	Absent	Present	Present	75%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	100%
Shri Neeraj Gambhir	Absent	Present	Present	Present	75%

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of Four (4) members, of which two (2) are Independent Directors. During the financial year 2023-24 the Committee held two (2) meetings on 13th April, 2023 and 13th October, 2023:

Name of the Director	Date and attendance of the meeting		% of attendance
	13.04.2023	13.10.2023	
Shri Dipak Kumar Banerjee	Present	Present	100%
Shri Rakesh Makhija	Present	Present	100%
Shri Aninda Chatterjee	Present	Present	100%
Shri Munish Sharda	Present	Present	100%

RISK MANAGEMENT COMMITTEE:

The Risk Management Committee comprises of Four (4) members, of which two (2) are Independent Directors. During the financial year 2023-24, the Committee held three (3) meetings on 13th July, 2023, 13th October, 2023 and 12th January, 2024:

Name of the Director	Date and attendance of the meeting			% of attendance
	13.07.2023	13.10.2023	12.01.2024	
Shri Rakesh Makhija	Absent	Present	Present	67%
Shri Dipak Kumar Banerjee	Present	Present	Present	100%
Shri Munish Sharda	Present	Present	Present	100%
Shri Neeraj Gambhir	Present	Present	Present	100%



BOARD EVALUATION:

The performance evaluation of Board, its Committees, Chairperson and Individual Directors was done in accordance with the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder.

The Nomination and Remuneration Committee is the nodal agency for conducting the said performance evaluation. The Nomination and Remuneration Committee approved the manner for conducting the said performance evaluation, determined the criteria for the same and appointed an Independent external agency to administer the same.

The process was carried out by feedback survey from each Directors covering Board functioning such as composition of Board and its Committees, experiences, competencies, governance issues etc. Separate process was carried out to evaluate the performance of individual Directors which included the Chairperson of the Board who were evaluated on parameters such as attendance, contribution at the meeting etc. The Directors evaluation results reflected the overall engagement of the Board and its Committee with the Company.

PUBLIC DEPOSITS:

During the year under review, the Company has not accepted any deposit pursuant to Section 73 and Section 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTFLOWS:

Information as per Section 134(3)(m) of the Act relating to the Conservation of Energy and Technology Absorption is not given since the Company is not engaged in any manufacturing activity.

During the year under review, the Company has not earned or spent any foreign exchange.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186:

The company has not made any Loans, Guarantees or Investments covered under Section 186 of the Act hence information as per Section 134(3)(g) of the Companies Act, 2013 is not applicable.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SUB – SECTION (1) OF SECTION 188:

Information as per Section 134(3)(h) of the Act relating to the particulars of Contracts or Arrangements with Related Parties under Sub - Section (1) of Section 188 is as mentioned below:-

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered pursuant to the omnibus approval so granted are



audited and a statement giving details of all Related Party Transactions are placed before the Audit Committee half yearly.

None of the Directors have any pecuniary relationship or transactions vis-à-vis the Company. Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC – 2 is enclosed herewith as **Annexure – A** to this report.

PARTICULARS OF EMPLOYEES AS REQUIRED UNDER COMPANIES ACT, 2013 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Information as required under the section 197(12) 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, in accordance with the provisions of Section 136 (1) of the Act, the annual report excluding the aforesaid information, is being sent to the members of the Company and others entitled thereto. The said information is also available for inspection by the members at the Corporate Office of the Company during business hours of the Company up to the date of the ensuing Annual General Meeting.

Any member interested in obtaining a copy thereof, may write to the Company Secretary of the Company at its Corporate Office.

POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Company has a Nomination and Remuneration Policy formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time. The policy shall apply to all Directors, Key Managerial Personnel, Senior Management and other employees of the Company. The Policy laid down the roles of the Committee, criteria for appointment of Directors, Key Managerial Personnel and Senior Management and parameters for determining the remuneration of Directors, Key Managerial Personnel, and Senior Managerial Personnel of the Company. Nomination and Remuneration policy of the company has also been uploaded on the website and can be accessed with this weblink: <https://invoicemart.com/disclosure>

EMPLOYEE STOCK OPTION PLAN (ESOP)

Axis bank (Bank) has issued Employee Stock Options (ESOS) and Employee Stock Units (ESUs) to employees of A.Treds Ltd. under ESOP scheme –Grant XXVII of Axis Bank Ltd. The objective of the said ESOS is to enhance employee motivation, enable employees to participate, directly or indirectly, in the long-term growth and financial success of the Company, to act as a retention mechanism by enabling employee participation in the business of the Company as its active stakeholder and to usher an 'owner-manager' culture and to achieve greater synergy between the Company and the Bank.

RBI has issued clarification for all private banks on 30th August, 2021, to value all share-linked instruments under Fair value method using Black-Scholes model. Above clarification applies for all share linked instruments issued on or after 1st April 2021. Pursuant to the above, the Bank has recommended allocation of ESOP charges to all subsidiaries, for options issued to subsidiary employees post 1st April 2021.

In terms of the said ESOS, Bank has issued below stock options in FY24:



Type	No. of Units	Price
ESUs granted	21432	₹842.45/- per option
ESOPs granted	14130	₹296.84/- per option

The price of the said ESOP has been calculated as per the Black-Scholes Method which has been certified by an independent valuer. The eligibility and number of stock options to be granted to such eligible employees is determined on the basis of the outcome of their performance evaluation. The said stock options were granted subject to standard vesting and other conditions as set out in the respective ESOS of the Bank.

All the options granted in 2023-24 are unvested as at end of the year.

DIRECTORS RESPONSIBILITY STATEMENT:

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

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- III. the Directors had taken proper and sufficient care for the 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 fraud and other irregularities.
- IV. the Directors had prepared the annual accounts on a going concern basis.
- V. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- VI. the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

AUDITORS:

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company has appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Mumbai (301003E/E300005) as the Statutory Auditors of the Company to hold office upto the conclusion of 10th Annual General Meeting.

INTERNAL CUM CONCURRENT AUDITORS:

The Board of Directors had appointed M/s. RVA & Associates LLP, Chartered Accountants, Mumbai (Firm Registration No: 115003W), as the Internal cum Concurrent Auditors of the Company to undertake the Internal cum Concurrent Audit of the Company for the financial year under review.



SECRETARIAL AUDITORS:

The Company had appointed M/s. Martinho Ferrao & Associates, Company Secretaries, Mumbai as the Secretarial Auditors of the Company to undertake the Secretarial Audit of the Company for the financial year under review.

The secretarial audit of the Company was conducted in respect of the matters as prescribed in the said Rules and set out in the Secretarial Audit Report, for the financial year 2023-24.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditor of the Company, in its report.

OTHERS

1. The Balance Sheet and Statement of Profit and Loss for the period under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.
2. No application has been made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.
3. No Loan has been taken from any bank or financial institution and hence there are no details of valuation which is required to be disclosed pursuant to Rule 8(5)(xii) of the Companies (Accounts) Amendment Rules, 2023.

ACKNOWLEDGEMENTS:


Your Directors would like to express their gratitude for all the guidance and co-operation received from Axis Bank Limited and Mjunction Services Limited. Your Directors would like to place on record their gratitude to the esteemed Clients, Advisors, Ministry of Corporate Affairs, Central, State and Local Government Departments and regulators for their continued support and cooperation.

The Directors also express their warm appreciation to all the employees of the Company for their diligence and contribution.

For and on behalf of the Board of Directors



Munish Sharda
Chairperson (DIN: 06796060)



Prakash Sankaran
Managing Director & CEO (DIN: 08581871)

Place: Mumbai
Date: 12.04.2024



FORM AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub – section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	NIL
b)	Nature of contracts/arrangements/transactions	:	NIL
c)	Duration of the contracts / arrangements / transactions	:	NIL
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
f)	Date (s) of approval by the Board	:	NIL
g)	Amount paid as advances, if any	:	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	:	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name (s) of the related party and nature of relationship	:	1. Axis Bank Limited (Common director /Holding Company) 2. Mjunction Services Limited (Investing Company)
b)	Nature of contracts/arrangements/transactions	:	1. Fixed Deposit & Interest from Fixed Deposit

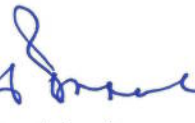


			Operating Income (Transaction fees & Onboarding fees) Reimbursement of Expenses (Deputation Cost, Rent, Software Expenses, statutory auditors' fees, Preliminary Expenses, ESOP cost, Miscellaneous Expenses (Mediclaime & GLT Insurance), NACH charges, file processing charges)
c)	Duration of the contracts / arrangements / transactions	:	1) Continuous 2) Continuous
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	As per Financial Statements
e)	Date (s) of approval by the Board, if any	:	23 rd January, 2017
f)	Amount paid as advances, if any	:	NIL

For A.TREDS Limited



Munish Sharda
Chairman (DIN: 06796060)



Prakash Sankaran
Managing Director & CEO (DIN: 08581871)



Place: Mumbai

Date: 12th April, 2024

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

To,

The Members,

A.TREDS LIMITED

Axis House, C-2 Wadia International Centre,

P B Marg, Worli, Mumbai 400025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **A.TREDS LIMITED** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

We have examined the papers, minute books, forms, returns filed and other records maintained by the Company provided to us through electronic mode for the financial year ended on 31st March, 2024. 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, 2024**, complied with the statutory provisions listed hereunder and also that 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 Company for the financial year ended on **31st March, 2024** 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**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder- **Not 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**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **not applicable** to the Company: -
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
- 1) RBI Guidelines
 - 2) Payment and Settlement System Act, 2007
 - 3) Factoring Regulation Act, 2011
 - 4) Prevention of Money Laundering, 2002
 - 5) The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
 - 6) Information Technology Act, 2000

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (**SS-1 & SS-2**)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. (**Not applicable as it is an unlisted Company**)

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 its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that:

1. The Board of Directors of the Company as on the date of this report is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All the decisions of the Board and Committees thereof were carried out with requisite majority;

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 there are following major events in the Company during the period under review:

1. Resolutions passed in Seventh Annual General Meeting of the Company held on 13th July, 2023, for below mentioned matters:
 - a. Re-appointment of Shri Aninda Chatterjee (DIN 01760865) as a director
 - b. Re-appointment of Shri Vinaya Varma (DIN 07527550), as a director.
 - c. Approval of remuneration of Managing Director & CEO for the financial year commencing on 1st April, 2023 upto 31st March, 2024

For Martinho Ferrao & Associates

Company Secretaries



Martinho Ferrao

Proprietor

F.C.S. No. 6221 C. P. No. 5676

UDIN: F006221F000165908

Place: Mumbai

Date: 18th April, 2024

This report is to be read with our letter which is annexed as **Annexure A** and forms an integral part of this report

'Annexure A'

To,
The Members,
A.TREDS LIMITED

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our 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. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. 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 Martinho Ferrao & Associates

Company Secretaries



Martinho Ferrao

Proprietor

F.C.S. No. 6221 C. P. No. 5676

UDIN : F006221F000165908



Place: Mumbai

Date: 18th April, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of A.Treds Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of A.Treds Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, 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 (SAs), as specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibility of Management 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, cash flows of the Company in accordance with the accounting principles generally



accepted in India, including the Companies (Accounting Standards) Rules, 2021, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 also 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 control 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 with reference to financial statements 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.

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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 except for the matters stated in the point (i)(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2021, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph b above on reporting under Section 143(3)(b) and paragraph (i) (vi) below on reporting under Rule 11(g);
 - (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software except that, audit trail feature is not enabled for direct changes to data when using certain access rights as described in note 27 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Jitendra H. Ranawat

Partner

Membership Number: 103380

UDIN: 24103380BKFHIR6184

Place of Signature: Mumbai

Date: April 12, 2024



Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our reports of even date

Re: A.Treds Limited ("the company")

In terms of the explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a)(A): The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(i)(a)(B): The Company has maintained proper records showing full particulars of intangibles assets.

(i)(b): Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(i)(c): There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i)(d): The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.

(i)(e): There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii)(a): The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(ii)(b): The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii)(a): During the year, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(iii)(b): During the year, the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(iii)(c): The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(iii)(d): The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(iii)(e): There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(iii)(f): The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



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(iv): There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v): The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi): The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii)(a): The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to custom duty and excise duty are not applicable to the company.

(vii)(b): There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute. The provisions relating to custom duty and excise duty are not applicable to the company.

(viii): The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a): The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(ix)(b): The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c): The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(ix)(d): The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(ix)(e): The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(ix)(f): The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x)(a): The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(x)(b): The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)(a): No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.



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(xi)(b): During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(xi)(c): As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii)(a): The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.

(xii)(b): The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(xii)(c): The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.

(xiii): Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a): The Company has an internal audit system commensurate with the size and nature of its business.

(xiv)(b): The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv): The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a): The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(xvi)(b): The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(xvi)(c): The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(xvi)(d): There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii): The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.

(xviii): There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix): On the basis of the financial ratios disclosed in note 25 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit



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report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a): The provisions of Section 135(5) to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(xx)(b): The provisions of Section 135(5) to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 24103380BKFHIR6184

Place of Signature: Mumbai

Date: April 12, 2024



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF A.TREDS 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 with reference to financial statements of A.Treds Limited ("the Company") as of March 31, 2024 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 ("ICAI"). 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A Company's Internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jitendra H. Ranawat**
Partner
Membership Number: 103380
UDIN: 24103380BKFHIR6184
Place of Signature: Mumbai
Date: April 12, 2024



A. TREDS LIMITED
(A Joint Venture of Axis Bank Limited & Mjunction Services Limited)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

A.TREDS LIMITED
Balance sheet as at 31 March 2024

Particulars	Notes	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	65,00,00,000	65,00,00,000
Reserves and surplus	4	(30,22,75,392)	(48,03,83,526)
Non-current liabilities			
Long term provisions	5	1,04,40,176	76,66,692
Other non current liabilities	6	3,63,362	13,43,451
Current liabilities			
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	7	19,78,548	16,38,907
-Total outstanding dues of creditors other than micro enterprises and small enterprises	7	1,86,86,133	63,21,474
Other current liabilities	8	13,60,84,953	6,86,70,496
Short term provisions	5	4,01,92,200	2,79,39,312
Total		55,54,69,980	28,31,96,806
II. ASSETS			
Non-current assets			
Plant, property and equipments & Intangible assets			
Plant, property and equipments	9	91,02,124	86,11,917
Intangible assets		8,22,89,282	4,43,10,753
Capital work-in-progress		1,59,94,552	50,14,409
Long term loans and advances	10	3,65,53,356	1,51,57,716
Other non current assets	11	13,34,375	15,34,375
Trade receivables	13	12,24,175	5,22,654
Current assets			
Short term loans and advances			
Cash and bank balances	12	34,54,34,970	17,51,29,868
Trade receivables	13	4,54,29,820	2,13,96,629
Total		55,54,69,980	28,31,96,806

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of these financial statements
As per our report of even date

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No: 301003E/E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership No. :- 103880

Place : Mumbai
Date : 12 April 2024



Munish Sharda
Munish Sharda
Director
DIN No: 06796060

Saurabh Jain
Saurabh Jain
Chief Financial Officer

Prakash Sankaran
Prakash Sankaran
Managing Director & CEO
DIN: 08581871

Meenakshi Agarwal
Meenakshi Agarwal
Company Secretary



A. TREDS LIMITED

Statement of Profit and Loss for the year ended 31 March 2024

Particulars	Notes	For the Year ended 31 March 2024 (Amount in Rs)	For the Year ended 31 March 2023 (Amount in Rs)
Revenue from operations	14	54,82,55,175	31,71,59,792
Other income	15	1,21,77,016	52,76,449
Total income		56,04,32,191	32,24,36,241
Expenses:			
Employee benefit expense	16	21,35,57,068	15,84,85,542
Depreciation and amortization expense	9	1,90,91,897	1,35,31,800
Other expenses	17	14,96,75,092	8,30,54,163
Total expenses		38,23,24,057	25,50,71,505
Profit/(Loss) before tax		17,81,08,134	6,73,64,736
Tax expense:			
Current tax		-	-
Total Tax		-	-
Profit/(Loss) after tax		17,81,08,134	6,73,64,736
Earnings per equity share : Nominal value of share Rs.10/- (31 March 2023: Rs.10)			
Basic		3.96	1.50
Diluted		2.74	1.04

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of these financial statements


As per our report of even date


For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No: 301003E/E300005

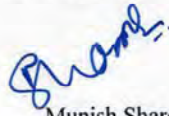
Chartered Accountants


per Jitendra H. Ranawat
Partner
Membership No. :- 103880



Place : Mumbai

Date : 12 April 2024



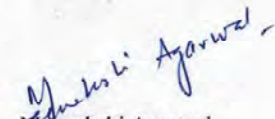
Munish Sharda
Director
DIN No: 06796060



Saurabh Jain
Chief Financial Officer




Prakash Sankaran
Managing Director & CEO
DIN: 08581871



Meenakshi Agarwal
Company Secretary

A.TREDS LIMITED
Cash flow statement for the year ended 31 March 2024

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
	(Amount in Rs.)	(Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/ (loss) before taxation	17,81,08,134	6,73,64,736
Adjustments for :		
Depreciation and amortization expenses	1,90,91,897	1,35,31,800
Loss on sale of asset	-	-
Lease equalization	(7,91,896)	(2,70,655)
Provision for Gratuity	25,48,972	9,75,276
Provision for Compensated absences	15,61,813	(6,621)
Interest on income tax refund	(8,02,236)	(5,58,001)
Interest income on fixed deposit	(1,10,01,248)	(47,08,098)
Operating Profit before working capital changes	18,87,15,436	7,63,28,437
Increase/ (Decrease) in Provisions	1,04,74,932	(1,59,890)
Increase/ (Decrease) in Other current liabilities	6,74,14,456	2,53,77,905
Increase/ (Decrease) in Other non current liabilities	(1,88,193)	(4,54,674)
(Increase)/ Decrease in Trade receivable	(2,47,34,712)	(96,10,728)
Increase/ (Decrease) in Trade payables	1,27,04,299	1,02,90,772
(Increase)/ Decrease in Non-current loans and advances	(1,98,67,185)	1,48,10,344
(Increase)/ Decrease in Current loan and advances	(65,88,842)	(59,93,540)
(Increase)/ Decrease in Other non current assets	2,00,000	(2,00,000)
Cash generated from Operating activities	22,81,30,193	11,03,88,625
Direct taxes paid (net of refund)	(7,26,219)	(9,76,479)
Net cash used in Operating activities	22,74,03,974	10,94,12,146
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(5,70,98,872)	(3,33,53,988)
Interest received	(6,81,00,120)	(3,80,62,086)
	1,10,01,248	47,08,098
Net cash used in Investing activities	(5,70,98,872)	(3,33,53,988)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net (Decrease)/ Increase in cash and cash equivalents during the year	17,03,05,102	7,60,58,158
Cash and cash equivalents at the beginning of the year	17,51,29,868	9,90,71,710
Cash and cash equivalents at the end of the year	34,54,34,970	17,51,29,868

Particulars	For the Year ended 31 March 2024	For the Year ended 31 March 2023
	(Amount in Rs.)	(Amount in Rs.)
Cash in hand	2,278	4,537
Cheque in transit	-	-
Balances with banks:		
- On current accounts	4,72,99,252	3,26,99,186
- Deposits with original maturity of less than 3 months	2,00,73,432	4,86,93,322
- Deposits with remaining maturity of less than 12 months	27,80,60,008	9,37,32,823
Total	34,54,34,970	17,51,29,868

Notes

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS 3) - 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013, read together with rule 7 of Companies (Accounts) Rules, 2014 and the 1 Companies (Accounting Standards) Amendment Rules, 2016.

2 Cash and Cash equivalents in the balance sheet comprises of cash in hand, current account with bank and fixed deposit with bank

Summary of significant accounting policies

The accompanying notes are an integral part of these financial statements
As per our report of even date

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No: 301003E/E300005
Chartered Accountants

per Jitendra H. Ranawat
Partner
Membership No. :- 103880

Place : Mumbai
Date : 12 April 2024



2.1

For and on behalf of the Board of Directors

Munish Sharda
Director
DIN No: 06796060

Saurabh Jain
Chief Financial Officer

Prakash Sankaran
Managing Director & CEO
DIN: 08581871

Meemkshi Agarwal
Company Secretary



A.Treds Limited

Notes forming part of the financial statements

1. Corporate information

A.Treds Limited (the 'Company') is public company domiciled in India. The principal activity of the Company is to carry on business of setting up and operating of Trade Receivable Discounting System under Payment and Settlements Systems Act, 2007.

2. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1 Significant accounting policies

Presentation and disclosure of financial statements

i. Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Current–non-current classification of assets/ liabilities

As required by Schedule III, the Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of financial statements. Accordingly, assets/liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non-current.

iii. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a. Onboarding Fee, Transaction Fee and Annual Fee

Onboarding Fee is one time fee and is recognized at the time of onboarding of Buyer, Seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the of tenure of transaction. Transaction fees received from sellers is recognised upfront on the date of transaction. The Company follows recognition of annual fee on time proportion basis over the tenure of one year.

Onboarding Fees, Transaction Fees and Annual fees are included under "Income from Operations" in the Statement of profit and loss.

b. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest is included under the head 'Other Income' in the Statement of profit and loss.



iv. Tangible assets

Fixed assets are stated at cost, net off accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortises the intangible asset over the best estimate of its useful life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

v. Depreciation on Tangible asset / Amortization of intangible asset

Depreciation on fixed assets is calculated on straight-line basis using the rates arrived at, based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

Depreciation has been provided using the following estimated useful lives :

Particulars	Useful life estimated by the management (same as specified in Schedule II of Companies)
Office Equipment	5 Years
Computers	3 Years
Servers	6 Years
Softwares	5 Years
Furnitures & Fixtures	10 Years
Leasehold Improvement	9 Years (Over lease period)

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on assets sold during the year is recognised on a pro-rata basis to the Statement of profit and loss till the date of sale of assets.



vi. Impairment of tangible and intangible assets

indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

vii. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

viii. Retirement Benefits

a. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

b. Gratuity

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an external actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

c. Leave availment

Earned leave can be carried forward and availed during the tenure of the employment as per the HR policy. Any accumulated leaves in excess of the specified days in subsequent years are bound to lapse. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. This liability is recognised based on an external actuarial valuation using the projected unit credit method.

Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.



ix. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the Statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

x. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xi. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best estimates.

xii. Cash and cash equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash in hand and cash at bank including fixed deposit with original maturity period of three months and short term highly liquid investments with an original maturity of three months or less.

xiii. Contingent liabilities

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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



A. TREDS LIMITED

Notes to financial statements for the year ended 31 March 2024

3. Share capital

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Authorized share capital		
5,00,00,000 (31 March 2023 : 5,00,00,000) Equity Shares of Rs.10 each.	50,00,00,000	50,00,00,000
2,00,00,000 (31 March 2023 : 2,00,00,000) 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10 each	20,00,00,000	20,00,00,000
Issued, subscribed and fully paid-up shares share		
4,50,00,000 (31 March 2023: 4,50,00,000) Equity Shares of Rs. 10/- each	45,00,00,000	45,00,00,000
2,00,00,000 (31 March 2023 : 2,00,00,000) 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs.10 each	20,00,00,000	20,00,00,000
Total issued & subscribed share capital	65,00,00,000	65,00,00,000

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2024		31 March 2023	
	Nos	(Amount in Rs.)	Nos	(Amount in Rs.)
At the beginning of the Year	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000
Add: Issued during the Year	-	-	-	-
Outstanding at the end of the Year	4,50,00,000	45,00,00,000	4,50,00,000	45,00,00,000

Preference shares

	31 March 2024		31 March 2023	
	Nos	(Amount in Rs.)	Nos	(Amount in Rs.)
At the beginning of the Year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Add: Issued during the Year	-	-	-	-
Outstanding at the end of the Year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000

(b) Terms/ rights attached to equity shares and preference shares

Equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, is proposed by the Board of Directors and is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of 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.

Preference shares

The Company has only one class of 9.69% Non-Cumulative Compulsorily Convertible Preference Shares having face value of Rs.10 per share. The shares will be convertible into equity shares at a date not later than 10 years from the date of allotment viz. 29th Oct, 2018. The shares will be convertible at the option of the Company in the ratio 1:1



A. TREDS LIMITED**Notes to financial statements for the year ended 31 March 2024****(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Name of the shareholder	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Axis Bank Limited, the holding company and its nominees 3,01,50,000 (31 March 2023: 3,01,50,000 shares) equity shares of Rs.10/- each	30,15,00,000	30,15,00,000
Axis Bank Limited, the holding company 1,34,00,000 (31 March 2023: 1,34,00,000) 9.69% non cumulative compulsory convertible pref shares of Rs.10/- each	13,40,00,000	13,40,00,000

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31 March 2024		31 March 2023	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees 3,01,50,000 (31 March 2023 : 3,01,50,000 shares) equity shares of Rs.10/- each	3,01,50,000	67%	3,01,50,000	67%
Mjunction Services Limited 1,48,50,000 (31 March 2023 : 1,48,50,000 shares) equity shares of Rs.10/- each	1,48,50,000	33%	1,48,50,000	33%
Axis Bank Limited, the holding company and its 1,34,00,000 (31 March 2023 : 1,34,00,000) 9.69% non cumulative compulsory convertible pref shares of Rs.10/- each	1,34,00,000	67%	1,34,00,000	67%
Mjunction Services Limited 66,00,000 (31 March 2023 : 66,00,000) 9.69% non cumulative compulsory convertible pref shares of Rs.10/- each	66,00,000	33%	66,00,000	33%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	-	-
Equity shares allotted as fully paid-up pursuant to contracts for consideration other than cash	-	-
Equity shares bought back by the company	-	-



A. TREDS LIMITED

Notes to financial statements for the year ended 31 March 2024

(f) Details of shares held by promoters

	31 March 2024	31 March 2023
Promoters Name		
Axis Bank Limited		
Equity Shares	3,01,50,000	3,01,50,000
Preference Shares	1,34,00,000	1,34,00,000
% of total shares	67%	67%
% change during the year	-	-
Mjunction Services Ltd		
Equity Shares	1,48,50,000	1,48,50,000
Preference Shares	66,00,000	66,00,000
% of total shares	33%	33%
% change during the year	-	-

4. Reserves & Surplus

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Surplus/ (deficit) in the statement of profit and loss	(48,03,83,526)	(54,77,48,262)
Profit/(Loss) for the year	17,81,08,134	6,73,64,736
Net deficit in the statement of profit & loss	(30,22,75,392)	(48,03,83,526)
Total Reserves & surplus	(30,22,75,392)	(48,03,83,526)



A. TRENDS LIMITED

Notes to financial statements for the year ended 31 March 2024

5. Provisions

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Long Term		
Provision for gratuity	63,21,549	47,89,963
Provision for compensated absences	41,18,627	28,76,729
Total Long Term	1,04,40,176	76,66,692
Short Term		
Provision for bonus	1,30,00,000	1,02,10,953
Provision for gratuity	7,83,064	2,65,677
Provision for compensated absences	10,72,444	7,52,529
Provision for expenses	2,53,36,692	1,67,10,153
Total Short Term	4,01,92,200	2,79,39,312

6. Other non current liabilities

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Other non current liabilities - Lease	3,63,362	13,43,451
Total	3,63,362	13,43,451

7. Trade payable

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Total outstanding dues of micro enterprises and small enterprises	19,78,548	16,38,907
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,86,86,133	63,21,474
Total	2,06,64,681	79,60,381

As at March 2024

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	19,78,548	-	-	-	19,78,548
Others	1,80,70,045	6,16,088	-	-	1,86,86,133

As at March 2023

Particulars	Outstanding for following periods from due date of payments				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	16,38,907	-	-	-	16,38,907
Others	53,60,473	9,61,001	-	-	63,21,474

There are no disputed trade payables during the year & previous year

8. Other current liabilities

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Due to holding company- 'Axis Bank Limited'	1,09,54,306	55,67,877
Due to others	26,121	15,70,225
Statutory dues	1,01,94,688	74,97,401
Unearned revenue	11,37,96,424	5,25,98,030
Lease obligation	9,48,009	7,59,816
Other current liabilities	1,65,404	6,77,147
Total	13,60,84,953	6,86,70,496



A. TRENDS LIMITED
Notes to financial statements for the year ended 31 March 2024

9. Plant, property and equipments & Intangible assets

Assets	Gross Block					Depreciation				Net Block	
	As at 1 April, 2023	Addition for the year	Deductions/Adjustment for the year	As at 31 March, 2024	As at 1 April, 2023	Addition for the year	Deductions/Adjustment for the year	As at 31 March, 2024	As at 31 March, 2024	As at 31 March, 2023	
Tangible asset											
Leasehold improvement	1,31,34,682	-	-	1,31,34,682	89,28,109	14,53,370	-	1,03,81,479	27,53,203	42,06,573	
Furniture	10,61,441	55,000	-	11,16,441	6,10,140	1,06,112	-	7,16,251	4,00,189	4,51,301	
Office equipment	70,77,122	1,47,395	-	72,24,517	70,07,145	54,207	-	70,61,352	1,63,165	69,977	
Computers	1,85,26,508	44,72,106	-	2,29,98,614	1,46,42,442	25,70,605	-	1,72,13,047	57,85,567	38,84,066	
	3,97,99,753	46,74,501	-	4,44,74,254	3,11,87,836	41,84,294	-	3,53,72,130	91,02,124	86,11,917	
Intangible assets											
Software	12,06,70,596	5,28,86,131	-	17,35,56,727	7,63,59,843	1,49,07,603	-	9,12,67,446	8,22,89,282	4,43,10,753	
	12,06,70,596	5,28,86,131	-	17,35,56,727	7,63,59,843	1,49,07,603	-	9,12,67,446	8,22,89,282	4,43,10,753	
Work-in-progress											
Software	50,14,409	4,84,32,278	3,74,52,135	1,59,94,552	-	-	-	-	1,59,94,552	50,14,409	
	50,14,409	4,84,32,278	3,74,52,135	1,59,94,552	-	-	-	-	1,59,94,552	50,14,409	
Total	16,54,84,758	10,59,92,910	3,74,52,135	23,40,25,533	10,75,47,679	1,90,91,897	-	12,66,39,576	10,73,85,958	5,79,37,079	
Previous Year	12,71,42,553	7,96,75,959	4,13,33,754	16,54,84,758	9,40,15,878	1,35,31,800	-	10,75,47,679	5,79,37,079		



A. TRENDS LIMITED

Notes to financial statements for the year ended 31 March 2024

10. Loans and advances (Unsecured, considered good)

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Loans and advances		
Long Term		
Prepaid expenses	17,949	2,49,725
TDS & Advance tax	3,65,35,407	1,48,87,740
GST input credit/ Service tax input	-	20,251
Total Long Term	3,65,53,356	1,51,57,716
Short Term		
Prepaid expenses	66,84,314	42,03,619
Accrued interest	51,76,228	20,75,995
TDS & Advance tax	15,28,455	15,34,480
Other receivables	20,58,725	10,77,710
Other advances	26,59,604	26,26,681
Total Short Term	1,81,07,326	1,15,18,485

11. Other non current assets

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Security deposit	13,34,375	15,34,375
Total	13,34,375	15,34,375

12. Cash and bank balance

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Cash and cash equivalents		
Cash on hand	2,278	4,537
Balances with banks:		
- On current accounts	4,72,99,252	3,26,99,186
- Deposits with original maturity of less than 3 months	2,00,73,432	4,86,93,322
Other bank balances:		
- Deposits with remaining maturity for less than 12 months	27,80,60,008	9,37,32,823
Total	34,54,34,970	17,51,29,868

13. Trade receivables

	31 March 2024 (Amount in Rs.)	31 March 2023 (Amount in Rs.)
Non-current		
Unsecured, considered bad & doubtful	42,50,798	14,85,954
Provision for doubtful debts and bad debts*	(30,26,623)	(9,63,300)
Total (A)	12,24,175	5,22,654
Current		
Unsecured, considered good	4,54,29,820	2,13,96,629
Total (B)	4,54,29,820	2,13,96,629
Total (A) + (B)	4,66,53,995	2,19,19,283

* Bad debts of Rs. NIL written off in FY 23-24 and Rs. NIL written off in FY 22-23

Trade Receivables ageing schedule

As at March 2024

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months -1 yr	1-2 years	2-3 yrs	more than 3 yrs	
Undisputed trade receivables, considered good	4,54,29,820	-	-	-	-	4,54,29,820
Undisputed trade receivables, considered doubtful	-	24,48,349	18,02,449	-	-	42,50,798
Disputed trade receivables, considered good	-	-	-	-	-	-
Disputed trade receivables, considered doubtful	-	-	-	-	-	-

As at March 2023

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months -1 yr	1-2 years	2-3 yrs	more than 3 yrs	
Undisputed trade receivables, considered good	2,13,96,629	-	-	-	-	2,13,96,629
Undisputed trade receivables, considered doubtful	-	9,98,984	4,86,970	-	-	14,85,954
Disputed trade receivables, considered good	-	-	-	-	-	-
Disputed trade receivables, considered doubtful	-	-	-	-	-	-



A. TREDS LIMITED

Notes to financial statements for the year ended 31 March 2024

14. Revenue from operations

	For the Year ended 31 March 2024 (Amount in Rs.)	For the Year ended 31 March 2023 (Amount in Rs.)
Onboarding charges	3,05,54,405	1,80,91,738
Transaction charges	51,76,06,146	29,89,67,060
Annual charges	94,624	1,00,994
Total	54,82,55,175	31,71,59,792

15. Other income

	For the Year ended 31 March 2024 (Amount in Rs)	For the Year ended 31 March 2023 (Amount in Rs.)
Interest income on bank deposits	1,10,01,248	47,08,098
Miscellaneous receipts	3,73,532	10,350
Interest on income tax refund	8,02,236	5,58,001
Total	1,21,77,016	52,76,449

16. Employee benefits expense

	For the Year ended 31 March 2024 (Amount in Rs)	For the Year ended 31 March 2023 (Amount in Rs.)
Salaries, wages and bonus	18,92,49,392	14,63,34,474
Contribution to provident funds	56,62,523	44,29,333
Staff welfare expenses & Training	4,37,200	1,77,242
Gratuity expenses (Note 22)	25,48,972	9,75,276
Compensated absences	15,61,813	(6,621)
ESOP expenses	1,40,97,168	65,75,838
Total	21,35,57,068	15,84,85,542

17. Other expense

	For the Year ended 31 March 2024 (Amount in Rs)	For the Year ended 31 March 2023 (Amount in Rs.)
Travelling and conveyance	1,18,95,181	84,52,843
Professional fees	2,11,01,092	1,88,30,107
Rent, rates and taxes	87,93,706	91,21,633
Business promotion	7,95,925	4,84,666
Software expenses	1,64,41,979	75,43,494
Information technology expense	6,59,24,652	1,84,85,801
Telephone expenses	27,17,060	23,13,575
Director fees	23,00,000	26,00,000
Transaction charges	72,59,693	42,18,283
Electricity expenses	23,25,986	18,93,441
Printing & Stationery	6,67,662	4,56,941
Provision for doubtful debts	20,36,706	7,38,137
Security services	11,53,702	10,86,440
Insurance expenses	2,18,440	2,28,105
Membership & subscription fees	77,750	1,06,647
House keeping charges	14,97,061	15,45,967
Auditor remuneration	24,32,192	22,88,429
Repair & maintenance	3,18,963	17,21,572
Misc expenses	17,17,342	9,38,082
Total	14,96,75,092	8,30,54,163

	For the Year ended 31 March 2024 (Amount in Rs)	For the Year ended 31 March 2023 (Amount in Rs.)
Audit Remuneration		
Audit fee	16,15,000	15,15,000
Limited review	7,35,000	7,35,000
Out of Pocket expenses	82,192	38,429
Total	24,32,192	22,88,429



A. Treds Limited

Notes forming part of the financial statements

18 Leases

Operating Lease:

The Company has entered into agreements in the nature of cancellable and non-cancellable lease / leave and license agreements with different lessors / licensors for the purpose of establishment of office premises and office equipments. These are generally in the nature of operating leases / leave and licenses. There are no assets given or taken on sub-lease.

Generally the lease term is for upto 9 years with the escalation clause of up to 15% for office premises for every 3 completed years. There are no restrictions imposed by lease arrangements.

Future minimum rentals payable for premises under operating leases are as follows:

Particulars	2023-24 (Amount in Rs)	2022-23 (Amount in Rs)
Minimum lease payments :		
Not later than one year	71,24,675	75,70,006
Later than one year but not later than five years	46,89,307	1,16,36,221
Later than five years	-	-
Lease charged for the year*	82,45,190	78,00,512

* Lease equalisation expenses included in Rent, rates and taxes (Note 17)

Future minimum rentals payable for office equipment under operating leases are as follows:

Particulars	2023-24 (Amount in Rs)	2022-23 (Amount in Rs)
Minimum lease payments :		
Not later than one year	2,78,400	1,55,525
Later than one year but not later than five years	2,56,412	-
Later than five years	-	-
Lease charged for the year	1,83,794	1,55,525

19 Earnings per share ('EPS')

Particulars	2023-24 (Amount in Rs)	2022-23 (Amount in Rs)
Net Profit / (loss) after tax	17,81,08,134	6,73,64,736
Net profit / (loss) for calculation of basic and diluted EPS	17,81,08,134	6,73,64,736
Weighted average number of equity shares in calculating basic EPS	4,50,00,000	4,50,00,000
Effect of dilution:		
Convertible preference shares	2,00,00,000	2,00,00,000
Weighted average number of equity shares in calculating diluted EPS	6,50,00,000	6,50,00,000
Basic earnings per share	3.96	1.50
Diluted earnings per share	2.74	1.04

20 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

Particulars	2023-24 (Amount in Rs)	2022-23 (Amount in Rs)
Principal amount due to micro and small enterprises	19,78,548	16,38,907
Interest due on above	-	-

The Company also has not received any claims against interest outstanding amount due to any vendor registered under Micro, Small and Medium Enterprises Development Act, 2006. The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act 2006 (Act) has been determined to the extent such parties have been identified on the basis of information available with the Company.

21 Estimated amount of contracts remaining to be executed on capital account and not provided for:

Particulars	2023-24 (Amount in Rs)	2022-23 (Amount in Rs)
Commitment for addition/acquisition of software	2,83,87,019	2,13,93,149
Commitment for acquisition of other capital asset	47,000	4,30,150



A. Treeds Limited

Notes forming part of the financial statements

22 Gratuity and other post employment benefit plan

Liability for Gratuity and compensated leave absence has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) as prescribed by Companies (Accounting Standards) Rules, 2006, the details of which are as under:

I Gratuity

A. Statement of profit and loss

Net employee benefit expense recognized in the employee cost

(Amount in Rs.)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	31 March 2024	31 March 2023
Interest cost	4,90,501	4,36,402
Current service cost	15,19,067	13,73,656
Expected return on plan assets	(10,758)	-
Actuarial (gain)/ loss on obligations	5,50,162	(6,83,721)
Net gratuity cost	25,48,972	11,26,337
Actual return on plan asset	(85,655)	(52,474)

B. Balance Sheet

Benefit asset/liability

(Amount in Rs.)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	31 March 2024	31 March 2023
Present value of funded obligation	71,65,092	54,28,698
Fair value of plan assets	(60,479)	(3,73,058)
Plan (asset)/liability	71,04,613	50,55,640

C. Change in present value of defined benefit obligation

(Amount in Rs.)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Present value of the obligation as at the beginning of the year	54,28,698	51,65,026
Interest cost	4,90,501	4,36,402
Current service cost	15,19,067	13,73,656
Benefit paid	(7,26,924)	(8,10,190)
Liabilities assumed on acquisition/ (settled on divestiture)	-	-
Actuarial (gain)/ loss on obligations	4,53,749	(7,36,195)
Present value of the obligation as at the end of the year	71,65,092	54,28,698

D. Change in fair value of plan assets

(Amount in Rs.)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	For the Year ended 31 March 2024	For the Year ended 31 March 2023
Opening fair value of plan asset	3,73,058	64,642
Expected return on plan assets	10,758	-
Actuarial (gain)/losses	(96,413)	(52,474)
Contributions by employer	5,00,000	11,71,080
Asset acquired on acquisition/(distributed on divestiture)	-	-
Benefits Paid	(7,26,924)	(8,10,190)
Closing fair value of plan asset	60,479	3,73,058
Expected employer contribution next year	8,43,543	2,00,000



E. Experience adjustments

Particulars	(Amount in Rs.)		
	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Funded)
	For the Year ended 31 March 2022	For the Year ended 31 March 2023	For the Year ended 31 March 2024
Defined benefit obligation	51,65,026	54,28,698	71,65,092
Plan assets	64,642	3,73,058	60,479
Surplus/(deficit)	(51,00,384)	(50,55,640)	(71,04,613)
Exp. Adj. on plan liabilities	(1,13,736)	(5,07,473)	3,64,782
Exp. Adj. on plan assets	(64,384)	(52,474)	(96,413)

The principal assumptions used in determining obligations for the Company's plans are shown below:

Assumptions	(Amount in Rs.)	
	Gratuity (Funded)	Gratuity (Funded)
	31 March 2024	31 March 2023
Discount rate	7.25% p.a	7.40% p.a
Increase in compensation cost	10.00%p.a.	10.00%p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	24.00%
31 to 44 (age in years)	14.00%	14.00%
45 to 59 (age in years)	8.00%	8.00%

II Compensated absences

Particulars	(Amount in Rs.)	
	31 March 2024	31 March 2023
	Present value of obligations	51,91,071
Expense recognised in the Statement of Profit and Loss	15,61,813	(6,621)
Discount Rate (p.a.)	7.25% p.a	7.40% p.a
Increase in compensation cost	10.00%p.a.	10.00%p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	24.00%
31 to 44 (age in years)	14.00%	14.00%
45 to 59 (age in years)	8.00%	8.00%



A.TREDS LIMITED

Notes forming part of the financial statements

23 Related Party Disclosure

The related parties of the Company are broadly classified as:

Holding Company	Axis Bank Limited ('ABL')
Key Management Personnel	Mr. Prakash Sankaran (Managing Director & Chief Executive Officer) (MD & CEO) Mr. Saurabh Jain (Chief Financial Officer) ('CFO') (from June 27, 2023) Mr. Vijay Dube (Chief Financial Officer) ('CFO') (till Dec 16, 2022) Ms. Meenakshi Agarwal (Company Secretary) ('CS')
Fellow Subsidiaries	Axis Capital Limited ('ACL') Axis Asset Management Company Limited ('AAMC') Axis Mutual Fund Trustee Limited ('AMFT') Axis Trustee Services Limited ('ATSL') Axis Bank UK Limited ('ABUKL') Axis Finance Limited ('AFL') Axis Securites Limited ('ASL') Freecharge Payment Technologies Private Limited ('FPTPL')
Subsidiaries of fellow subsidiaries companies	Axis Capital USA LLC (subsidiary of Axis Capital Limited) Axis Pension Fund Management Limited (subsidiary of Axis Asset Management Company Limited)
Investing Company	Mjunction Services Limited ('MSL')

The details of transactions and balances payable to/receivable of the Company with its related parties for the year ended 31 March, 2024 are given below:

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Investing Company	Fellow Subsidiaries	Grand Total
Transactions during the year ended 31 March 2024					
Assets					
Proceeds from fixed deposit	13,35,93,593 (50,28,849)	-	-	-	13,35,93,593 (50,28,849)
Income					
Interest on fixed deposit	1,10,01,248 (47,08,098)	-	-	-	1,10,01,248 (47,08,098)
Income from transaction charges	61,32,219 (1,23,90,242)	-	-	-	61,32,219 (1,23,90,242)
Expenses					
Reimbursement for expenses by the company	1,20,33,167 (1,11,25,268)	-	-	-	1,20,33,167 (1,11,25,268)
Reimbursement for expenses to the company	-	-	5,65,000 (5,50,000)	-	5,65,000 (5,50,000)
Reimbursement for expenses (Deputation cost of MD & CEO)	1,81,31,949 (1,46,82,604)	4,49,001 (2,80,744)	-	-	1,85,80,950 (1,49,63,348)
Reimbursement for expenses (Deputation cost other employee)	1,64,36,521 (1,75,72,660)	-	-	-	1,64,36,521 (1,75,72,660)
ESOP expense	1,40,97,169 (65,75,876)	-	-	-	1,40,97,169 (65,75,876)
Salary (CFO)	-	48,46,660 (38,77,039)	-	-	48,46,660 (38,77,039)
Salary (CS)	-	14,97,839 (10,74,572)	-	-	14,97,839 (10,74,572)
Outstanding balance as at 31 March 2024					
Other Payable	1,09,54,306 (55,67,906)	-	-	-	1,09,54,306 (55,67,906)
Other Receivable	-	-	5,65,000 (5,50,000)	-	5,65,000 (5,50,000)
Balances with banks in current account	4,72,99,252 (3,26,99,186)	-	-	-	4,72,99,252 (3,26,99,186)
Fixed deposit (incl. accrued interest)	30,33,09,668 (14,24,26,145)	-	-	-	30,33,09,668 (14,24,26,145)

Notes

- 1) Related party relationships have been identified by the management and relied upon by the auditors.
- 2) There are no transaction during the period with fellow subsidiaries.
- 3) Brackets indicate figures of previous period.
- 4) The remuneration to Key Managerial Persons does not include the provisions made for retirement benefits, as they are made on actuarial basis for the company as a whole.



A.TREDS LIMITED

Notes forming part of the financial statements

24 During the year, the holding company has issued stock options to certain employees on deputation and on payroll of the Company. Annual charge towards the stock options amounting to Rs. 1,40,97,169 (PY - Rs. 65,75,876), has been accounted as an expense in books of company and is payable to holding company.

25 Ratios

Particulars	Numerator	Denominator	31-03-2024	31-03-2023	% Change	Reason for Variance
a. Current ratio	Current Assets	Current Liabilities	2.08	1.99	4%	-
b. Trade receivable turnover ratio	Net sales	Average trade receivables	15.11	17.91	-19%	-
c. Return on equity ratio	Net profit after tax	Average Shareholder's equity	0.40	0.15	62%	Ratio improved as the company have increased profit during the year
d. Net capital turnover ratio	Net sales	Working capital	2.59	3.07	-19%	-
e. Net profit ratio	Net profit	Net sales	0.32	0.21	35%	Ratio improved as revenue from operations has grown more than 73%.
f. Return on capital employed ratio	Earnings before interest & tax	Capital employed	0.51	0.40	22%	-

NCCRPS Preference shares is included while calculating Return on Equity

Debt equity ratio, Debt service coverage ratio, return on equity ratio, inventory turnover ratio are not applicable to the Company

26 Intangibles under development ageing schedule

As at 31 March 2024

Intangibles under development	Amount in Intangibles under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	1,59,94,552	-	-	-	1,59,94,552
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2023

Intangibles under development	Amount in Intangibles under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	50,14,409	-	-	-	50,14,409
Projects temporarily suspended	-	-	-	-	-

27 Accounting Software

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. The audit trail feature is not enabled at the database level insofar as it relates to SUN accounting software. Further, there was no use of this functionality during the year and no instance of audit trail feature being tampered with was noted in respect of other software.

28 Revaluation of plant, property & equipment and intangible assets

The Company has not revalued its plant, property & equipment and intangible assets in current year and previous year.

29 Corporate Social Responsibility

The Company meets the applicability threshold as per Section 135 of the Companies Act, 2013 and hence CSR is applicable at current financial year. However, pursuant to the provisions of Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the MCA clarifications, the Company is not required to constitute the CSR Committee as there is no amount required to be spent by the company on CSR during the year in terms of Section 135(5) of the Companies Act, 2013.

30 Details of Benami Property held

There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder, as at end of current year or previous year.

31 Borrowings from bank and financial institutions

The Company has not taken any borrowing from banks or financial institutions on the basis of security of current assets, during current year and previous year.

32 Willful Defaulter

The Company is not declared as willful defaulter by any bank or financial institution or other lender, during current year and previous year.

33 Relationship with Struck off Companies

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, during current year and previous year.

34 Compliance with number of layer of companies

Since the Company does not have any subsidiary, the provision of section 2 clause 87 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company.

35 Undisclosed Income

The Company has not have any unrecorded transaction in the books of accounts that has been surrendered or disclosed as income during the current year and previous year, in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

36 Utilisation of borrowed funds and share premium

(A) Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

(B) Company has not received any funds from any persons or entities, including foreign entities (Intermediaries) or provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;

37 Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current and previous financial year.



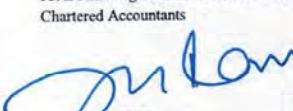
A.TREDS LIMITED

Notes forming part of the financial statements

38 Previous year figures

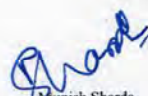
Previous year figures have been regrouped/reclassified wherever necessary, to confirm to the current year's classification.

For S. R. Batliboi & Co. LLP
ICAI Firm Registration No.: 301003E/E300005
Chartered Accountants


per Meendra H. Ranawat
Partner
Membership No. :- 103380
Place : Mumbai
Date : 12 April, 2024

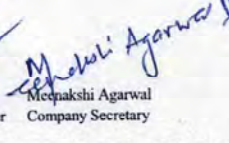


For and on behalf of the Board of Directors


Munish Sharda
Director
DIN No: 06796060


Prakash Sankaran
Managing Director & CEO
DIN: 08581871


Saurabh Jha
Chief Financial Officer


Meenakshi Agarwal
Company Secretary

