

A.TREDS LIMITED

DIRECTORS' REPORT

DEAR MEMBERS

The Board of Directors have the pleasure of presenting the 4th 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 2020.

FINANCIAL PERFORMANCE:

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

Particulars	(Amount in Rs.)	
	2019-20	2018-19
Income from Operation (A)	6,22,47,773	3,25,86,185
Other Income (B)	44,85,061	81,07,482
Total Income (A+B)	6,67,32,834	4,06,93,667
Operating Expenses	19,05,80,239	18,66,30,931
Profit/(Loss) before Depreciation , provisions for tax	(12,38,47,405)	(14,59,37,264)
Depreciation	1,89,88,585	1,29,51,275
Provision for Tax	-	-
Profit / (Loss) After Tax	(14,28,35,990)	(15,88,88,539)
Appropriations	-	-
Balance carried to Balance Sheet	(14,28,35,990)	(15,88,88,539)

Business Overview and Future Outlook

Invoicemart became the first TReDS Platform to cross **USD 1 billion** in business volume, in Mar'20. The platform has scaled exponentially with participation from more than **4517 MSME sellers, 591 buyers, 37 financiers;** and has successfully processed discounting of **488,172 MSME invoices**. The company continues to maintain its **leadership position** amongst the TReDS exchanges with over **7481 crores** worth of invoices discounted on the platform. It has successfully on-boarded over 5000 participants, which shows the growing adoption of TReDS model amongst MSMEs.

During FY'20, Invoicemart recorded an income from operations, INR 62,247,773 compared to INR 32,586,185 in FY'19; with nil delinquency. This growth is largely attributed to increase in transaction revenues. Net loss after tax in FY '20 reduced to INR 142,835,990 compared to INR 158,888,539 in FY'19.

The company is now ISO 27001 certified, and it will continue to invest in cutting edge technology to strengthen its processes and controls, drive financial inclusion and enable better access to credit for MSMEs on the platform. While the various industry reports have shown a reduction in credit availability to MSMEs, TReDS has beaten the trend to become an enabler in providing working capital finance to the MSMEs.

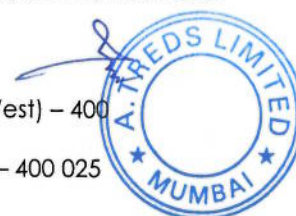
The Government of India and RBI have announced a series of relief packages to combat the economic impact of coronavirus pandemic and stimulate the economy. We expect further government/regulatory relief packages directed towards MSMEs including the role of TReDS which should lead to similar market growth as in the previous year.

DIVIDEND:

Your Directors have not recommended payment of any dividend on equity shares, for the financial year ended as on 31st March, 2020.

Corporate Office: 11th Floor, Ashar IT Park, Road No. 16Z, Wagle Industrial Estate, Thane (West) – 400 604. Telephone No. 022-62357300 Website: www.invoicemart.com

Registered Office: Axis House, C-2, Wadia International Centre, P B Marg, Worli, Mumbai – 400 025
Telephone No.022-24252525, CIN-U74999MH2016PLC281452



A.TREDS LIMITED

TRANSFER TO GENERAL RESERVE:

During the financial year under review, the Company did not transfer any amount to General Reserves.

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 2019-20 of the Company to which the Financial Statements relate and the date of this Report.

ANNUAL RETURN:

The Annual Return as provided under sub- section (3) of Section 92 of the Act in Form - MGT 9 is uploaded on the Company's website www.invoicemart.com under the heading "Disclosure" and also forms a part of this Report as **Annexure B**.

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, 2020.

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 2019-20, 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, on a continuing basis.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

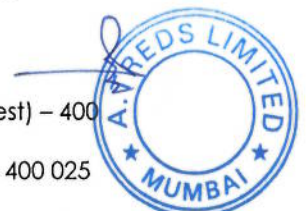
The provisions of the Companies Act 2013 relating to Corporate Social Responsibility are not applicable to your company as yet.

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.

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WHISTLEBLOWER POLICY:

The company has formulated a Whistleblower Policy to ensure highest degree of transparency, integrity, accountability.

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

The Company is committed to provide a safe and conducive work environment to its employees. 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:

The Cost Audit was not applicable to the Company during the year under review.

BOARD OF DIRECTORS:

During the year under review, Shri Kalyan Basu (DIN: 07531472), Managing Director & CEO and Shri Jairam Sridharan (DIN: 05165390), Director of the Company have resigned from the Board of Directors of the Company with effect from close of business hours on 13th September, 2019 and 5th March, 2020 respectively. The Board of Directors placed on record their warm appreciation for valuable contribution made by the outgoing Directors.

During the year under review, the Company has appointed Shri Prakash Sankaran (DIN: 08581871) as Managing Director & CEO of the Company with effect from 12th November, 2019 for a period of three years.

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

In accordance with the provisions of the Companies Act, 2013 and the relevant rules made thereunder, Shri Pankaj Mittal (DIN 07975601) and Shri Rajiv Anand (DIN 02541753) retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Directors of the Company.

DECLARATION OF INDEPENDENCE:

All 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 Vijay Dube, Chief Financial Officer and Smt Ruchi Sathe, Company Secretary are the Key Managerial Personnel of the Company, as defined in Section 2(51) of the Companies Act, 2013.

Smt Rashmi Chandsarkar ceased to be the Chief Financial Officer of the Company with effect from the close of business hours on 23rd August, 2019 owing to her resignation. Shri Vijay Dube was appointed as the Chief Financial Officer of the Company with effect from 11th November, 2019.

During the year, no other changes took place in the composition of the Key Managerial Personnel of the Company.

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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	5
2	Audit Committee Meeting	4
3	Nomination & Remuneration Committee Meeting	2
4	Risk Management Committee Meeting	1
5	Meeting of Independent Directors	1
6	General Meeting (including Extra – Ordinary General Meeting)	2

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 2019-20, the Board met five (5) times on 15th April, 2019, 10th July, 2019, 10th October, 2019, 11th November, 2019 and 14th January, 2020.

Name of the Director	Date and attendance of the meeting					% of attendance
	15.04.2019	10.07.2019	10.10.2019	11.11.2019	14.01.2020	
Shri Rajiv Anand	Present	Present	Present	Present	Present	100%
Shri Rakesh Makhija	Present	Present	Present	Present	Present	100%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	Present	100%
Shri Himadri Chatterjee	Present	Present	Present	LOA	Present	80%
Shri Jairam Sridharan	Present	Present	Present	Present	LOA	80%
Shri Kalyan Basu (Resigned w.e.f 13 th September, 2019)	Present	Present	-	-	-	100%
Shri Vinaya Varma	Present	Present	Present	Present	Present	100%
Shri Pankaj Mittal	Present	Present	Present	Present	Present	100%
Shri Prakash Sankaran (Appointed w.e.f 12 th November, 2020)	-	-	-	-	Present	100%

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.

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AUDIT COMMITTEE:

The Audit Committee comprises of three (3) members, of which two (2) are Independent Directors. During the financial year 2019-20, the Committee held four (4) meetings on 15th April, 2019, 10th July, 2019, 10th October, 2018 and 14th January, 2020.

Name of the Director	Date and attendance of the meeting				% of attendance
	15.04.2019	10.07.2019	10.10.2019	14.01.2020	
Shri Rakesh Makhija	Present	Present	Present	Present	100%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	100%
Shri Jairam Sridharan	Present	Present	Present	Present	100%

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of Four (4) members, of which two (2) are Independent Directors. During the financial year 2019-20, the Committee held two (2) meetings on 15th April, 2019 and 11th November, 2019.

Name of the Director	Date and attendance of the meeting		% of attendance
	15.04.2019	11.11.2019	
Shri Dipak Kumar Banerjee	Present	Present	100%
Shri Rakesh Makhija	Present	Present	100%
Shri Himadri Chatterjee	Present	LOA	50%
Shri Vinaya Varma	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 2019-20, the Committee held one (1) meeting on 10th July, 2019:

Name of the Director	Date and attendance of the meeting	% of attendance
	20.07.2018	
Shri Rakesh Makhija	Present	100%
Shri Dipak Kumar Banerjee	Present	100%
Shri Himadri Chatterjee	Present	100%
Shri Jairam Sridharan	Present	100%



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BOARD EVALUATION:

Evaluation of performance of all Directors is undertaken annually. Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, the Board has carried out an annual performance evaluation of its own performance and that of its committees and individual Directors.

The Board adopted a formal evaluation mechanism for evaluating its performance as well as that of its Committees and individual Directors which includes the Chairman of the Board. 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 Chairman 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.

CAPITAL:

During the year under review the Authorised Capital of Rs. 50,00,00,000/- (Rupees Fifty Crore only) comprising of 3,00,00,000 (Three Crore) Equity Shares of Rs. 10/- (Rupees Ten each only) and 2,00,00,000 (Two Crore) – 9.69% Non-cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each (Rupees Ten each only) was increased to Rs. 70,00,00,000/- (Rupees Seventy Crore only) comprising of Rs. 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten each only) and 2,00,00,000 (Two Crore) 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten each only).

The Company allotted 1,00,00,000 (One Crore) Equity Shares of Rs. 10/- (Rupees Ten each only) aggregating to Rs . 10,00,00,000/- (Rupees Ten Crore only) on Rights Basis to the existing Equity Shareholders of the Company on 13th February, 2020.

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.

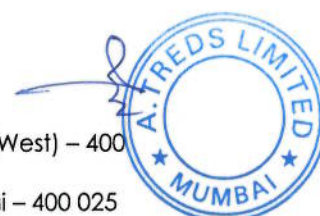
During the year under review, the Company has not earned any foreign exchange. The foreign exchange outgo during the year amounted to Rs. NIL

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186:

Information as per Section 134(3)(g) of the Companies Act, 2013 relating to the particulars of loans, guarantees or investment under Section 186 is not applicable to the company as it has not made any Loans, Guarantees or Investments covered under Section 186 of the Act.

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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.

All Related Party Transactions are placed before the Audit Committee/Board of Directors for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into 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.

None of the Directors has 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:

The statement containing particulars of employees required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

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.

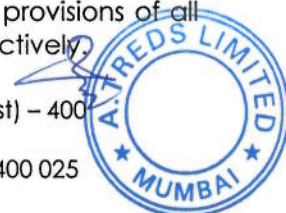
DIRECTORS RESPONSIBILITY STATEMENT:

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.

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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.

COMPLIANCES:

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.

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 had 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 6th Annual General Meeting.

INTERNAL CUM CONCURRENT AUDITORS:

The Company had appointed M/s. Batliboi & Purohit, Chartered Accountants, Mumbai (10148W) 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 Report has been annexed to this Report.

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 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


Rajiv Anand
Chairman (DIN: 02541753)


Prakash Sankaran
Managing Director & CEO (DIN: 08581871)



Place: Mumbai
Date: 24th April, 2020

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ANNEXURE- A

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



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			2. Operating Income (Transaction fees & Onboarding fees) 3. Reimbursement of Expenses (Deputation Cost, Rent, Software Expenses (RAC charges), Preliminary Expenses, 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


Rajiv Anand
Chairman (DIN: 02541753)


Prakash Sankaran
Managing Director & CEO (DIN: 08581871)



Place: Mumbai

Date: 24th April, 2020

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Annexure B
Form No. MGT- 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN	:	U74999MH2016PLC281452
ii.	Registration Date	:	23 rd May 2016
iii.	Name of the Company	:	A.TREDS Limited
iv.	Category / Sub-Category of the Company	:	Public Unlisted Company
v.	Address of the Registered office and contact details	:	Axis House, C-2, Wadia International Centre, P. B. Marg, Worli, Mumbai – 400 025, Maharashtra, India. Telephone No - 022 24251840 Email id – ruchi.sathe@invoicemart.com
vi.	Whether listed company	:	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500032 Telephone No – 040-6716 1603 Email id – unlservices@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

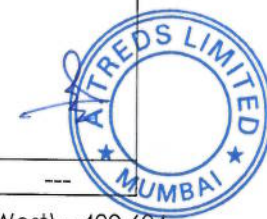
Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Setting up and operating of Trade Receivable Discounting System under Payment and Settlements Systems Act, 2007.	67110 – Activities Auxiliary to Financial intermediation	Nil

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	%of shares held	Applicable Section
1.	*Axis Bank Limited Trishul, 3 rd Floor, Opp Samartheshwar Temple, Law Garden Ellisbridge, Ahmedabad – 380006	L65110GJ1993PLC020769	Holding	67.00 %	2(46)
2.	Axis Capital Limited	U51900MH2005PLC157853	Group	NIL	---

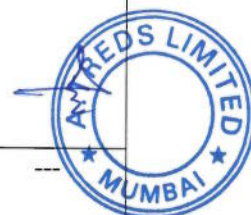
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	Axis House, 8th floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025		Company		
3.	Axis Finance Limited Axis House, Ground floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65921MH1995PLC212675	Group Company	NIL	---
4.	Axis Asset Management Company Limited Axis House, 1 st floor, C-2, Wadia International centre, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U65991MH2009PLC189558	Group Company	NIL	---
5.	Axis Private Equity Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U66020MH2006PLC165039	Group Company	NIL	---
6.	Axis Mutual Fund Trustee Limited Axis House, 1st floor, C-2, Wadia International centre, Pandurang Budhkar Marg, Worli, Mumbai – 400025	U66020MH2009PLC189325	Group Company	NIL	---
7.	Axis Trustee Services Limited Axis House, 2 nd Floor, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025	U74999MH2008PLC182264	Group Company	NIL	---
8.	Axis Securities Limited Axis House, 8 th Floor, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai – 400 025	U74992MH2006PLC163204	Group Company	NIL	---
9.	Axis Bank U.K. Limited 4 Chiswell Street, First	7554558	Group Company	NIL	---



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Telephone No. 022-62357300 Website: www.invoicemart.com

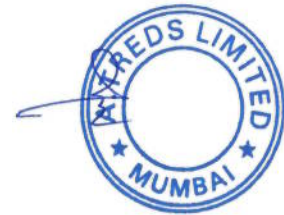
Registered Office: Axis House, C-2, Wadia International Centre, P B Marg, Worli, Mumbai – 400 025

Telephone No.022-24252525, CIN-U74999MH2016PLC281452

A.TREDS LIMITED

	Floor, London, England, EC1Y 4UP				
10.	Freecharge Payment Technologies Private Limited 2nd Floor, Red Fort Capital Parsvnath Tower, Bhai Veer Singh Marg, Near Gole Market New Delhi, Central Delhi, DL 110001	U74140DL2015PTC275419	Group Company	NIL	---
11.	Accelyst Solutions Private Limited 1st Floor, Corporate Park - 2, Sion-Trombay Road, Near Swastik Chambers, Chembur, Mumbai - 400071	U72900MH2008PTC185202	Group Company	NIL	---
12.	Axis Capital USA, LLC 1675 South State Street, Suite B, Dover, County of Kent, Delaware 19901	-	Group Company	NIL	---

*Including 60 shares held by individuals as Nominee of Axis Bank Limited. (Beneficial Ownership is with Axis Bank Limited).



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A.TREDS LIMITED

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category - wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
g) Individual/ HUF	60		60	0.00024%	60		60	0.00017%	0.00007
h) Central Govt									
i) State Govt(s)									
j) Bodies Corp.									
k) Banks / FI	1,67,49,940		1,67,49,940	66.99976%	2,34,49,940		2,34,49,940	66.99983%	0.00007
l) Any Other...									
Sub-total (A) (1):-	1,67,50,000	---	1,67,50,000	67%	2,34,49,940	---	2,34,49,940	67%	NIL
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	1,67,50,000	---	1,67,50,000	67%	2,34,50,000	---	2,34,50,000	67%	NIL
B. Public Shareholding									
1. Institutions									

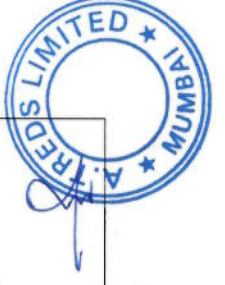


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A.TREDS LIMITED

ii. Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Axis Bank Limited	1,67,49,940	66.99976 %	---	2,34,49,940	66.99983 %	---	0.00007%
2.	Shri Rajesh Kumar Dahiya (Nominee of Axis Bank Limited)	10	0.00004%	---	10	0.00003%	---	0.00001%
3.	Shri Bimal Bhattacharya (Nominee of Axis Bank Limited)	10	0.00004%	---	---	---	---	0.00004%
4.	Shri Jitendra Pratap Singh (Nominee of Axis Bank Limited)	10	0.00004%	---	---	---	---	0.00004%
5.	Shri Kalyan Basu (Nominee of Axis Bank Limited)	10	0.00004%	---	---	---	---	0.00004%
6.	Shri Cyril Anand (Nominee of Axis Bank Limited)	10	0.00004%	---	---	---	---	0.00004%
7.	Shri Jairam Sridharan (Nominee of Axis Bank Limited)	10	0.00004%	---	---	---	---	0.00004%



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A.TREDS LIMITED

	Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
8.	Shri Himadri Chatterjee (Nominee of Axis Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
9.	Shri Rajiv Anand (Nominee of Axis Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
10.	Shri Rudrapriyo Ray (Nominee of Axis Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
11.	Shri Pralay Mondal (Nominee of Axis Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
12.	Shri Ravi Narayanan (Nominee of Axis Bank Limited)	---	---	---	10	0.00003%	---	0.00003%
	Total	1,67,50,000	67 %	---	2,34,50,000	67 %	---	---

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

Sr. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of The year	1,67,50,000	67%	1,67,50,000	67%
	Datewise Increase /	67,00,000	67%	2,34,50,000	67%



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A.TREDS LIMITED

Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(Allotment of Equity Shares on Rights Basis on 13 th February, 2020)		
At the End of the year	2,34,50,000	67%	2,34,50,000 67%

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
	At the beginning of The year	82,50,000 (mjunction services limited)	33%	82,50,000	33%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	33,00,000 (Allotment of Equity Shares on Rights Basis on 13 th February, 2020)	33%	1,15,50,000	33%



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A.TREDS LIMITED

At the End of the year (or on the date of separation, if separated during the year)	1,15,50,000	33%	1,15,50,000	33%
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v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the Company	No. of shares	%of total shares of the Company
	At the beginning of The year	10 (Shri Kalyan Basu) 10 (Shri Jairam Sridharan)	0.00008%	20	0.00006%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	10 shares transferred to Shri Himadri Chatterjee on 22 nd May, 2019 10 shares held by Shri Kalyan Basu transferred to Shri Rajiv Anand) on 10 th June, 2019 10 shares held by Shri Jairam Sridharan	0.00008%	20	0.00006%



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	transferred on 2 nd March, 2020			
At the End of the year	20	0.00008%	20	0.00006%



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A.TREDS LIMITED

PREFERENCE SHARE CAPITAL (9.69% Non-Cumulative Compulsorily Convertible Preference Shares)

i. Category - wise Share Holding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
g) Individual/ HUF	---	---	---	---	---	---	---	---	---
h) Central Govt	---	---	---	---	---	---	---	---	---
i) State Govt(s)	---	---	---	---	---	---	---	---	---
j) Bodies Corp.	---	---	---	---	---	---	---	---	---
k) Banks / FI	1,34,00,000	---	1,34,00,000	67%	1,34,00,000	---	1,34,00,000	67%	---
l) Any Other...	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	1,34,00,000	---	1,34,00,000	67%	1,34,00,000	---	1,34,00,000	67%	---
(2) Foreign									
a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
b) Other - Individuals	---	---	---	---	---	---	---	---	---
c) Bodies Corp.	---	---	---	---	---	---	---	---	---
d) Banks / FI	---	---	---	---	---	---	---	---	---
e) Any Other....	---	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	---	---	---	---	---	---	---	---	---
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	1,34,00,000	---	1,34,00,000	67%	1,34,00,000	---	1,34,00,000	67%	---
B. Public Shareholding									
2. Institutions									



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A.TREDS LIMITED

ii. Share Holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Axis Bank Limited	1,34,00,000	67 %	---	1,34,00,000	67 %	---	67%
	Total	1,34,00,000	67 %	---	1,34,00,000	67 %	---	67%

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

Sr. No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	At the beginning of The year	1,34,00,000	67%	1,34,00,000	67%
	Datewise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	--	--	--	--
	At the End of the year	1,34,00,000	67%	1,34,00,000	67%



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A.TREDS LIMITED

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of The year	66,00,000	33%	66,00,000	33%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	--	--	--	--
	At the End of the year (or on the date of separation, if separated during the year)	66,00,000	33%	66,00,000	33%



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A.TREDS LIMITED

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of The year	---	---	---	---
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	---	---	---	---
	At the End of the year	---	---	---	---



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A.TREDS LIMITED

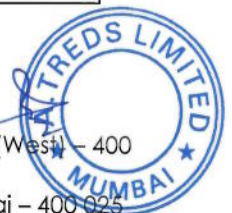
V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. no.	Particulars of Remuneration	Shri Kalyan Basu, Managing Director & CEO (Upto 13 th September, 2019)	Shri Prakash Sankaran, Managing Director & CEO (With effect from 12 th November, 2019)	Total Amount
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,64,478	37,19,334	76,83,812
	Stock Option	-		-
	Sweat Equity	-		-
	Commission - as %of profit - others, specify...	-		-
	Others, please specify – (Variable Pay paid in FY 2019-20)	9,44,000	-	-
	Total (A)	49,08,478	37,19,334	86,27,812

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Shri Rakesh Makhija	Shri Dipak Kumar Banerjee	
1.	Independent Directors Fee for attending board/ committee meetings	6,00,000	6,00,000	12,00,000
	Total (1)			
2.	5 Other Non-Executive Directors	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	6,00,000	6,00,000	12,00,000



A.TREDS LIMITED

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl.no.	Particulars of Remuneration	Key Managerial Personnel			
		Smt Ruchi Sathe, Company Secretary	Smt. Rashmi Chandsarkar, Chief Financial Officer (Upto 23 rd August, 2019)	Shri Vijay Dube, Chief Financial Officer (With effect from 11 th Novemebr, 2019)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,36,250	13,53,057	16,69,126	42,58,433
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	-	-	-	-
5	Others (Variable pay paid in FY 2019-20)	1,49,589	6,50,000	-	-
	Total	13,85,589	20,03,057	16,69,126	50,58,022

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

For A.TREDS Limited

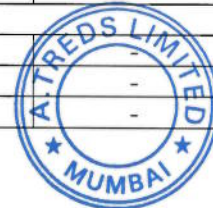

Rajiv Anand
Chairman (DIN: 02541753)
Place: Mumbai

Date: 24th April, 2020

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Prakash Sankaran
Managing Director & CEO (DIN: 08581871)



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration 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.

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, and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year **ended on 31st March, 2020**, 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, 2020** 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. The Company has complied with the provision of the Acts to best of our information and explanation given to us by 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 Act, 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;
4. 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 Third Annual General Meeting of the Company held on 10th July, 2019, for below mentioned Resolutions:
 - a. Appointment of Mr. Rajiv Anand (DIN 02541753) as Non-Executive Director of the Company.



- b. Approval of Remuneration of Managing Director and CEO for the period 1st April, 2019 up to 30th November, 2019.
2. Resolutions passed in Fifth Extra Ordinary General Meeting of the Company held on 10th October, 2019, for below mentioned Resolutions
- a. Under Section 61 and 64 and other applicable sections of the Companies Act, 2013, to Increase the Authorised Share Capital to 70,00,00,000/- (Rupees Seventy crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- each and 2,00,00,000 – 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each.
3. Resolutions passed in Sixth Extra Ordinary General Meeting of the Company held on 11th November, 2019, for below mentioned Resolutions
- a. Appointment of Mr. Prakash Sankaran (DIN 08581871) as Director of the Company.
- b. Approval of Appointment and Remuneration of Mr. Prakash Sankaran (DIN 08581871) as 'Managing Director and Chief Executive Officer' for the period 12th November, 2019 up to 11th November, 2022.

For Martinho Ferrao & Associates
Company Secretaries




F.C.S. No. 6221
C. P. No. 5676
UDIN: F006221B000290551

Place: Mumbai
Dated: 28th May 2020

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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



For Martinho Ferrao & Associates
Company Secretaries



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

UDIN: F006221B000290551

Place: Mumbai
Dated: 28th May 2020

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 2020, the Statement of Profit and Loss, the Cash Flow Statement and for the year then ended, and notes to the financial statements, including a summary of significant 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, 2020, its profit/loss its cash flows and 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 Annual report ("Directors' report"), but does not include the standalone 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.

A Tread Limited

Audit Report for the year ended 31 March 2020

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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.

Those charged with governance 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

S.R. BATLIBOI & Co. LLP

Chartered Accountants

A Tread Limited

Audit Report for the year ended 31 March 2020

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, 2016 ("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 that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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) In our opinion, the managerial remuneration for the year ended March 31, 2020 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;

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A Tread Limited

Audit Report for the year ended 31 March 2020

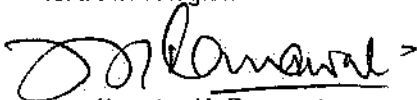
(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any 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.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner

Membership Number: 103380

UDIN: 20103380AAAAA08233

Place of Signature: Mumbai

Date: April 24, 2020

S.R. BATLIBOI & CO. LLP

Chartered Accountants

A Tread Limited

Audit Report for the year ended 31 March 2020

Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date.

Re: A. Treds Limited ('the Company')

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.
- (i)(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (i)(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanation given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, goods & services tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods & services tax 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 employees' state insurance, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.
- (vii)(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, goods and service tax, value added tax and cess which have not been deposited on account of any dispute. The provisions relating to duty of custom, duty of excise and employees' state insurance are not applicable to the Company.

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S.R. BATLIBOI & Co. LLP

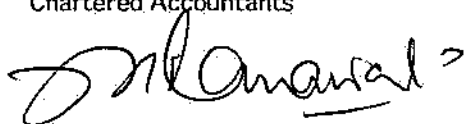
Chartered Accountants

A Tread Limited

Audit Report for the year ended 31 March 2020

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer/ further public offer/debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purposes of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanation given by the management, the managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 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.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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



per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place: Mumbai
Date: April 24, 2020

S.R. BATLIBOI & Co. LLP

Chartered Accountants

A Tread Limited

Audit Report for the year ended 31 March 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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 over financial reporting of A.Treds Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls over financial reporting with reference to these financial statements.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

A Tread Limited

Audit Report for the year ended 31 March 2020

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 control over financial reporting with reference to these 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

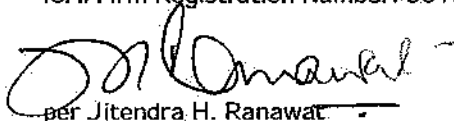
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



per Jitendra H. Ranawat
Partner
Membership Number: 103380
Place of Signature: Mumbai
Date: April 24, 2020

A. TREDS LIMITED
(A Joint Venture of Axis Bank Limited & Mjunction Services Limited)
FINANCIAL STATEMENT FOR THE PERIOD ENDED 31 MARCH 2020

A.TREDS LIMITED

Balance sheet as at 31 March 2020

Particulars	Notes	31 March 2020 (Amount in Rs.) (Audited)	31 March 2019 (Amount in Rs.) (Audited)
I. EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	55,00,00,000	45,00,00,000
Reserves and surplus	4	(38,71,00,677)	(24,42,64,687)
Non-current liabilities			
Long term provisions	5	40,79,597	20,40,761
Other non current liabilities	6	22,74,070	17,10,860
Current liabilities			
Trade payable	7		
-Total outstanding dues of micro enterprises and small enterprises		2,28,721	1,15,831
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,06,54,211	88,97,501
Other current liabilities	8	1,96,45,830	1,77,32,679
Short term provisions	5	97,26,916	69,98,768
Total		20,95,08,668	24,32,31,713
II. ASSETS			
Non-current assets			
Fixed assets	9		
Plant, property and equipments		1,78,19,953	2,27,89,937
Intangible assets		3,48,58,311	3,06,48,918
Capital work-in-progress		38,47,377	50,58,922
Long term loans and advances	10	3,67,68,492	30,48,873
Current assets			
Short term loans and advances	10	46,96,550	3,27,43,205
Cash and bank balances	11	10,47,15,360	14,85,99,310
Trade receivables	12	68,02,625	3,42,548
Total		20,95,08,668	24,32,31,713

Summary of significant accounting policies

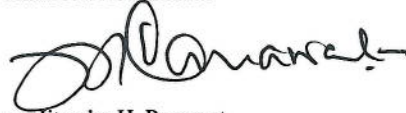
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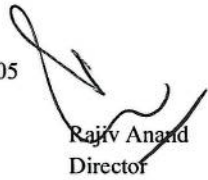
The accompanying notes are an integral part of these financial statements.

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. :- 103380


Rajiv Anand
Director
DIN No: 02541753


Prakash Sankaran
Managing Director & CEO
DIN: 08581871


Vijay Dube
Chief Financial Officer


Ruchi Sathe
Company Secretary

Place : Mumbai
Date : 24 April 2020



A. TREDS LIMITED

Statement of profit and loss for the period ended 31 March 2020

Particulars	Notes	For the Year ended 31 March 2020 (Amount in Rs) (Audited)	For the Year ended 31 March 2019 (Amount in Rs) (Audited)
Revenue from operations	13	6,22,47,773	3,25,86,185
Other income	14	44,85,061	81,07,482
Total revenue		6,67,32,834	4,06,93,667
Expenses:			
Employee benefit expense	15	13,10,48,914	12,43,77,768
Depreciation and amortization expense	9	1,89,88,585	1,29,51,275
Other expenses	16	5,95,31,325	6,22,53,163
Total expenses		20,95,68,824	19,95,82,206
Profit/(Loss) before tax		(14,28,35,990)	(15,88,88,539)
Tax expense:			
Current tax		-	-
Total Tax		-	-
Profit/(Loss) after tax		(14,28,35,990)	(15,88,88,539)
Earnings per equity share : Nominal value of share Rs.10/- (31 March 2019: Rs.10) annualized.			
Basic		(5.43)	(6.36)
Diluted		(3.08)	(4.75)

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. :- 103380

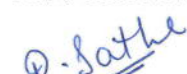

Rajiv Anand
Director

DIN No: 02541753



Vijay Dube
Chief Financial Officer


Prakash Sankaran
Managing Director & CEO
DIN: 08581871



Ruchi Sathe
Company Secretary
Membership No. ACS 33566

Place : Mumbai

Date : 24 April 2020



A.TREDS LIMITED
Cash flow statement for the year ended 31 March 2020

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
	(Amount in Rs.)	(Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before taxation	(14,28,35,990)	(15,88,88,539)
Adjustments for :		
Depreciation and amortization expenses	1,89,88,585	1,29,51,275
Loss on sale of asset	-	44,951
Lease equilization	5,63,210	8,54,213
Provision for Gratuity	11,29,303	7,39,646
Provision for Compensated absences	24,00,255	13,14,685
Interest on income tax refund	(1,28,826)	(91,032)
Interest income on fixed deposit	(43,52,261)	(80,14,350)
Operating Profit before working capital changes	(12,42,35,724)	(15,10,89,151)
Increase/ (Decrease) in Provisions	14,37,426	31,13,957
Increase/ (Decrease) in Other current liabilities	13,49,943	84,42,499
Increase/ (Decrease) in Other non current liabilities	5,63,210	8,54,213
(Increase)/ Decrease in Trade receivable	(64,60,077)	(3,42,548)
Increase/ (Decrease) in Trade payables	18,69,600	(37,38,895)
(Increase)/ Decrease in Non-current loans and advances	(3,39,19,620)	(17,14,498)
(Increase)/ Decrease in Current loan and advances	2,95,51,862	(1,66,00,222)
(Increase)/ Decrease in Other current assets	-	-
Cash generated from Operating activities	(12,98,43,380)	(16,10,74,645)
Direct taxed paid (net of refund)	(13,76,383)	(12,80,622)
Net cash used in Operating activities	(13,12,19,763)	(16,23,55,267)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1,70,16,448)	(1,48,04,453)
Interest received	43,52,261	80,14,350
Net cash used in Investing activities	(1,26,64,187)	(67,90,103)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	10,00,00,000	20,00,00,000
Net cash from/ (used in) Financing activities	10,00,00,000	20,00,00,000
Net (Decrease)/ Increase in cash and cash equivalents during the year	(4,38,83,950)	3,08,54,630
Cash and cash equivalents at the beginning of the year	14,85,99,310	11,77,44,680
Cash and cash equivalents at the end of the year	10,47,15,360	14,85,99,310

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019
	(Amount in Rs.)	(Amount in Rs.)
Cash in hand	2,977	9,191
Cheque in transit	-	-
Balances with banks:		
- On current accounts	46,94,260	38,99,784
- Deposits with original maturity of less than 3 months	6,00,18,123	5,07,96,362
- Deposits with original maturity of more than 3 months	4,00,00,000	9,38,93,973
Total	10,47,15,360	14,85,99,310



Notes

1 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 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

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. :- 103380
Place : Mumbai
Date : 24 April 2020



Rajiv Anand
Director
DIN No: 02541753



Prakash Sankaran
Managing Director & CEO
DIN: 08581871



Vijay Dube
Chief Financial Officer



Ruchi Sathe
Company Secretary
Membership No. ACS 33566



Notes forming part of the financial statements

1. Nature of operations and background

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 the Companies Act, 2013)
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

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any 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

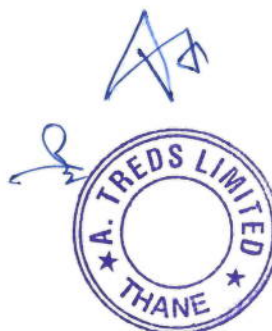
The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. 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 upto maximum of 50 days. Any accumulated leaves in excess of 50 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.

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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.

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A. TREDIS LIMITED

Notes to financial statements for the period ended 31 March 2020

3. Share capital

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Authorized share capital		
5,00,00,000 (31 March 2019 : 3,00,00,000) Equity Shares of Rs.10 each.	50,00,00,000	30,00,00,000
2,00,00,000 (31 March 2019 : 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 capital		
3,50,00,000 (31 March 2019: 2,50,00,000) Equity Shares of Rs. 10/- each	35,00,00,000	25,00,00,000
2,00,00,000 (31 March 2019 : 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	55,00,00,000	45,00,00,000

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

Equity shares & Preference shares

	31 March, 2020		31 March, 2019	
	Nos	(Amount in Rs.)	Nos	(Amount in Rs.)
At the beginning of the Year	4,50,00,000	45,00,00,000	2,50,00,000	25,00,00,000
Add: Issued during the Year	1,00,00,000	10,00,00,000	2,00,00,000	20,00,00,000
Outstanding at the end of the Year	5,50,00,000	55,00,00,000	4,50,00,000	45,00,00,000

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

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. The shares will be convertible at the option of the Company in the ratio will be 1:1

(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:

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Axis Bank Limited, the holding company and its nominees 2,34,50,000 (31 March 2019: 1,67,50,000 shares) equity shares of Rs.10/- each	23,45,00,000	16,75,00,000
Axis Bank Limited, the holding company 1,34,00,000 (31 March 2019 : 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, 2020		31 March, 2019	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees 2,34,50,000 (31 March 2019 : 1,67,50,000 shares) equity shares of Rs.10/- each	2,34,50,000	67%	1,67,50,000	67%
Mjunction Services Limited 1,15,50,000 (31 March 2019 : 82,50,000 shares) equity shares of Rs.10/- each	1,15,50,000	33%	82,50,000	33%
Axis Bank Limited, the holding company and its nominees 1,34,00,000 (31 March 2019 : 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 2019 : 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.

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A. TRED'S LIMITED

Notes to financial statements for the period ended 31 March 2020

4. Reserve & surplus

Profit & Loss Account

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Surplus/ (deficit) in the statement of profit and loss	(24,42,64,687)	(8,53,76,148)
Loss for the year	(14,28,35,990)	(15,88,88,539)
Net deficit in the statement of profit & loss	(38,71,00,677)	(24,42,64,687)
Total Reserves & surplus	(38,71,00,677)	(24,42,64,687)

5. Provisions

	31 March, 2020		31 March, 2019	
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Long term	Short term	Long term	Short term
Provision for bonus	-	93,83,000	-	63,50,000
Provision for gratuity	27,51,447	-	7,23,029	-
Provision for compensated absences	13,28,150	3,43,916	11,17,732	6,48,768
Total	40,79,597	97,26,916	18,40,761	69,98,768

6. Other non current liabilities

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Other non current liabilities	22,74,070	17,10,860
Total	22,74,070	17,10,860

7. Trade payable

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Total outstanding dues of micro enterprises and small enterprises (refer note 20 for details of dues to micro and small enterprises)	2,28,721	1,15,831
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,06,54,211	88,97,501
Total	1,08,82,932	90,13,332

8. Other current liabilities

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Due to holding company- 'Axis Bank Limited'	64,40,804	1,02,04,259
Due to others	1,73,461	1,77,798
Statutory dues	20,38,943	8,79,732
Unearned revenue	1,09,64,000	64,70,890
Other current liabilities	28,622	-
Total	1,96,45,830	1,77,32,679

10. Loans and advances (Unsecured, considered good)

	31 March, 2020		31 March, 2019	
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Long Term	Short Term	Long Term	Short Term
Security deposit				
-Unsecured, considered good	13,34,375	-	13,34,375	-
A	13,34,375	-	13,34,375	-
Other loans and advances				
Prepaid expenses	89,481	20,89,808	1,55,577.00	23,41,009
Accrued interest	-	6,37,012	-	23,61,051
Advance tax	15,78,368	15,05,209	13,58,921.00	13,71,654
GST input credit/ Service tax input	3,37,66,267	-	-	2,65,39,490
Other advances	-	4,64,522	-	1,30,000
B	3,54,34,117	46,96,550	15,14,497	3,27,43,203
Total (A+B)	3,67,68,492	46,96,550	28,48,872	3,27,43,203

11. Cash and bank balance

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Cash and cash equivalents		
Cash on hand	2,977	9,191
Balances with banks:		
- On current accounts	46,94,260	38,99,784
- Deposits with original maturity of less than 3 months	6,00,18,123	5,07,96,362
Other bank balances:		
- Deposits with remaining maturity of less than 12 months	4,00,00,000	9,38,93,973
Total	10,47,15,360	14,85,99,310



A. TRENDS LIMITED
Notes to financial statements for the period ended 31 March 2020

9. Fixed assets

Assets	Gross Block				Depreciation			Net Block	
	As at 1 April, 2019	Addition for the year	Deductions/Adjustment for the year	As at 31 Mar 2020	As at 1 April, 2019	Addition during the year	Deductions/Adjustment for the year	As at 31 Mar 2020	As at 31 March, 2019
Tangible asset									
Leasehold improvement	1,31,34,682	-	-	1,31,34,682	31,14,559	14,53,436	-	45,67,995	1,00,20,123
Furniture	9,89,761	71,680	-	10,61,441	1,90,343	1,19,265	-	3,09,608	7,99,418
Office equipment	68,82,699	1,77,661	-	70,60,361	27,15,175	13,79,223	-	40,94,398	41,67,523
Computers	1,25,80,272	5,91,503	-	1,31,71,775	47,77,397	28,58,908	-	76,36,305	78,02,876
	3,35,87,414	8,40,844	-	3,44,28,259	1,07,97,474	58,10,832	-	1,66,08,306	2,27,89,940
Intangible assets									
Software	4,22,40,139	1,73,87,151	-	5,96,27,290	1,15,91,222	1,31,77,757	-	2,47,68,979	3,06,48,917
	4,22,40,139	1,73,87,151	-	5,96,27,290	1,15,91,222	1,31,77,757	-	2,47,68,979	3,06,48,917
Work-in-progress									
Software	50,58,923	24,84,942	36,96,488	38,47,377	-	-	-	-	50,58,923
	50,58,923	24,84,942	36,96,488	38,47,377	-	-	-	-	50,58,923
Total	8,08,86,476	2,07,12,937	36,96,488	9,79,02,926	2,23,88,696	1,89,88,589	-	4,13,77,285	5,84,97,780
Previous year ended 31 March 2019	6,61,34,721	1,50,32,291	2,80,537	8,08,86,476	94,45,171	1,29,51,275	7,749	2,23,88,696	5,66,89,550

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A. TREDIS LIMITED

Notes to financial statements for the period ended 31 March 2020

12. Trade receivables

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Outstanding for a period not exceeding six months from the date they are Unsecured, considered good	70,45,410	3,42,548
Total	70,45,410	3,42,548
Provision for doubtful debts	(2,42,785)	-
Total	68,02,625	3,42,548

13. Revenue from operations

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Onboarding charges	1,02,50,211	84,07,411
Transaction charges	5,12,87,474	2,41,55,075
Annual charges	2,10,088	23,699
Other charges	5,00,000	-
Total	6,22,47,773	3,25,86,185

14. Other income

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Interest income on bank deposits	43,52,261	80,14,350
Miscellaneous receipts	594	2,100
Interest on income tax refund	1,28,826	91,032
Other Interest income	3,379	-
Total	44,85,061	81,07,482

15. Employee benefits expense

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Salaries, wages and bonus	12,34,94,746	11,67,87,458
Contribution to provident funds	31,20,567	20,31,283
Staff welfare expenses	9,04,043	35,04,696
Gratuity expenses	11,29,303	7,39,646
Compensated absences	24,00,255	13,14,685
Total	13,10,48,914	12,43,77,768

16. Other expense

	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Travelling and conveyance	69,74,021	1,10,40,487
Professional fees	1,43,54,664	1,04,16,286
Rent, rates and taxes	76,48,802	79,61,115
Share issue expenses	19,22,500	-
Business promotion	3,79,259	72,76,575
Software expenses	63,57,610	61,08,464
Information technology expense	61,15,626	46,04,511
Telephone expenses	22,52,833	23,17,056
Printing and stationery	7,70,032	12,24,527
Director fees	12,00,000	16,00,000
Transaction charges	24,13,852	17,15,256
Electricity expenses	18,48,193	19,58,338
Provision for doubtful debts	2,42,785	-
Bad debts written off	16,500	-
Training and induction expenses	11,441	2,56,976
Security services	10,34,345	10,49,239
Insurance expenses	3,43,344	17,474
Membership & subscription fees	2,24,588	3,11,000
House keeping charges	18,17,405	14,77,020
Auditor remuneration (Refer details below)	20,20,008	12,77,825
Repair & maintenance	4,23,832	3,12,354
Loss on sale of asset	-	44,951
Misc expenses	16,59,686	12,83,709
Reimbursement of expenses	(5,00,000)	-
Total	5,95,31,325	6,22,53,163

Audit remuneration	31 March, 2020 (Amount in Rs.)	31 March, 2019 (Amount in Rs.)
Audit fee	14,50,000	7,50,000
Limited review	4,50,000	4,50,000
Out of Pocket expenses	70,008	77,825
Certification fee	50,000	-
Total	20,20,008	12,77,825

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A. Treds Limited

Notes forming part of the financial statements

17. Change in accounting estimate

The Company use to provide for 100% of debtors not recovered for more than 90 days as provision for doubtful debts till previous year, in absence of provision policy. In the current year the company has adopted the provision policy for providing 50% of debtors not recovered for more than 180 days up to 359 days and written off completely if not recovered more than 360 days.

Had the company continued with the adopted provisioning policy, provision for doubtful debts would have been higher by Rs.14,51,995 and consequently, net trade receivable would have been lower by the same amount.

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.

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	2019-20 (Amount in Rs)	2018-19 (Amount in Rs)
Minimum lease payments :		
Not later than one year	66,91,338	58,62,107
Later than one year but not later than five	2,69,99,094	2,60,13,725
Later than five years	51,58,734	1,22,69,516
Lease charged for the year	75,01,827	72,92,517

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

Particulars	2019-20 (Amount in Rs)	2018-19 (Amount in Rs)
Minimum lease payments :		
Not later than one year	1,32,000	1,32,000
Lease charged for the year	1,32,000	1,30,000

19. Earnings per share ('EPS')

Particulars	2019-20 (Amount in Rs)	2018-19 (Amount in Rs)
Net Profit / (loss) after tax	(14,42,87,985)	(15,88,88,538)
Net profit / (loss) for calculation of basic and diluted EPS	(14,42,87,985)	(15,88,88,538)
Weighted average number of equity shares in calculating basic EPS	2,63,11,475	2,50,00,000
Effect of dilution:		
Convertible preference shares	2,00,00,000	
Weighted average number of equity shares in calculating diluted EPS	4,63,11,475	3,34,38,356
Basic earnings per share	(5.48)	(6.36)
Diluted earnings per share	(3.12)	(4.75)

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	2019-20 (Amount in Rs)	2018-19 (Amount in Rs)
Principal amount due to micro and small enterprises	2,28,721	1,15,831
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	2019-20 (Amount in Rs)	2018-19 (Amount in Rs)
Commitment for addition/acquisition of software	30,19,900	81,24,131
Commitment for acquisition of other capital asset	9,25,000	-

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A. Treds 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)
	March 31, 2020	March 31, 2019
Interest cost	1,38,248	38,321
Current service cost	8,97,379	3,08,168
Expected return on plan assets	(21,506)	-
Actuarial (gain)/ loss on obligations	10,14,297	3,93,157
Net gratuity cost	20,28,418	7,39,646
Actual return on plan asset	(8,87,480)	(12,483)

B. Balance Sheet

Benefit asset/liability

(Amount in Rs.)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2020	March 31, 2019
Present value of funded obligation	29,50,599	9,10,546
Fair value of plan assets	(1,99,152)	(1,87,517)
Plan (asset)/liability	27,51,447	7,23,029

C. Change in present value of defined benefit obligation

Particulars	(Amount in Rs.)	(Amount in Rs.)
	Gratuity (Funded)	Gratuity (Funded)
	For the year ended March 31, 2020	For the year ended March 31, 2019
Present value of the obligation as at the beginning of the year	9,10,546	1,83,384
Interest cost	1,38,248	38,321
Current service cost	8,97,379	3,08,168
Benefit paid	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	8,99,115	-
Actuarial (gain)/ loss on obligations	1,05,311	3,80,673
Present value of the obligation as at the end of the year	29,50,599	9,10,546

D. Change in fair value of plan assets

Particulars	(Amount in Rs.)	(Amount in Rs.)
	Gratuity (Funded)	Gratuity (Funded)
	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening fair value of plan asset	1,87,517	-
Expected return on plan assets	21,506	-
Actuarial (gain)/losses	(9,08,986)	(12,483)
Contributions by employer	-	2,00,000
Asset acquired on acquisition/(distributed on divestiture)	8,99,115	-
Closing fair value of plan asset	1,99,152	1,87,517
Expected employer contribution next year	2,00,000	2,00,000

E. Experience adjustments

Particulars	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Funded)
	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31,
Defined benefit obligation	1,83,384	9,10,546	29,50,599
Plan assets	-	1,87,517	1,99,152
Surplus/(deficit)	(1,83,384)	(7,23,039)	(27,51,447)
Exp. Adj. on plan liabilities	-	94,281	1,22,606
Exp. Adj. on plan assets	-	(12,483)	(9,08,986)

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

Assumptions	(Amount in Rs.)	
	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2020	March 31, 2019
Discount rate	6.65% p.a	7.65% p.a
Increase in compensation cost	10.00%p.a.	10.00%p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	20.00%
31 to 44 (age in years)	14.00%	10.00%
45 to 59 (age in years)	8.00%	5.00%

II Compensated absences

Particulars	(Amount in Rs.)	
	March 31, 2020	March 31, 2019
Present value of obligations	16,72,066	13,66,545
Expense recognised in the Statement of Profit and Loss	24,00,255	13,14,685
Discount Rate (p.a.)	6.65%	7.65% p.a
Increase in compensation cost	10.00%p.a.	10.00%p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	20.00%
31 to 44 (age in years)	14.00%	10.00%
45 to 59 (age in years)	8.00%	5.00%

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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') (w.e.f 12 Nov 2019) Mr. Kalyan Basu (Managing Director & Chief Executive Officer) ('MD & CEO') (upto 13 September 2019) Mr. Vijay Dube (Chief Financial Officer) ('CFO') (w.e.f 1 November 2019) Ms. Rashmi Chandsarkar (Chief Financial Officer) ('CFO') (upto 23 August 2019) Mrs. Ruchi Sathe (Company Secretary)
Fellow Subsidiaries	Axis Capital Limited ('ACL') Axis Asset Management Company Limited ('AAMC') Axis Private Equity Limited ('APEL') 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') Accelyst Solutions Private Limited ('ASPL')
Subsidiaries of fellow subsidiaries companies	Axis Capital USA LLC (subsidiary of Axis Capital 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, 2020 are given below

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Investing Company	Fellow Subsidiaries	Subsidiaries of Fellow subsidiaries	Grand Total
Transactions during the year ended 31 March 2020						
Assets						
Proceeds from fixed deposit	24,47,73,718	-	-	-	-	24,47,73,718
	(20,49,23,368)	-	-	-	-	(20,49,23,368)
Income						
Interest on fixed deposit	43,52,261	-	-	-	-	43,52,261
	(80,14,349)	-	-	-	-	(80,14,349)
Income from transaction charges	26,40,056	-	-	-	-	26,40,056
	(49,74,188)	-	-	-	-	-
Income from onboarding fees	-	-	-	-	-	-
	-	-	(25,000)	-	-	(25,000)
Amount received for Capital Infusion	6,70,00,000	-	3,30,00,000	-	-	10,00,00,000
	(13,40,00,000)	-	(6,60,00,000)	-	-	(20,00,00,000)
Expenses						
Reimbursement for expenses	81,40,765	1,50,632	-	-	-	82,91,397
	(76,70,619)	(2,62,098)	-	-	-	(79,32,717)
Reimbursement for expenses (Deputation cost of MD & CEO)	77,53,501	-	-	-	-	77,53,501
	(84,02,974)	-	-	-	-	(84,02,974)
Reimbursement for expenses (Deputation cost other employee)	3,40,90,759	-	-	-	-	3,40,90,759
	(4,72,74,426)	-	-	-	-	(4,72,74,426)
Salary (CFO)	-	28,95,057	-	-	-	28,95,057
	-	(34,58,912)	-	-	-	(34,58,912)
Salary (CS)	-	11,60,024	-	-	-	11,60,024
	-	(10,06,839)	-	-	-	-
Outstanding balance as at 31 March 2020						
Other Payable	64,40,808	-	-	-	-	64,40,808
	(1,02,04,259)	-	-	-	-	(1,02,04,259)
Balances with banks in current account	46,94,260	-	-	-	-	46,94,260
	(38,99,784)	-	-	-	-	(38,99,784)
Fixed deposit	10,06,55,141	-	-	-	-	10,06,55,141
	(14,46,90,335)	-	-	-	-	(14,46,90,335)
Other receivables	-	-	5,00,000	-	-	5,00,000
	-	-	-	-	-	-

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A.TREDS LIMITED

Notes forming part of the financial statements

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) Figures for the period ended 31 March 2019 are disclosed in brackets.

24. During the year, the holding company issued stock options to certain employees of the holding company who are either on deputation to or on payroll of the Company. Since these stock options are issued by the holding company directly to the employees of the Company/holding company and the related costs, if any, will be borne by the holding company, no provision is made in the accompanying financial statements.

25. Impact of COVID-19

As the global pandemic COVID-19 continues to spread, on March 24, 2020, the Indian government announced a strict 21-day lockdown which was further extended by 19 days across the country to contain the spread of the virus. The management has assessed the internal and external information upto the date of approval of these financial statements including economic forecasts and concluded that there is no material impact of Covid-19 on the Company's future performance

26. Previous year figures

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

Summary of significant accounting policies

The accompanying notes are an integral part of the 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. :- 103380
Place : Mumbai
Date : 24 April 2020

For and on behalf of the Board of Directors



Rohit Anand
Director
DIN No: 02541753



Vijay Dube
Chief Financial Officer



Prakash Sankaran
Managing Director & CEO
DIN: 08581871



Ruchi Sathe
Company Secretary
Membership No. ACS 33566

