

# ANNUAL REPORT

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## 2021-22

### A.TREDS LIMITED

**Corporate Office:** 11<sup>th</sup> Floor, A3, Ashar IT Park, Road No. 16Z, Wagle Industrial Estate, Thane (West) - 400604  
**Registered Office:** Axis House, Bombay Dyeing Mills Compound, P B Marg, Worli, Mumbai - 400025

Website: [www.invoicemart.com](http://www.invoicemart.com)  
Contact: 022-6235 7300



## DIRECTORS' REPORT

### Dear Members,

The Board of Directors have the pleasure of presenting the 6<sup>th</sup> 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 31<sup>st</sup> March 2022.

### FINANCIAL PERFORMANCE:

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

Particulars	(Amount in Rs.)	
	2020-21	2021-22
Income from Operation (A)	7,09,39,319	15,65,61,993
Other Income (B)	32,84,356	35,29,137
<b>Total Income (A+B)</b>	<b>7,42,23,675</b>	<b>16,00,91,130</b>
Operating Expenses	16,35,26,890	17,87,96,910
<b>Profit/(Loss) before Depreciation , provisions for tax</b>	<b>(8,93,03,215)</b>	<b>(1,87,05,780)</b>
Depreciation	2,27,13,919	29,92,4671
Provision for Tax	-	-
<b>Profit / (Loss) After Tax</b>	<b>(11,20,17,134)</b>	<b>(4,86,30,451)</b>
<b>Appropriations</b>	-	-
<b>Balance carried to Balance Sheet</b>	<b>(11,20,17,134)</b>	<b>(4,86,30,451)</b>

### BUSINESS OVERVIEW AND FUTURE OUTLOOK

The company continues to maintain its **leadership position** amongst the TReDS exchanges with highest cumulative throughput for the 5<sup>th</sup> consecutive year reflecting consistent growth. In FY22, the company closed at Rs. 14,650 crs which was the highest among all TREDs participants. The platform has scaled exponentially with participation from more than 13,345 MSME sellers, 1023 buyers, 45 financiers; and has successfully processed discounting of 10,00,000+ MSME invoices, which shows the growing adoption of TReDS model amongst MSMEs.

During FY'22, Invoicemart recorded an income from operations of INR 15.65crs compared to INR 7.09cr in FY'21. This growth is largely attributed to increase in transaction revenues. Net loss after tax in FY '22 reduced to INR 4.86crs compared to INR 11.20crs in FY'21.

The Company has been awarded "Best Fintech of the Year – Enabling MSME financing solution" by ASSOCHAM at its 8<sup>th</sup> MSME Excellence Awards & Summit. FY22 has been a year of many milestones, from being the 1<sup>st</sup> platform to cross Rs. 27000+ crs throughput, 1<sup>st</sup> platform to complete registration of top 1000+ of India's top Corporates/PSUs, 1<sup>st</sup> platform to facilitate financing throughput of INR 2000+ crs in a month (March 22).

Some of the emerging trends are:

- Government and RBI approval on allowing NBFCs to do financing through the platform. Prior to the amendment in the Factoring Regulation Act, 2011 in September 2021, only banks and NBFC factors were allowed to come as financiers on the TReDS platform.

- b. The Insurance Regulatory and Development authority (IRDAI) has towards Q2FY22 announced revised guidelines for Trade credit insurance (TCI) which has come into effect from 1st November 2021. The revised guidelines have opened opportunity for allowing single invoice covers through bill discounting / factoring only on Invoice Discounting e-Platforms such as TReDS.
- c. The platform has successfully started filing Assignment of Receivables (AORs) on behalf of the financiers through CERSAI.

MSME financing through TReDS is now reaching new heights and Invoicemart is proud to lead the way. The company will continue to focus on granular business and develop/deepen relationship with important stakeholders. 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. The government with the support of RBI has been promoting TReDS as an effective tool to address the working capital woes of MSMEs.

## **CHANGE IN THE NATURE OF BUSINESS**

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

## **DIVIDEND:**

Your Directors have not recommended payment of any dividend on equity shares, for the financial year ended as on 31<sup>st</sup> March, 2022.

## **TRANSFER TO GENERAL RESERVE:**

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

## **SHARE CAPITAL:**

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

The total issued and paid-up equity share capital of the Company, as on 31<sup>st</sup> March 2022 stands at Rs. 65 crores.

## **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 2021-22 of the Company to which the Financial Statements relate and the date of this Report.

## **ANNUAL RETURN:**

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

## **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 31<sup>st</sup> March, 2022.

**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 2021-22, does not contain any qualification, reservation or adverse remark.

**RISK MANAGEMENT POLICY:**

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

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

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

**SECRETARIAL STANDARDS**

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

**INTERNAL FINANCIAL CONTROLS:**

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

**WHISTLEBLOWER POLICY:**

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

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

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

**COST AUDIT:**

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

#### **BOARD OF DIRECTORS:**

During the year under review:

- i. Pursuant to the recommendation of the Nomination and Remuneration Committee of Directors (the NRC), the Board approved the re-appointment of Shri Rakesh Makhija and Shri Dipak Banerjee as Independent Directors of the Company, for their second term as such, with effect from 28th July, 2021 up to 27th July, 2024 (both days inclusive), after taking into account the outcome of their performance evaluation. The said re-appointment was approved by the Shareholders of the Company at the 8<sup>th</sup> Extra Ordinary General Meeting of the Company held on 13th August, 2021, by means of a Special Resolution. During the said period, Shri Rakesh Makhija and Shri Dipak Banerjee will not be liable to retire by rotation, in terms of the provisions of Section 149 (13) of the Companies Act, 2013.
- ii. Shri Pankaj Mittal (DIN: 07975601), Director of the Company, resigned from the Board of Directors of the Company with effect from close of business hours on 30<sup>th</sup> November, 2021. The Board of Directors placed on record their warm appreciation for valuable contribution made by him during his tenure as a Non Executive Director.
- iii. Pursuant to recommendation of the NRC, Shri Aninda Chatterjee (DIN: 01760865) was appointed as an Additional Non Executive Director of the Company with effect from 3<sup>rd</sup> December, 2021 till the date of ensuing General Meeting, who is also liable to retire by rotation. The Company has received from him declaration stating that he is not disqualified to be appointed as a director of the Company in terms of Section 164(1) of the Companies Act 2013 and hence members are requested to consider his appointment in the ensuing Annual General Meeting.

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

In accordance with the provisions of the Companies Act, 2013 and the relevant rules made thereunder, Shri Rajiv Anand (DIN 02541753) and Shri Neeraj Gambhir (DIN 00257375) shall retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment as Directors of the Company.

Resolution(s) in respect of appointment / re-appointment of the Directors, as aforesaid, have been included in the Notice convening the 6<sup>th</sup> Annual General Meeting of the Company.

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

#### **DECLARATION OF INDEPENDENCE:**

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

#### **KEY MANAGERIAL PERSONNEL:**

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

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

#### **PARTICULARS OF MEETINGS:**

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

<b>Sr. No.</b>	<b>Type of Meeting</b>	<b>Number of meetings</b>
1	Board Meeting	4
2	Audit Committee Meeting	4
3	Nomination & Remuneration Committee Meeting	1
4	Risk Management Committee Meeting	3
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 2021-22, the Board met seven (4) times on 14<sup>th</sup> April, 2021, 14<sup>th</sup> July, 2021, 11<sup>th</sup> October, 2021 and 14<sup>th</sup> January, 2022.

<b>Name of the Director</b>	<b>Date and attendance of the meeting</b>				<b>Attendance</b>
	<b>14.04.2021</b>	<b>14.07.2021</b>	<b>11.10.2021</b>	<b>14.01.2022</b>	<b>(in %)</b>
Shri Rajiv Anand	Present	Present	Present	Present	100%
Shri Rakesh Makhija	Present	Present	Present	Present	100%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	100%
Shri Himadri Chatterjee	Present	Present	Present	Present	100%
Shri Vinaya Varma	Present	Present	Present	Present	100%
Shri Pankaj Mittal	Present	Present	Absent	-	67%
Shri Prakash Sankaran	Present	Present	Present	Present	100%
Shri Neeraj Gambhir	Present	Present	Present	Present	100%
Shri Aninda Chatterjee	-	-	-	Present	100%

**A.TREDS Ltd. | A Joint Venture of Axis Bank Limited and mjunction services limited | [www.invoicemart.com](http://www.invoicemart.com)**

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**Registered Office:** Axis House, Bombay Dyeing Mills Compound, P B Marg, Worli, Mumbai – 400025 Tel: 022 43252525

CIN – U74999MH2016PLC281452



(Appointed 03.12.2021)	w.e.f.				
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The Company and its Board has constituted a set of independent, qualified and focused Committees of the Board constituting Directors of the Company. These Board Committees have specific terms of reference/scope to focus effectively. Currently the Board has three (3) committees i.e. Audit Committee, Nomination & Remuneration Committee and Risk Management Committee.

#### AUDIT COMMITTEE:

The Audit Committee comprises of three (3) members, of which two (2) are Independent Directors. During the financial year 2021-22, the Committee held four (4) meetings on 14<sup>th</sup> April, 2021, 14<sup>th</sup> July, 2021, 11<sup>th</sup> October, 2021 and 14<sup>th</sup> January, 2022:

Name of the Director	Date and attendance of the meeting				% of attendance
	14.04.2021	14.07.2021	11.10.2021	14.01.2022	
Shri Rakesh Makhija	Present	Present	Present	Present	100%
Shri Dipak Kumar Banerjee	Present	Present	Present	Present	100%
Shri Neeraj Gambhir	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 2021-22 the Committee held one (1) meeting on 14<sup>th</sup> April, 2021:

Name of the Director	Date and attendance of the meeting 14.04.2021	% of attendance
Shri Dipak Kumar Banerjee	Present	100%
Shri Rakesh Makhija	Present	100%
Shri Himadri Chatterjee	Present	100%
Shri Vinaya Varma	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 2021-22, the Committee held three (3) meetings on 14<sup>th</sup> July, 2021, 11<sup>th</sup> October, 2021 and 14<sup>th</sup> January, 2022:

Name of the Director	Date and attendance of the meeting			% of attendance
	14.07.2021	11.10.2021	14.01.2022	
Shri Rakesh Makhija	Present	Present	Present	100%

Shri Dipak Kumar Banerjee	Present	Present	Present	100%
Shri Himadri Chatterjee	Present	Present	Present	100%
Shri Neeraj Gambhir	Present	Present	Present	100%

#### **BOARD EVALUATION:**

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

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

The process was carried out by feedback survey from each Directors covering Board functioning such as composition of Board and its Committees, experiences, competencies, governance issues etc. Separate process was carried out to evaluate the performance of individual Directors which included the 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.

#### **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.

#### **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 have any pecuniary relationship or transactions vis-à-vis the Company. Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC – 2 is enclosed herewith as **Annexure – A** to this report.

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

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. Nomination and Remuneration policy of the company has also been uploaded on the website and can be accessed with this weblink: [https://www.invoicemart.com/Upload/pdf/NRC\\_Policy.pdf](https://www.invoicemart.com/Upload/pdf/NRC_Policy.pdf)

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- II. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.

- III. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. the Directors had prepared the annual accounts on a going concern basis.
- V. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- VI. the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

#### **AUDITORS:**

##### **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company 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 6<sup>th</sup> Annual General Meeting.

Since their term is expiring in the ensuing Annual General Meeting, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, offer themselves for re-appointment and for this purpose they have provided a certificate that they satisfy the criteria provided under Section 141 of Companies Act, 2013. The members are required to consider their re-appointment for a further period of 4 years till the conclusion of tenth Annual General Meeting.

##### **INTERNAL CUM CONCURRENT AUDITORS:**

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

##### **SECRETARIAL AUDITORS:**

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

The secretarial audit of the Company was conducted in respect of the matters as prescribed in the said Rules and set out in the Secretarial Audit Report, for the financial year 2021-22,

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

#### **OTHERS**

1. The Balance Sheet and Statement of Profit and Loss for the period under review are revised as per the new format of Schedule III as notified by the Ministry of Corporate Affairs.
2. No application has been made nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

3. No Loan has been taken from any bank or financial institution and hence there are no details of valuation which is required to be disclosed pursuant to Rule 8(5)(xii) of the Companies (Accounts) Amendment Rules, 2021.

**ACKNOWLEDGEMENTS:**

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

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

**For and on behalf of the Board of Directors**

**Rajiv Anand**  
**Chairman (DIN: 02541753)**

**Prakash Sankaran**  
**Managing Director & CEO (DIN: 08581871)**

**Place: Mumbai**  
**Date: 19.04.2022**

# A.TREDS LIMITED

## 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

# A.TREDS LIMITED

			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 <sup>rd</sup> 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: 19<sup>th</sup> April, 2022**

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

*(Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**A.TREDS LIMITED**

**Axis House, C-2 Wadia International Centre,**

**P B Marg, Worli, Mumbai 400025**

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

We have examined the papers, minute books, forms, returns filed and other records maintained by the Company provided to us through electronic mode for the financial year ended on 31<sup>st</sup> March, 2022. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year **ended on 31<sup>st</sup> March, 2022**, 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 **31<sup>st</sup> March, 2022** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder- **Not Applicable**





- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are **not applicable** to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (vi) We have also examined the compliances of the provisions of the following other laws applicable specifically to the Company wherein we have also relied on the compliance certificates issued by the head of the respective departments in addition to the checks carried out by us:
- 1) RBI Guidelines
  - 2) Payment and Settlement System Act, 2007
  - 3) Factoring Regulation Act, 2011
  - 4) Prevention of Money Laundering, 2002
  - 5) The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006
  - 6) Information Technology Act, 2000

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

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



Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that:**

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

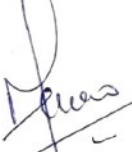
**We further report that** there are following major events in the Company during the period under review:

1. Resolutions passed in Fifth Annual General Meeting of the Company held on 24<sup>th</sup> May, 2021, for below mentioned matters:
  - a. Re-appointment of Shri Vinaya Varma (DIN 07527550) as a director.
  - b. Re-appointment of Shri Himadri Chatterjee (DIN 07455079) as a director.
  - c. Approval of remuneration of Managing Director & CEO for the financial year commencing on 1<sup>st</sup> April, 2021 upto 31<sup>st</sup> March, 2022



2. Resolutions passed in Eighth Extra Ordinary General Meeting of the Company held on 13<sup>th</sup> August, 2021, for below mentioned matters:
- a. Re-appointment of Shri Rakesh Makhija (DIN 00117692) as an Independent Director.
  - b. Re-appointment of Shri Dipak Banerjee (DIN 00028123) as an Independent Director.

**For Martinho Ferrao & Associates**  
Company Secretaries



**Martinho Ferrao**  
Proprietor  
F.C.S. No. 6221 C. P. No. 5676  
UDIN: F006221D000026065

Place: Mumbai

Dated: 06<sup>th</sup> April, 2022

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

**‘Annexure A’**

To,  
The Members,  
**A.TREDS LIMITED**

Our report is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. The minutes, documents, records and other information checked for the purpose of audit were received from the Company in soft copy and through electronic mail due to the lockdown mandates on account of the outbreak of Covid-19.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Martinho Ferrao & Associates**  
Company Secretaries

  
**Martinho Ferrao**  
Proprietor

F.C.S. No. 6221 C. P. No. 5676  
UDIN : F006221D000026065



Place: Mumbai  
Dated: 06<sup>th</sup> April, 2022



**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, 2022, the Statement of Profit and Loss, the Cash Flow Statement 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, 2022, its loss and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the 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.

**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 Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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.

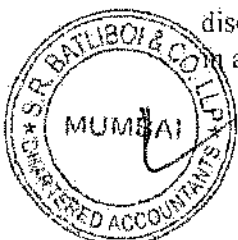
Those charged with governance are also responsible for overseeing the Company's financial reporting process.

## **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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
  - (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.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

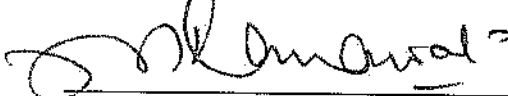
c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner

Membership Number: 103380

UDIN: 22103380AHJRTV3520

Place of Signature: Mumbai

Date: April 19, 2022



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

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

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

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

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

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

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

(i)(c): There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(i)(d): The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2022.

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

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

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

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

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

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

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

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

(iii)(f): The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

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

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

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

(vii)(a): The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these 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 duty of custom and duty of excise are not applicable to the Company.

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

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

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

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

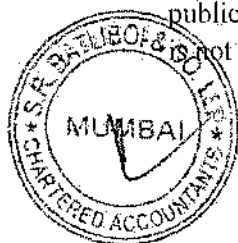
(ix)(c): The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

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

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

(ix)(f): The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

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



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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

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

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

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

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

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

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

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

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

(xvi)(a): The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(xvi)(b): The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

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

(xvii): The Company has incurred cash losses in the current year amounting to Rs. 16,946,023. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 86,251,874.

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



# **S.R. BATLIBOI & CO. LLP**

Chartered Accountants

(xix): On the basis of the financial ratios disclosed in note 23 to the financial statements information and explanations given to us and of the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

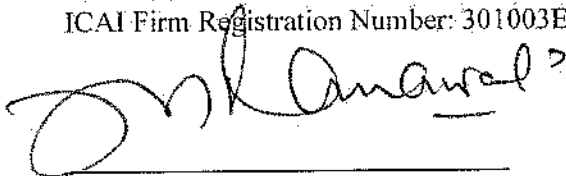
(xx)(a): Provisions of Section 135 of the Companies Act are not applicable to the Company. Hence, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(xx)(b): Provisions of Section 135 of the Companies Act are not applicable to the Company. Hence, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Jitendra H. Ranawat**

Partner

Membership Number: 103380

UDIN: 22103380AHJRTV3520

Place of Signature: Mumbai

Date: April 19, 2022





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF A. TREDS LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of A.Treds Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls With Reference to these Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and



fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 With Reference to Financial Statements**

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

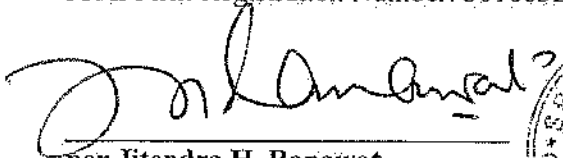
**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Jitendra H. Ranawat

Partner

Membership Number: 103380

UDIN: 22103380AHJRTV3520

Place of Signature: Mumbai

Date: April 19, 2022



**A.TREDS LIMITED**
**Balance sheet as at 31 March 2022**

Particulars	Notes	31 March 2022 (Amount in Rs.)	31 March 2021 (Amount in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share capital	3	65,00,00,000	65,00,00,000
Reserves and surplus	4	(54,77,48,262)	(49,91,17,811)
<b>Non-current liabilities</b>			
Long term provisions	5	76,45,277	63,18,636
Other non current liabilities	6	20,68,780	23,27,280
<b>Current liabilities</b>			
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	7	3,13,052	6,37,693
-Total outstanding dues of creditors other than micro enterprises and small enterprises	7	1,40,66,710	1,03,65,585
Other current liabilities	8	4,32,92,591	1,91,36,420
Short term provisions	5	1,01,61,690	91,38,097
<b>Total</b>		<b>17,97,99,838</b>	<b>19,88,05,900</b>
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
Plant, property and equipments & Intangible assets	9		
Plant, property and equipments		94,97,666	1,38,83,811
Intangible assets		1,13,97,211	2,64,63,037
Capital work-in-progress		1,22,31,797	21,05,569
Long term loans and advances	10	2,84,33,579	3,76,55,632
Other non current assets	11	13,34,375	13,34,375
Trade receivables	13	3,02,307	8,63,330
<b>Current assets</b>			
Short term loans and advances	10	55,24,945	55,39,967
Cash and bank balances	12	9,90,71,710	10,30,37,325
Trade receivables	13	1,20,06,248	79,22,854
<b>Total</b>		<b>17,97,99,838</b>	<b>19,88,05,900</b>

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 &amp; Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants



 per Himendra H. Ranawat  
Partner


Membership No.: 103380

Place: Mumbai

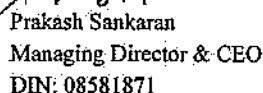
Date: 19 April 2022

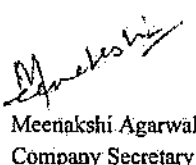
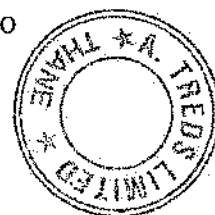

 Rajiv Anand  
Director

DIN No: 02541753



 Vijay Dube  
Chief Financial Officer


 Prakash Sankaran  
Managing Director & CEO  
DIN: 08581871


 Meenakshi Agarwal  
Company Secretary


**A. TRED'S LIMITED****Statement of Profit and Loss for the year ended 31 March 2022**

Particulars	Notes	For the Year ended 31 March 2022 (Amount in Rs)	For the Year ended 31 March 2021 (Amount in Rs)
Revenue from operations	14	15,65,61,993	7,09,39,319
Other income	15	35,29,137	32,84,356
<b>Total income</b>		<b>16,00,91,130</b>	<b>7,42,23,675</b>
<b>Expenses:</b>			
Employee benefit expense	16	12,96,34,612	11,97,87,703
Depreciation and amortization expense	9	2,99,24,671	2,27,13,919
Other expenses	17	4,91,62,298	4,37,39,187
<b>Total expenses</b>		<b>20,87,21,581</b>	<b>18,62,40,809</b>
<b>Profit/(Loss) before tax</b>		<b>(4,86,30,451)</b>	<b>(11,20,17,134)</b>
Tax expense:			
Current tax		-	-
<b>Total Tax</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) after tax</b>		<b>(4,86,30,451)</b>	<b>(11,20,17,134)</b>
<b>Earnings per equity share : Nominal value of share Rs.10/- (31 March 2021: Rs.10) annualized.</b>			
<b>Basic</b>		<b>(1.08)</b>	<b>(2.88)</b>
<b>Diluted</b>		<b>(0.75)</b>	<b>(1.90)</b>

**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 &amp; Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants

per Jitendra H. Ranawat

Partner

Membership No. :- 103380

Place : Mumbai

Date : 19 April 2022

Rajiv Anand  
Director

DIN No: 02541753

Vijay Dube

Chief Financial Officer

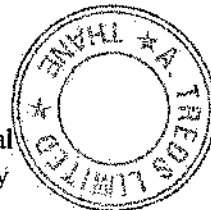
Prakash Sankaran

Managing Director &amp; CEO

DIN: 08581871

Meenakshi Agarwal

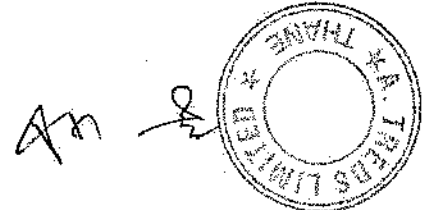
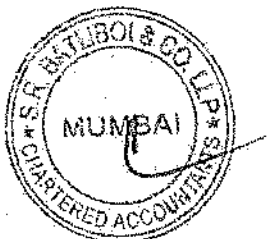
Company Secretary



**A.TREDS LIMITED****Cash flow statement for the year ended 31 March 2022**

Particulars	For the Year ended 31 March 2022 (Amount in Rs.)	For the Year ended 31 March 2021 (Amount in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,35,93,365</b>	<b>(9,62,70,824)</b>
Net profit before taxation	(4,86,30,451)	(11,20,17,134)
Adjustments for :		
Depreciation and amortization expenses	2,99,24,671	2,27,13,919
Loss on sale of asset	-	-
Lease equilization	46,642	53,210
Provision for Gratuity	12,59,888	15,22,634
Provision for Compensated absences	4,53,227	14,75,497
Interest on income tax refund	(1,03,173)	(50,873)
Interest income on fixed deposit	(30,39,947)	(32,33,483)
<b>Operating Profit before working capital changes</b>	<b>(2,00,89,143)</b>	<b>(8,95,36,230)</b>
Increase/ (Decrease) in Provisions	6,37,119	(13,47,911)
Increase/ (Decrease) in Other current liabilities	2,41,56,168	(5,62,618)
Increase/ (Decrease) in Other non current liabilities	(3,05,142)	53,210
(Increase)/ Decrease in Trade receivable	(35,22,370)	(19,83,560)
Increase/ (Decrease) in Trade payables	33,76,484	1,20,346
(Increase)/ Decrease in Non-current loans and advances	92,22,054	(22,21,516)
(Increase)/ Decrease in Current loan and advances	15,54,450	10,53,094
(Increase)/ Decrease in Other non current assets	-	-
<b>Cash generated from Operating activities</b>	<b>1,50,29,620</b>	<b>(9,44,25,185)</b>
Direct taxed paid (net of refund)	(14,36,255)	(18,45,639)
<b>Net cash used in Operating activities</b>	<b>1,35,93,365</b>	<b>(9,62,70,824)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1,75,58,980)</b>	<b>(54,07,211)</b>
Purchase of fixed assets	(2,05,98,927)	(86,40,694)
Interest received	30,39,947	32,33,483
<b>Net cash used in Investing activities</b>	<b>(1,75,58,980)</b>	<b>(54,07,211)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>10,00,00,000</b>
Issue of shares	-	10,00,00,000
<b>Net cash from/ (used in) Financing activities</b>	<b>-</b>	<b>10,00,00,000</b>
<b>Net (Decrease)/ Increase in cash and cash equivalents during the period/year</b>	<b>(39,65,615)</b>	<b>(16,78,035)</b>
<b>Cash and cash equivalents at the beginning of the period/year</b>	<b>10,30,37,325</b>	<b>10,47,15,360</b>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>9,90,71,710</b>	<b>10,30,37,325</b>

Particulars	For the Year ended 31 March 2022 (Amount in Rs.)	For the Year ended 31 March 2021 (Amount in Rs.)
Cash in hand	6,828	30
Cheque in transit	-	-
<b>Balances with banks:</b>		
- On current accounts	1,46,45,534	65,54,266
- Deposits with original maturity of less than 3 months	8,44,19,348	3,02,47,468
- Deposits with original maturity of more than 3 months	-	6,62,35,561
<b>Total</b>	<b>9,90,71,710</b>	<b>10,30,37,325</b>



**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

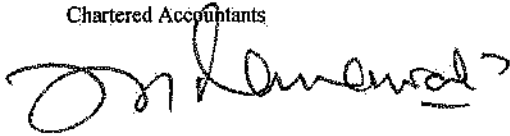
The accompanying notes are an integral part of these financial statements.

As per our report of even date

For S. R. Batliboi & Co. LLP

ICAI Firm Registration No.: 301003E/E300005

Chartered Accountants



per Jitendra H. Ranawat

Partner

Membership No. :- 103380

Place : Mumbai

Date : 19 April 2022



For and on behalf of the Board of Directors



Rajiv Anand  
Director

DIN No: 02541753



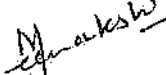
Vijay Dube

Chief Financial Officer



Prakash Sankaran  
Managing Director & CEO

DIN: 08581871



Meenakshi Agarwal

Company Secretary





Notes forming part of the financial statements

1. Corporate information

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

2. Basis of preparation

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

2.1 Significant accounting policies

Presentation and disclosure of financial statements

i. Use of estimates

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

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

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

iii. Revenue recognition

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

a. Onboarding Fee, Transaction Fee and Annual Fee

Onboarding Fee is one time fee and is recognized at the time of onboarding of Buyer, Seller or financier. Transaction fee is recurring in nature and is recognised on time proportion basis over the of tenure of transaction. Transaction fees received from sellers is recognised upfront on the date of transaction. The Company follows recognition of annual fee on time proportion basis over the tenure of one year. Onboarding Fees, Transaction Fees and Annual fees are included under "Income from Operations" in the Statement of profit and loss.

b. Interest

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

iv. Tangible assets

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

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

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

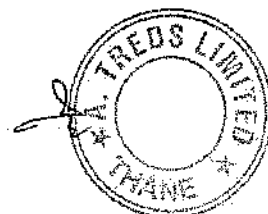
Intangible assets

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

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



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**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**

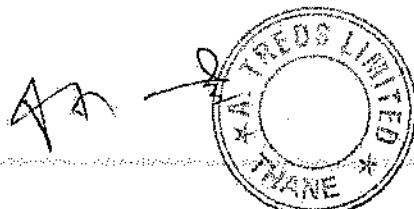
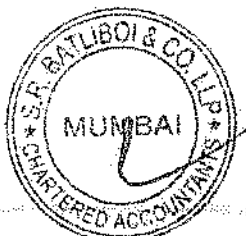
The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated year mentioned under 'The Payment of Gratuity Act, 1972'. 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 as per the HR policy. Any accumulated leaves in excess of the specified days in subsequent years are bound to lapse. The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. This liability is recognised based on an external actuarial valuation using the projected unit credit method.

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



**ix. Income taxes**

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

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

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

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

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

**x. Earnings per share**

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

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

**xi. Provisions**

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

**xii. Cash and cash equivalents**

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

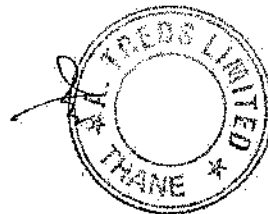
**xiii. Contingent liabilities**

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

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



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**A. TRED'S LIMITED**

Notes to financial statements for the year ended 31 March 2022

**3. Share capital**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
<b>Authorized share capital</b>		
5,00,00,000 (31 March 2021 : 5,00,00,000) Equity Shares of Rs. 10 each:	50,00,00,000	50,00,00,000
2,00,00,000 (31 March 2021 : 2,00,00,000) 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each	20,00,00,000	20,00,00,000
<b>Issued, subscribed and fully paid-up shares share capital</b>		
4,50,00,000 (31 March 2021 : 4,50,00,000) Equity Shares of Rs. 10/- each	45,00,00,000	45,00,00,000
2,00,00,000 (31 March 2021 : 2,00,00,000) 9.69% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10 each	20,00,00,000	20,00,00,000
<b>Total issued &amp; subscribed share capital</b>	<b>65,00,00,000</b>	<b>65,00,00,000</b>

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period****Equity shares & Preference shares**

	31 March, 2022		31 March, 2021	
	Nos	(Amount in Rs.)	Nos	(Amount in Rs.)
At the beginning of the Year	6,50,00,000	65,00,00,000	5,50,00,000	55,00,00,000
Add: Issued during the Year	-	-	1,00,00,000	10,00,00,000
Outstanding at the end of the Year	6,50,00,000	65,00,00,000	6,50,00,000	65,00,00,000

**(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

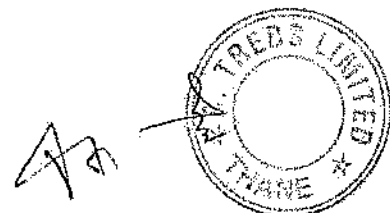
**(c) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

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, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Axis Bank Limited, the holding company and its nominees 3,01,50,000 (31 March 2021 : 3,01,50,000 shares) equity shares of Rs.10/- each	30,15,00,000	30,15,00,000
Axis Bank Limited, the holding company 1,34,00,000 (31 March 2021 : 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, 2022		31 March, 2021	
	Nos	%	Nos	%
Axis Bank Limited, the holding company and its nominees 3,01,50,000 (31 March 2021 : 3,01,50,000 shares) equity shares of Rs.10/- each	3,01,50,000	67%	3,01,50,000	67%
Mjunction Services Limited 1,48,50,000 (31 March 2021 : 1,48,50,000 shares) equity shares of Rs.10/- each	1,48,50,000	33%	1,48,50,000	33%
Axis Bank Limited, the holding company and its nominees 1,34,00,000 (31 March 2021 : 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 2021 : 66,00,000) 9.69% non cumulative compulsory convertible pref shares of Rs.10/- each	66,00,000	33%	66,00,000	33%



**A. TRED'S LIMITED**

Notes to financial statements for the year ended 31 March 2022

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

**(e) Details of shares held by promoters**

Promoters Name	31 March, 2022			% Change during the year
	Equity shares	Preference shares	% of total shares	
Axis Bank Limited	3,01,50,000	1,34,00,000	67%	-
Mjunction Services Ltd	1,48,50,000	66,00,000	33%	-

Promoters Name	31 March, 2021			% Change during the year
	Equity shares	Preference shares	% of total shares	
Axis Bank Limited	3,01,50,000	1,34,00,000	67%	-
Mjunction Services Ltd	1,48,50,000	66,00,000	33%	-

**4. Reserve & surplus****Profit & Loss Account**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Surplus/ (deficit) in the statement of profit and loss	(49,91,17,811)	(38,71,00,677)
Loss for the year	(4,86,30,451)	(11,20,17,134)
Net deficit in the statement of profit & loss	(54,77,48,262)	(49,91,17,811)
<b>Total Reserves &amp; surplus</b>	<b>(54,77,48,262)</b>	<b>(49,91,17,811)</b>

**5. Provisions**

	31 March, 2022		31 March, 2021	
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Long term	Short term	Long term	Short term
Provision for bonus		90,70,704	-	80,00,000
Provision for gratuity	47,36,994	3,63,390	37,75,695	4,98,386
Provision for compensated absences	29,08,283	7,27,596	25,42,941	6,39,711
<b>Total</b>	<b>76,45,277</b>	<b>1,01,61,690</b>	<b>63,18,636</b>	<b>91,38,097</b>

**6. Other non current liabilities**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Other non current liabilities	20,68,780	23,27,280
<b>Total</b>	<b>20,68,780</b>	<b>23,27,280</b>

**7. Trade payable**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Total outstanding dues of micro enterprises and small enterprises	3,13,052	6,37,693
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,40,66,710	1,03,65,585
<b>Total</b>	<b>1,43,79,762</b>	<b>1,10,03,278</b>

**Trade payable ageing schedule****As at March 2022**

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3,13,052	-	-	-	3,13,052
Others	1,35,77,388	4,89,322	-	-	1,40,66,710

**As at March 2021**

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	6,37,693	-	-	-	6,37,693
Others	96,23,536	6,65,593	76,456	-	1,03,65,585

There are no disputed trade payables during the year

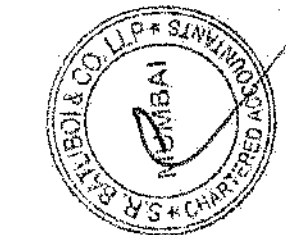


**A. TRED'S LIMITED**

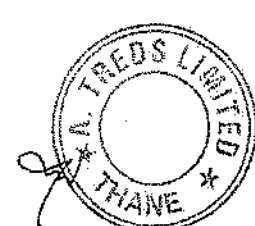
Notes to financial statements for the year ended 31 March 2022

**9. Plant, property and equipments & Intangible assets**

Assets	Gross Block				Depreciation			Net Block	
	As at 1 April, 2021	Addition for the year	Deductions/Adjustment for the year	As at 31 March 2022	As at 1 April, 2021	Addition during the year	Deductions/Adjustment for the year	As at 31 March 2022	As at 31 March 2021
Tangible asset									
Leasehold improvement	1,31,34,682	-	-	1,31,34,682	60,21,369	14,53,370	-	74,74,739	71,13,314
Furniture	10,61,441	-	-	10,61,441	3,98,847	1,05,646	-	5,04,494	6,62,592
Office equipment	70,60,362	-	-	70,60,363	55,12,671	12,93,242	-	68,05,913	15,47,691
Computers	1,46,34,576	6,82,050	-	1,53,16,627	1,00,74,364	22,15,937	-	1,22,90,301	45,60,214
	3,58,91,061	6,82,050	-	3,65,73,113	2,20,07,251	50,68,195	-	2,70,75,447	1,38,83,811
Intangible assets									
Software	6,85,46,993	97,90,650	-	7,83,37,643	4,20,83,955	2,48,56,477	-	6,69,40,432	2,64,63,037
	6,85,46,993	97,90,650	-	7,83,37,643	4,20,83,955	2,48,56,477	-	6,69,40,432	2,64,63,037
Work-in-progress									
Software	21,05,570	1,36,28,797	35,02,570	1,22,31,797	-	-	-	1,22,31,797	21,05,569
	21,05,570	1,36,28,797	35,02,570	1,22,31,797	-	-	-	1,22,31,797	21,05,569
<b>Total</b>	10,65,43,624	2,41,01,497	35,02,570	12,71,42,553	6,40,91,206	2,99,24,671	-	9,40,15,878	4,21,52,417
<b>Previous year 31 March 2021</b>	7,01,06,044	1,08,78,498	22,37,803	10,65,43,623	4,13,77,282	2,27,13,922	-	6,40,91,204	5,65,25,641



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**A. TRED'S LIMITED**

Notes to financial statements for the year ended 31 March 2022

**8. Other current liabilities**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Due to holding company- 'Axis Bank Limited'	96,12,957	56,12,459
Due to others	6,93,158	2,55,879
Statutory dues	21,88,957	16,81,066
Unearned revenue	3,04,18,086	1,14,77,180
Other current liabilities	3,79,433	1,09,836
<b>Total</b>	<b>4,32,92,591</b>	<b>1,91,36,420</b>

**10. Loans and advances (Unsecured, considered good)**

	31 March, 2022		31 March, 2021	
	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Long Term	Short Term	Long Term	Short Term
Loans and advances				
Prepaid expenses	31,991	28,63,837	27,570	25,47,320
Accrued interest	-	8,74,354	-	9,21,009
TDS & Advance tax	86,11,185	15,39,428	20,83,014	18,96,512
GST input credit/ Service tax input	1,97,90,403	-	3,55,45,048	-
Other advances	-	2,47,326	-	1,75,126
<b>Total</b>	<b>2,84,33,579</b>	<b>55,24,945</b>	<b>3,76,55,632</b>	<b>55,39,967</b>

**11. Other non current assets**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Security deposit	13,34,375	13,34,375
<b>Total</b>	<b>13,34,375</b>	<b>13,34,375</b>

**12. Cash and bank balance**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Cash and cash equivalents		
Cash on hand	6,828	30
Balances with banks:		
- On current accounts	1,46,45,534	65,54,266
- Deposits with original maturity of less than 3 months	8,44,19,348	3,02,47,468
Other bank balances:		
- Deposits with remaining maturity of less than 12 months	-	6,62,35,561
<b>Total</b>	<b>9,90,71,710</b>	<b>10,30,37,325</b>

**13. Trade receivables**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Non-current		
Unsecured, considered doubtful	5,27,470	49,83,786
Provision for doubtful debts and bad debts*	(2,25,163)	(41,20,456)
<b>Total (A)</b>	<b>3,02,307</b>	<b>8,63,330</b>
Current		
Unsecured, considered good	1,20,06,248	79,22,854
<b>Total (B)</b>	<b>1,20,06,248</b>	<b>79,22,854</b>
<b>Total (A) + (B)</b>	<b>1,23,08,555</b>	<b>87,86,184</b>

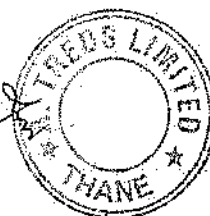
\* Bad debts of Rs. 77,147 &amp; Rs. 32,57,127 is written off in FY 21-22 and FY 20-21 respectively.

**Debtors ageing schedule**
**As at March 2022**

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 yr	1-2 years	2-3 yrs	more than 3 yrs	
Undisputed trade receivables, considered good	1,20,06,248	-	-	-	-	1,20,06,248
Undisputed trade receivables, considered doubtful	-	4,50,323	77,147	-	-	5,27,470
Disputed trade receivables, considered good	-	-	-	-	-	-
Disputed trade receivables, considered doubtful	-	-	-	-	-	-

**As at March 2021**

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 yr	1-2 years	2-3 yrs	more than 3 yrs	
Undisputed trade receivables, considered good	79,22,854	-	-	-	-	79,22,854
Undisputed trade receivables, considered doubtful	-	17,26,659	32,57,127	-	-	49,83,786
Disputed trade receivables, considered good	-	-	-	-	-	-
Disputed trade receivables, considered doubtful	-	-	-	-	-	-





**A. TRED'S LIMITED**

Notes to financial statements for the year ended 31 March 2022

**14. Revenue from operations**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Onboarding charges	1,43,18,446	1,11,15,714
Transaction charges	14,20,44,720	5,94,01,078
Annual charges	1,98,827	2,72,527
Other charges	-	1,50,000
<b>Total</b>	<b>15,65,61,993</b>	<b>7,09,39,319</b>

**15. Other income**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Interest income on bank deposits	30,39,947	32,33,483
Miscellaneous receipts	3,86,017	-
Interest on income tax refund	1,03,173	50,873
<b>Total</b>	<b>35,29,137</b>	<b>32,84,356</b>

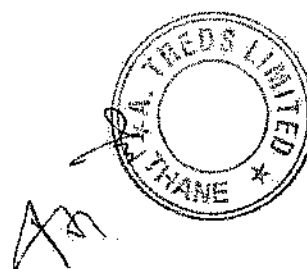
**16. Employee benefits expense**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Salaries, wages and bonus	12,07,01,390	11,35,00,569
Contribution to provident funds	35,77,759	30,84,009
Staff welfare expenses	1,87,184	2,04,994
Gratuity expenses	12,59,888	15,22,634
Compensated absences	4,53,227	14,75,497
ESOP expenses	34,55,164	-
<b>Total</b>	<b>12,96,34,612</b>	<b>11,97,87,703</b>

**17. Other expense**

	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Travelling and conveyance	41,05,336	13,40,970
Professional fees	1,08,10,496	72,93,927
Rent, rates and taxes	78,96,379	75,57,957
Share issue expenses	-	5,000
Business promotion	2,10,569	16,916
Software expenses	65,55,838	73,30,865
Information technology expense	56,67,767	55,64,144
Telephone expenses	14,52,201	16,65,288
Director fees	12,00,000	12,00,000
Transaction charges	32,36,605	6,77,304
Electricity expenses	12,57,055	10,97,079
Printing & Stationery	2,86,065	39,701
Provision for doubtful debts written back	(6,38,166)	6,20,545
Bad debts written off	77,146	32,57,127
Security services	10,13,481	10,45,549
Insurance expenses	2,35,424	2,88,718
Membership & subscription fees	87,159	1,61,454
House keeping charges	16,94,830	16,64,847
Auditor remuneration (Refer details below)	20,64,124	20,34,627
Capex written off	-	-
Repair & maintenance	13,80,114	4,26,425
Misc expenses	5,69,875	4,00,746
<b>Total</b>	<b>4,91,62,298</b>	<b>4,37,39,187</b>

Audit remuneration	31 March, 2022 (Amount in Rs.)	31 March, 2021 (Amount in Rs.)
Audit fee	15,25,000	15,50,000
Limited review	5,25,000	4,50,000
Out of Pocket expenses	14,124	34,627
	<b>20,64,124</b>	<b>20,34,627</b>



**A. Treds Limited****Notes forming part of the financial statements****17 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	2021-22 (Amount in Rs)	2020-21 (Amount in Rs)
Minimum lease payments :		
Not later than one year	72,58,530	65,99,954
Later than one year but not later than five	1,85,81,480	2,46,16,436
Later than five years	57,222	3,17,238
Lease charged for the year	76,63,237	73,69,747

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

Particulars	2021-22 (Amount in Rs)	2020-21 (Amount in Rs)
Minimum lease payments :		
Not later than one year	1,86,500	1,35,000
Lease charged for the year	1,86,500	1,35,000

**18 Earnings per share ('EPS')**

Particulars	2021-22 (Amount in Rs)	2020-21 (Amount in Rs)
Net Profit / (loss) after tax	(4,86,30,451)	(11,20,17,134)
Net profit / (loss) for calculation of basic and diluted EPS	(4,86,30,451)	(11,20,17,134)
Weighted average number of equity shares in calculating basic EPS	4,50,00,000.00	3,88,35,616
Effect of dilution:		
Convertible preference shares	2,00,00,000	2,00,00,000
Weighted average number of equity shares in calculating diluted EPS	6,50,00,000	5,88,35,616
Basic earnings per share	(1.08)	(2.88)
Diluted earnings per share	(0.75)	(1.90)

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

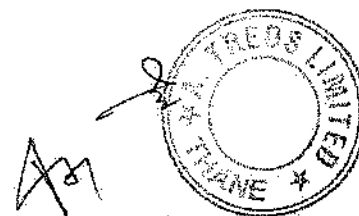
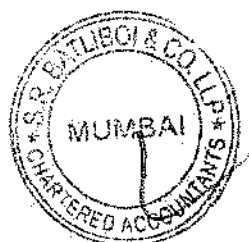
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

Particulars	2021-22 (Amount in Rs)	2020-21 (Amount in Rs)
Principal amount due to micro and small enterprises	3,13,052	6,37,693
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.

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

Particulars	2021-22 (Amount in Rs)	2020-21 (Amount in Rs)
Commitment for addition/acquisition of software	14,98,797	29,08,830
Commitment for acquisition of other capital asset	-	-



## A. Trede Limited

### Notes forming part of the financial statements

#### 21 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, 2022	March 31, 2021
Interest cost	3,26,801	2,59,258
Current service cost	11,96,969	10,24,706
Expected return on plan assets	(5,804)	(16,685)
Actuarial (gain)/ loss on obligations	(2,58,078)	2,55,355
<b>Net gratuity cost</b>	<b>12,59,888</b>	<b>15,22,634</b>
Actual return on plan asset	(58,580)	(1,22,227)

##### B. Balance Sheet

Benefit asset/liability

(Amount in Rs.)

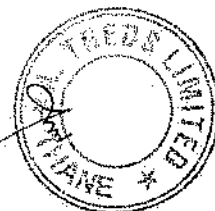
Particulars	Gratuity (Funded)	Gratuity (Funded)
	March 31, 2022	March 31, 2021
Present value of funded obligation	51,65,026	39,63,718
Fair value of plan assets	(64,642)	(76,925)
<b>Plan (asset)/liability</b>	<b>51,00,384</b>	<b>38,86,793</b>

##### 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, 2022	For the year ended March 31, 2021
Present value of the obligation as at the beginning of the year	39,63,718	29,50,599
Interest cost	3,26,801	2,59,258
Current service cost	11,96,969	10,24,706
Benefit paid	-	-
Liabilities assumed on acquisition/ (settled on divestiture)	-	(3,87,288)
Actuarial (gain)/ loss on obligations	(3,22,462)	1,16,443
<b>Present value of the obligation as at the end of the year</b>	<b>51,65,026</b>	<b>39,63,718</b>

##### 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, 2022	For the year ended March 31, 2021
Opening fair value of plan asset	76,925	1,99,152
Expected return on plan assets	5,804	16,685
Actuarial (gain)/losses	(64,384)	(1,38,912)
Contributions by employer	46,297	-
Asset acquired on acquisition/(distributed on divestiture)	-	-
<b>Closing fair value of plan asset</b>	<b>64,642</b>	<b>76,925</b>
Expected employer contribution next year	2,00,000	2,00,000



#### E. Experience adjustments

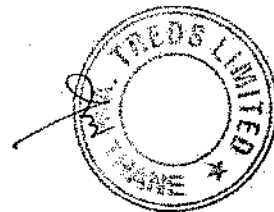
Particulars	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	Gratuity (Unfunded)	Gratuity (Funded)	Gratuity (Funded)
	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2022
Defined benefit obligation	29,50,599	39,63,718	51,65,026
Plan assets	1,99,152	76,925	64,642
Surplus/(deficit)	(27,51,447)	(38,86,793)	(51,00,384)
Exp. Adj. on plan liabilities	1,22,606	43,092	(1,13,736)
Exp. Adj. on plan assets	(9,08,986)	(1,38,912)	(64,384)

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, 2022	March 31, 2021
Discount rate	6.90% p.a	6.45% p.a
Increase in compensation cost	10.00% p.a.	10.00% p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	24.00%
31 to 44 (age in years)	14.00%	14.00%
45 to 59 (age in years)	8.00%	8.00%

#### II Compensated absences

Particulars	(Amount in Rs.)	
	March 31, 2022	March 31, 2021
Present value of obligations	36,35,879	31,82,652
Expense recognised in the Statement of Profit and Loss	4,53,227	14,75,497
Discount Rate (p.a.)	6.90% p.a	6.45%
Increase in compensation cost	10.00% p.a.	10.00% p.a.
Employee turnover		
21 to 30 (age in years)	24.00%	24.00%
31 to 44 (age in years)	14.00%	14.00%
45 to 59 (age in years)	8.00%	8.00%



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**A.TREDS LIMITED****Notes forming part of the financial statements****22 Related Party Disclosure**

The related parties of the Company are broadly classified as:

Holding Company	Axis Bank Limited ('ABL')
Key Management Personnel	Mr. Prakash Sankaran (Managing Director & Chief Executive Officer) ('MD & CEO') Mr. Vijay Dube (Chief Financial Officer) ('CFO') Ms. Meenakshi Agarwal (Company Secretary) ('CS')
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 Securities 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, 2022 are given below

Transaction/Nature of Relationship	Holding Company	Key Management Personnel	Investing Company	Fellow Subsidiaries	Grand Total
<b>Transactions during the year ended 31 March 2022</b>					
<b>Assets</b>					
Proceeds from fixed deposit	2,73,41,216	-	-	-	2,73,41,216
	(10,77,38,501)	-	-	-	(10,77,38,501)
<b>Income</b>					
Interest on fixed deposit	30,39,947	-	-	-	30,39,947
	(32,33,483)	-	-	-	(32,33,483)
Income from transaction charges	60,65,316	-	-	-	60,65,316
	(13,32,638)	-	-	-	(13,32,638)
Amount received for Capital Infusion	-	-	-	-	-
	(6,70,00,000)	-	(3,30,00,000)	-	(10,00,00,000)
<b>Expenses</b>					
Reimbursement for expenses	59,89,865	2,44,879	5,00,000	-	67,34,744
	(68,38,465)	(69,644)	(5,07,000)	-	(69,08,109)
Reimbursement for expenses (Deputation cost of MD & CEO)	1,05,46,147	-	-	-	1,05,46,147
	(97,39,234)	-	-	-	(97,39,234)
Reimbursement for expenses (Deputation cost other employee)	2,43,23,227	-	-	-	2,43,23,227
	(2,70,31,591)	-	-	-	(2,70,31,591)
ESOP expense	34,55,164	-	-	-	34,55,164
	-	-	-	-	-
Salary (CFO)	-	41,44,358	-	-	41,44,358
	-	(38,82,084)	-	-	(38,82,084)
Salary (CS)	-	5,36,724	-	-	5,36,724
	-	(9,24,193)	-	-	(9,24,193)
<b>Outstanding balance as at 31 March 2022</b>					
Other Payable	96,12,952	-	-	-	96,12,952
	(56,95,712)	-	-	-	(56,95,712)
Balances with banks in current account	1,46,45,534	-	-	-	1,46,45,534
	(65,54,266)	-	-	-	(65,54,266)
Fixed deposit	8,52,93,709	-	-	-	8,52,93,709
	(9,74,04,043)	-	-	-	(9,74,04,043)
Other receivables	-	-	5,00,000	-	5,00,000
	-	-	(5,00,000)	-	(5,00,000)



**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 2021 are disclosed in brackets.

- 23 During the year, the holding company has issued stock options to certain employees on deputation and on payroll of the Company. Annual charge towards the stock options amounting to Rs. 34,55,164, has been accounted as an expense in books of company and is payable to holding company

**24 Ratios**

	31-03-22	31-03-21
a. Current ratio	1.72	2.97
b. Trade receivable turnover ratio	14.84	9.10
c. Trade payable turnover ratio	12.34	6.48

Current ratio has been calculated by dividing total current assets by total current liabilities.

Trade receivable turnover ratio has been calculated by dividing net sales by average trade receivables.

Trade payables turnover ratio has been calculated by dividing net sales by average trade payables as there is no purchase turnover.

Debt equity ratio, Debt service coverage ratio, return on equity ratio, inventory turnover ratio, net capital turnover ratio, net profit ratio, return on capital employed ratio and return on investment ratio are not applicable to the Company

Un-amortised income grouped under current liabilities has increased by 165% with growth in business volumes, resulting in change of current liabilities by 72% as against muted growth in current assets. Thus current ratio has moved to 1.72 in current financial year as against 2.99 in previous year.

Average trade receivables and average trade payables for FY22 has increased by 35% and 16% respectively. Revenue from operations considered as base for computing "Trade receivable turnover ratio" and "Trade payable turnover ratio" has grown by 121% in current financial year, resulting in yearly movement in ratio by 63% and 90% respectively.

**25 Intangibles under development ageing schedule**

As at 31 March 2022

Intangibles under development	Amount in Intangibles under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	12,231,797	-	-	-	12,231,797
Projects temporarily suspended	-	-	-	-	-

As at 31 March 2021

Intangibles under development	Amount in Intangibles under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	478,970	-	-	1,626,600	2,105,570
Projects temporarily suspended	-	-	-	-	-

**26 Revaluation of plant, property & equipment and intangible assets**

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

- 27 As the global pandemic COVID-19 continues to spread, the management has assessed the internal and external information up to 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.

- 28 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**29 Details of Benami Property held**

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

**30 Borrowings from bank and financial institutions**

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

**31 Willful Defaulter**

The Company is not declared as willful defaulter by any bank or financial institution or other lender.

**32 Relationship with Struck off Companies**

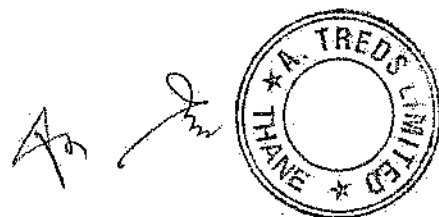
The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

**33 Compliance with number of layer of companies**

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

**34 Undisclosed income**

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



**A.TREDS LIMITED**

**Notes forming part of the financial statements**

**35 Utilisation of borrowed funds and share premium**

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

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

**36 Crypto Currency or Virtual Currency**

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

**37 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

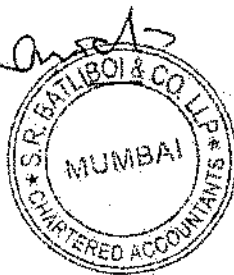
The accompanying notes are an integral part of the financial statements.

As per our report of even date

2.1

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 : 19th April, 2022



For and on behalf of the Board of Directors

Rajiv Arand  
Director  
DIN No: 02581753

Vijay Dube  
Chief Financial Officer

Prakash Sankaran  
Managing Director & CEO  
DIN: 08581871

Meenakshi Agarwal  
Company Secretary

