



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF PAUL MERCHANTS FINANCE PRIVATE LIMITED
(Formerly known as Paul Fincap Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **PAUL MERCHANTS FINANCE PRIVATE LIMITED (Formerly known as Paul Fincap Private Limited)** ("the Company") which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 results under the provisions of the Companies Act, 2013 and



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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 opinion. Our opinion is not modified in respect of this matter.

Management's Responsibility for the Financial Results

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, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the financial results 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 results.

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 results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" 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 purpose 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
 - c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".



g. 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 011106N**



**(ROHIT GOEL)
PARTNER
M. No. 091756**

UDIN: 21091756AAAACE6131

**Date: 31st MAY 2021
Place: Chandigarh**

Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no discrepancies between the books records and the physical fixed assets have been noticed.

(c) The company does not own any immovable property.
- ii. In respect of its inventories, since the company is a Non-Banking Financial Company, it does not carry any kind of inventory. Hence, this clause is not applicable. Securities in the shape of gold ornaments are held by the company however the same do not form part of inventories. As per the management, the same have been physically verified on quarterly basis.
- iii. According to the information and explanation given to us, the company has granted loans to relative of the director covered in the register maintained under section 189 of the Companies act 2013. The terms and conditions of the grant of such loan are not prejudicial to company's interest. The repayments and receipts are regular.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities as applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax were outstanding as on 31-3-2021 for a period more than six months from the date of becoming payable.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.



- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with them during the year. Hence provisions of section 192 of the companies Act, 2013 are not applicable.
- xvi. The company is carrying on the business of lending against gold ornaments as well as other loans and for the said purpose company has obtained permission from RBI and is registered under section 45-IA of Reserve Bank of India.

**For RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 011106N**



**(ROHIT GOEL)
PARTNER
M. No. 091756
UDIN: 21091756AAAACE6131**

**Date: 31th MAY 2021
Place: Chandigarh**

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Paul Merchants Finance Private Limited

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

We have audited the internal financial controls over financial reporting of Paul Merchants Finance Private Limited (**Formerly known as Paul Fincap Private Limited**) ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. 011106N**



**(ROHIT GOEL)
PARTNER**

M. No. 091756

UDIN: 21091756AAAACE6131

**Date: 31th MAY 2021
Place: Chandigarh**



**Auditor's Additional Report
To the Board of Directors of
Paul Merchants Finance Private Limited
(Formerly known as Paul Fincap Private Limited)**

Report on Financial Statements

This report is in addition to the Report given by us under Section 143 of the Companies Act, 2013 on the Financial Statements of **Paul Merchants Finance Private Limited (Formerly known as Paul Fincap Private Limited) ('the Company')** for the Financial Year ended 31 March, 2021 and as required by Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 (Master Direction DNBS. PPD.03/66.15.001/2016-17) dated September 29, 2016 ('Master Directions').

Based on our examination of the Financial Statements as at and for the Financial Year ended 31 March, 2021, books of Accounts and records of the Company as produced for our examination and according to the information and explanations given to us, we report as follow on the matters specified in paragraphs 3 and 4 of the said Master Directions to the extent applicable:

1. The Company is engaged in the business of Non-banking financial institution and has duly obtained a Certificate of Registration (COR) from the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934;
2. The Company is entitled to continue to hold such COR in terms of its Principal Business Criteria (Financial asset/income pattern) as on 31 March, 2021;
3. The Company is meeting the required net owned fund requirement as laid in the Master Direction - Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.
4. The Board of Directors of the Company has passed a resolution for non- acceptance of any public deposits;
5. The Company has not accepted any Public Deposit during the Financial Year ended 31st March, 2021



6. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;

For RAJIV GOEL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.- 011106N



ROHIT GOEL

PARTNER

MS NO. 091756

UDIN: 21091756AAAACE6131

DATE: 31thMAY 2021

PLACE: CHANDIGARH

PAUL MERCHANTS FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS PAUL FINCAP PRIVATE LIMITED)
Balance Sheet as on 31 March 2021
CIN-U65921CH2010PTC032462

Particulars	Note	Current Year as on 31 March 21	Previous Year as on 31st March 20
ASSETS			
(1) Financial Assets	1	47,916,631.18	64,978,006.89
(a) Cash and Cash Equivalents	1	1,771,678.00	-
(b) Bank Balance Other than (a) above		-	-
(c) Derivative Financial Instruments		-	-
(d) Receivables		-	-
(i) Trade Receivables		-	-
(ii) Other Receivables		-	-
(e) Loans	2	3,750,878,118.76	2,703,642,211.82
(f) Investments		-	-
(g) Other Financial assets (to be specified)		-	-
(2) Non - Financial Assets			
(a) Inventories	3	80,842,795.44	54,357,393.29
(b) Current Tax Assets	4	1,195,590.94	1,597,512.94
(c) Deferred Tax Asset(Net)		-	-
(d) Investment Property		-	-
(e) Biological Assets Other than bearer plants	5	33,747,888.03	17,925,073.35
(f) Property, Plant and Equipment		-	-
(g) Capital Work in Progress	5	4,815,199.00	-
(h) Intangible Assets Under Development		-	-
(i) Goodwill	5	780,796.38	815,392.47
(j) Other Intangible Assets	6	36,901,505.17	16,943,915.80
(k) Other Non Financial Assets		-	-
TOTAL ASSETS		3,957,970,202.90	2,860,259,506.55
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments		-	-
(b) Payables			
(i) Trade Payables		-	-
(ii) total outstanding dues of micro enterprises and small enterprises		-	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		8,742,728.75	2,461,973.13
(c) Debt Securities	7	2,229,935,587.47	1,340,104,425.45
(d) Borrowing (other than Debt Securities)		-	-
(e) Deposits		-	-
(f) Subordinate Liabilities		-	-
(g) Other Financial Liabilities		-	-
(2) Non Financial Liabilities			
(a) Current Tax Liabilities (Net)	8	79,942,713.14	60,506,101.61
(b) Provisions		-	-
(c) Deferred Tax Liabilities(Net)	9	17,116,604.34	8,119,278.31
(d) Other Non Financial Liabilities (to be specified)		-	-
(3) EQUITY			
a) Equity Share Capital	10	310,171,750.00	310,171,750.00
b) Other Equity	11	1,312,060,819.19	1,138,895,978.05
TOTAL LIABILITIES & EQUITY		3,957,970,202.90	2,860,259,506.55

Accounting Policies and Notes referred to above form an integral part of the standalone financial statements

For and on behalf of the Board of Directors

SAT PAUL BANSAL
(Chairman & Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

AMANPAL SINGH
Company Secretary
Membership No. : A42581
#5540, Street No.4, Shiva ji
Nagar, Ludhiana

Place: Chandigarh
Date : 31-05-2021

SHAIBU GEEVARGHESE CHERIAN
(Whole Time Director)
DIN 07319125
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

RAJESH GARG
CFO
Membership no 096484
472, Mamta Enclave, Dhakoli
Zirakpur

Auditor's Report

As per our separate reports
of even date attached

For Rajiv Goel & Associates
Chartered Accountants
FRN - 011106N

CA. Rohit Goel
Partner
M. No. 091756
S.C.O. 823-824, SECTOR - 22A,
Chandigarh
UDIN : 21091756AAAAACE6131

PAUL MERCHANTS FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS PAUL FINCAP PRIVATE LIMITED)
Profit and Loss statement as on 31 March 2021
CIN-U65921CH2010PTC032462

Particulars	Note No.	Figures for the current reporting period 31.03.2021	Figures for the previous reporting period 31.03.2020
Revenue from Operations			
(i) Interest Income	12	597,009,777.59	422,953,668.46
(ii) Dividend Income			
(iii) Rental Income		97,200.00	108,000.00
(iv) Fees and commission Income	13	30,209,065.77	12,115,885.38
(I) Total Revenue from operations		627,316,043.36	435,177,553.84
(II) Other Income	14	1,764,082.14	554,178.05
III. Total Income (I+II)		629,080,125.50	435,731,731.89
Expenses:			
(i) Finance Costs	15	167,927,273.61	101,610,914.29
(ii) Employee Benefits Expenses	16	88,312,332.00	68,658,645.00
(iii) Depreciation, amortization and impairment	5	7,616,224.69	4,082,507.54
(iv) Others expenses	17	96,487,596.92	62,280,704.98
(v) CSR Expense	18	2,636,517.00	713,877.00
IV. Total Expenses (IV)		362,979,944.22	237,346,648.81
V. Profit before exceptional & extraordinary items & tax (III-IV)		266,100,181.28	198,385,083.08
VI. Exceptional Items			
VII. Profit before tax (V-VI)		266,100,181.28	198,385,083.08
VIII. Tax Expense:			
(1) Current tax		67,078,643.13	48,357,534.23
(2) Prior period taxes		850,146.00	
(3) Deferred tax		349,288.76	(1,134,347.00)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		197,822,103.38	151,161,895.85
X. Profit/(Loss) for the period from discontinued operations			
XI. Tax Expense of Discontinuing operations			
XII. Profit/(Loss) for the period from discontinued operations after tax (X-XI)			
XIII. Profit (Loss) for the year (IX + XII)		197,822,103.38	151,161,895.85
XIV. OTHER COMPREHENSIVE INCOME			
A(i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined employee benefit plans		209,111.00	(628,920.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(52,633.24)	158,299.16
B(i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
XV. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		197,978,581.15	150,691,275.01
XVI. Earnings per equity share (for continuing operations):			
(1) Basic(Rs.)		6.38	4.87
(2) Diluted(Rs.)		6.38	4.87
XVII. Earnings per equity share (for discontinued operations)			
(1) Basic(Rs.)			
(2) Diluted(Rs.)			
XVIII. Earnings per equity share (for continuing and discontinued operations)			
(1) Basic(Rs.)		6.38	4.87
(2) Diluted(Rs.)		6.38	4.87

Accounting Policies and Notes referred to above form an integral part of the standalone financial statements

For and on behalf of the Board of Directors

SAT PAUL BASAL
(Chairman & Managing Director)
DIN - 00077499
#749, Sector 8
Chandigarh

SHAMBU GEEVARESE CHERIAN
(Whole Time Director)
DIN 07319125
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

ANANPAL SINGH
Company Secretary
Membership No. : A42581
#5540, Street No.4, Shiva Ji
Nagar, Ludhiana

RAJESH SAGB
CFO
Membership no 096484
472, Mamta Enclave, Dhakoli
Zirakpur

Place: Chandigarh
Date : 31-05-2021

Auditor's Report

As per our separate reports
of even date attached

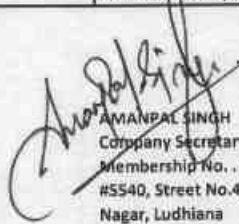
For Rajiv Goel & Associates
Chartered Accountants
FRN - 011106N

CA. Rohit Goel
Partner
M. No. 091756
S.C.O.823-824, SECTOR -22A,
Chandigarh
UDIN : 21091756AAAAACE6131

PAUL MERCHANTS FINANCE PRIVATE LIMITED
CASH FLOW STATEMENT AS ON 31ST MAR 2021

Amount In Rs.

PARTICULARS	CURRENT YEAR 31.03.2021	PREVIOUS YEAR 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax and Extraordinary Items	266,508,202	201,487,238
Adjustment for:		
Depreciation	7,616,225	4,082,508
Profit before working Capital Changes	274,124,427	205,569,745
Adjustment for :		
Net changes in operating Assets & Liabilities		
Short Term Loans & Advances	(1,067,193,496)	(947,711,357)
Other Current Assets	(26,485,402)	(25,841,053)
Long Term Provisions	-	-
Trade Payables	6,280,756	(1,824,456)
Other Current Liabilities	8,997,326	1,162,335
Short Term Provisions	19,237,702	23,697,105
Cash generated from operations	(1,059,163,115)	(950,517,426)
Income Taxes Paid	(67,928,789)	(48,199,235)
Cash generated from operation before extraordinary items	(852,967,477)	(793,146,916)
Dividend Received		
Net Cash flow from operating activities	(852,967,477)	(793,146,916)
B. CASH FLOW FROM LENDING AND INVESTING ACTIVITIES		
Purchase of Fixed Assets	(27,339,642)	(12,573,054)
Increase/Decrease in Non Current Investments	-	-
Net cash used in lending and investing activities	(27,339,642)	(12,573,054)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Capital	-	-
Borrowings (Net of Repayments)		
Long Term Borrowings	4,584,569.64	821,793,550
Short Term Borrowings	885,246,592	-
Dividend Paid	(24,813,740)	-6013418
	865,017,422	815,780,132
Net cash flow from financing activities	-15,289,698	10,060,161
Cash and Cash equivalent at the beginning of the year	64,978,007	54,917,846
Cash and Cash equivalents at the end of the year	49,688,309	64,978,007


AMANPAL SINGH
Company Secretary
Membership No. A42581
#5540, Street No.4, Shiva Ji
Nagar, Ludhiana


RAJESH KARG
CFO
Membership no 096484
472, Mamta Enclave, Dhakoli
Zirakpur


SAT PAL CHAHAL
(Chairman & Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh


SHAIBU GELVARGHESE CHERIAN
(Whole Time Director)
DIN 07319125
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Finance Private Limited for the year ended 31st March 2021. The Statement is in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Place: Chandigarh
Date : 31-05-2021



PAUL MERCHANTS FINANCE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
CIN-U65821CH2010PTC032462

A Equity Share Capital

Changes in equity share capital for the year ended 31st March, 2021

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	310,171,750
Changes in equity share capital during the year	0
Balance at the end of the reporting period	310,171,750

Changes in equity share capital for the year ended 31st March, 2020

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	310,171,750
Changes in equity share capital during the year	0
Balance at the end of the reporting period	310,171,750

B Other Equity

Changes in other equity for the year ended 31st March, 2021

Particulars	Reserves and Surplus				Total
	Security premium Account	General Reserve	Statutory reserve	Impairment Reserve	
Balance as on 01.04.2020	913,511,262	179,383,622	46,001,094	-	1,138,895,978
Dividend Paid (Inc. DDT)		(24,813,740)			(24,813,740)
Net Profit / Loss for the year		156,834,029	39,208,507	1,778,567	197,822,103
Security premium during the year	-				-
Remeasurements of net defined benefit plans		125,182	31,296	-	156,478
Balance as on 31.03.2021	913,511,262	311,529,093	85,240,897	1,778,567	1,312,060,819

Changes in other equity for the year ended 31st March, 2020

Particulars	Reserves and Surplus			Total
	Security premium Account	General Reserve	Statutory reserve	
Balance as on 01.04.2019	913,511,262	64,844,020	15,862,839	994,218,121
Dividend Paid (Inc. DDT)		(6,013,418)		(6,013,418)
Net Profit / Loss for the year		120,929,517	30,232,379	151,161,896
Security premium during the year	-			-
(a) Remeasurements of net defined benefit plans		(376,497)	(94,124)	(470,621)
Balance as on 31.03.2020	913,511,262	179,383,622	46,001,094	1,138,895,978

For and on behalf of the Board of Directors

SAT PAUL BARNAL
(Chairman & Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

ANWAL SINGH
Company Secretary
Membership No. A42581

#5540, Street No.4, Shiva ji
Nagar, Ludhiana

Place: Chandigarh
Date : 31-05-2021

SHABU GEEVARGHSE LHERIAN
(Whole Time Director)
DIN 07339125
Puthanparambil, Karipuram,
Mukkoodu P.O., Kerala

RAJESH GARG
CFO
Membership no 096484

472, Mamta Enclave, Dhakoli
Zirakpur

Auditor's Report

As per our separate reports of even date attached

For Rajiv Goel & Associates
Chartered Accountants
FRN - 011100N

CA. Rohit Goel
Partner
M. No. 091756
S.C.O.823-824,
SECTOR -22A,
Chandigarh
UDIN:21091756AAAACE6131

NOTES ON FINANCIAL STATEMENTS

Note 1: CASH & BANK BALANCE

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
A. Cash and cash equivalents		
Balance with banks in Current Accounts	75,488,600.03	53,688,307.89
Cash in Hand	22,428,031.15	11,289,699.00
Total (1)	47,916,631.18	64,978,006.89
B. Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	1,771,678.00	
Total (2)	1,771,678.00	
Total (1+2)	49,688,309.18	64,978,006.89

Note 3 : CURRENT TAX ASSETS

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Advance Tax & TDS	75,314,271.86	51,935,798.21
Input Credit	5,528,523.58	2,421,595.08
Total	80,842,795.44	54,357,393.29

Note 4: DEFERRED TAX LIABILITIES/TAX ASSET

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Opening Balances	1,597,512.94	463,165.94
Add : Deferred Tax Asset	-401,922.00	1,134,347.00
Total	1,195,590.94	1,597,512.94

Note 6 : OTHER NON FINANCIAL ASSETS

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Prepaid Expenses	8,532,518.88	4,251,938.54
Security and Amount Refundable	26,155,424.96	11,953,364.26
Advance to Vendor	2,213,561.33	738,613.00
Total	36,901,505.17	16,943,915.80

Note 8: PROVISIONS

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Provision for Taxes	67,078,643.13	48,199,235.44
Provision for NPA	9,506,675.01	3,235,773.40
Contingent Provision Against Standard Assets	-	6,071,991.77
Gratuity Payable	3,357,395.00	2,999,101.00
Total	79,942,713.14	60,506,101.61

Note 9 : OTHER NON FINANCIAL LIABILITIES

Particulars	As on 31st Mar 2021	As on 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Expenses Payable	9,518,878.34	5,038,377.31
Salary Payable	7,597,726.00	3,080,901.00
Total	17,116,604.34	8,119,278.31

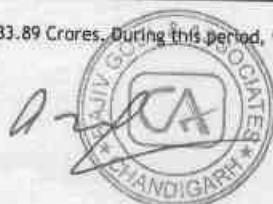


Note 2 : LOANS

Particulars	As at 31 March 2021					
	At Fair Value					Total
	Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Subtotal	
(A)						
i) Gold Loan*	3,722,391,731.30	-	-	-	-	3,722,391,731.30
ii) Other Loan	28,486,387.46	-	-	-	-	28,486,387.46
Total (A) - Gross	3,750,878,118.76	-	-	-	-	3,750,878,118.76
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) - Net	3,750,878,118.76	-	-	-	-	3,750,878,118.76
(B)						
I) Secured by tangible assets						
i) Gold Loan	3,722,391,731.30	-	-	-	-	3,722,391,731.30
ii) Other Loan	23,685,650.44	-	-	-	-	23,685,650.44
Total (I) - Gross	3,746,077,381.74	-	-	-	-	3,746,077,381.74
Less: Impairment loss allowance	-	-	-	-	-	-
Total (I) - Net	3,746,077,381.74	-	-	-	-	3,746,077,381.74
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Other Loan	4,800,737.02	-	-	-	-	4,800,737.02
Total (III) - Gross	4,800,737.02	-	-	-	-	4,800,737.02
Less: Impairment loss allowance	-	-	-	-	-	-
Total (III) - Net	4,800,737.02	-	-	-	-	4,800,737.02
Total (B) (I+II+III) - Net	3,750,878,118.76	-	-	-	-	3,750,878,118.76
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	3,750,878,118.76	-	-	-	-	3,750,878,118.76
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	3,750,878,118.76	-	-	-	-	3,750,878,118.76
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) - Net	3,750,878,118.76	-	-	-	-	3,750,878,118.76

Particulars	As at 31 March 2020					
	At Fair Value					Total
	Amortised Cost	Through Other Comprehensive Income	Through Profit or Loss	Designated at fair value through profit or loss	Subtotal	
(A)						
i) Gold Loan	2,496,291,885.82	-	-	-	-	2,496,291,885.82
ii) Other Loan	207,350,326.00	-	-	-	-	207,350,326.00
Total (A) - Gross	2,703,642,211.82	-	-	-	-	2,703,642,211.82
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) - Net	2,703,642,211.82	-	-	-	-	2,703,642,211.82
(B)						
I) Secured by tangible assets						
i) Gold Loan	2,496,291,885.82	-	-	-	-	2,496,291,885.82
ii) Other Loan	43,926,448.00	-	-	-	-	43,926,448.00
Total (I) - Gross	2,540,218,333.82	-	-	-	-	2,540,218,333.82
Less: Impairment loss allowance	-	-	-	-	-	-
Total (I) - Net	2,540,218,333.82	-	-	-	-	2,540,218,333.82
II) Covered by Bank / Government Guarantees	-	-	-	-	-	-
III) Unsecured						
i) Other Loan	163,423,878.00	-	-	-	-	163,423,878.00
Total (III) - Gross	163,423,878.00	-	-	-	-	163,423,878.00
Less: Impairment loss allowance	-	-	-	-	-	-
Total (III) - Net	163,423,878.00	-	-	-	-	163,423,878.00
Total (B) (I+II+III) - Net	2,703,642,211.82	-	-	-	-	2,703,642,211.82
(C) (I) Loans in India						
i) Public Sector	-	-	-	-	-	-
ii) Others	2,703,642,211.82	-	-	-	-	2,703,642,211.82
(C) (II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	2,703,642,211.82	-	-	-	-	2,703,642,211.82
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C) - Net	2,703,642,211.82	-	-	-	-	2,703,642,211.82

*Loan Disbursed during the period Apr 2020 to Mar 2021 amounts to Rs.783.89 Crores. During this period, there is increase in net gold loan outstanding by amount of Rs. 122.61 Crores.



M/S PAUL MERCHANTS FINANCE PRIVATE LIMITED
PARTICULARS OF DEPRECIATION ALLOWABLE AS PER COMPANIES ACT, 2013

Note 05: Property, Plant and Equipment

PARTICULARS	Rate	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)			
		Balance as at April 2020	1	Additions	Disposals	Balance as at 31 Mar 2021	Balance as at April 2020	1	Depreciation charge for the year	On disposals	Balance as at 31 Mar 2021	Balance as at 2020	Balance as at 31st Mar 2021
Motor Car	31.23%	5,460,565.00		7,202,268.00	0.00	12,662,833.00	232,395.78		2,300,098.47	0.00	2,532,494.25	5,228,169.22	10,130,338.75
Safes	18.10%	8,250,266.00		9,124,172.00	0.00	17,374,438.00	2,841,438.81		1,684,796.81	0.00	4,526,235.62	5,408,827.19	12,848,202.38
Security Devices	18.10%	1,229,425.46		1,355,025.33	0.00	2,584,450.79	153,016.99		265,610.11	0.00	418,627.10	1,076,408.47	2,165,823.69
Computer & Accessories	63.16%	3,290,082.07		1,480,615.18	0.00	4,770,697.25	2,127,232.73		1,137,803.96	0.00	3,265,036.69	1,162,849.33	1,505,660.55
Weighing Scale	18.10%	722,625.00		196,200.00	0.00	918,825.00	225,217.94		109,416.67	0.00	334,634.60	497,407.06	584,190.40
Furniture & Fixture	25.89%	4,884,281.30		1,711,327.50	0.00	6,595,608.80	1,988,208.21		941,952.72	0.00	2,930,160.94	2,896,073.09	3,665,447.86
Inventor	25.89%	717,461.00		670,522.96	0.00	1,387,983.96	232,432.49		190,995.21	0.00	423,427.70	485,028.51	964,556.26
Air Conditioner	25.89%	1,105,409.75		373,238.40	0.00	1,478,648.15	208,090.06		261,731.91	0.00	469,821.96	897,319.69	1,008,826.19
Currency Counting Machine	25.89%	346,979.04		770,125.92	0.00	1,067,104.96	73,988.27		118,274.75	0.00	192,263.02	272,990.77	874,841.94
Total		26,007,094.62		22,833,495.29	0.00	48,840,589.91	8,082,021.27		7,010,680.61	0.00	15,092,701.88	17,925,073.35	33,747,888.03
Intangible Assets													
Software	63.16%	4,740,400.00		490,948.00	0.00	5,231,348.00	3,925,007.53		605,544.08	0.00	4,530,551.62	815,392.47	700,796.38
Total Intangible Assets		4,740,400.00		490,948.00	0.00	5,231,348.00	3,925,007.53		605,544.08	0.00	4,530,551.62	815,392.47	700,796.38
Intangible Assets Under Development		0.00		4,015,199.00	0.00	4,015,199.00	0.00		0.00	0.00	0.00	0.00	4,015,199.00
Total Current Year		30,747,494.62		27,339,642.29	0.00	58,087,136.91	12,007,028.80		7,616,224.69	0.00	19,623,253.49	18,740,465.81	38,463,883.41
Total Last Year		18,174,440.33		12,573,054.29	0.00	30,747,494.62	7,924,521.26		4,082,507.54	0.00	12,007,028.80	10,249,919.07	18,740,465.81



Note 7 : BORROWINGS

Particulars	As at 31 March 2021				
	At Fair Value				
	Amortised Cost	Through Profit or Loss	Designated at fair value through profit or loss	Subtotal	Total
(a) Term Loan					
(i) from banks					
Term Loan (Secured by specific charge on vehicles)	4,584,569.64	-	-	-	4,584,569.64
(Terms of Repayment: Payable in 3 years in equal monthly installment)					
(b) Loans repayable on demand					
(i) from banks					
Overdraft facility from Banks (Secured by pari passu floating charge on current assets of the company & Tax Free Bonds & property owned by Paul Merchants Ltd, It is further secured by corporate Guarantee given by Paul merchants Ltd, Further WC facility of Rs. 50 Cr. from SBI is also secured by Personal guarantee of directors.	661,149,553.15	-	-	-	661,149,553.15
(Terms of Repayment: Repayable on Demand)					
(c) Loans from related party					
Loan from Directors and Relatives (Unsecured)	185,351,361.74	-	-	-	185,351,361.74
Loan from Holding Company (Unsecured)	1,378,850,102.94	-	-	-	1,378,850,102.94
(Terms of Repayment: Repayable on Demand)					
Total (A)	2,229,935,587.47	-	-	-	2,229,935,587.47
Borrowings in India	2,229,935,587.47	-	-	-	2,229,935,587.47
Borrowings outside India					
Total (B)	2,229,935,587.47	-	-	-	2,229,935,587.47

Particulars	As at 31 March 2020				
	At Fair Value				
	Amortised Cost	Through Profit or Loss	Designated at fair value through profit or loss	Subtotal	Total
(a) Term Loan					
(i) from banks	299,078,224.43	-	-	-	299,078,224.43
(Secured by pari passu floating charge on current assets & Tax Free Bonds & property owned by Paul Merchants Ltd, It is further secured by corporate Guarantee given by Paul merchants Ltd)					
(Terms of Repayment: Repayable on Demand)					
(a) Loans repayable on demand					
(i) from banks					
Overdraft facility from Banks (Secured by Tax Free Bonds & further secured by corporate Guarantee given by Paul merchants Ltd)		-	-	-	-
(Terms of Repayment: Repayable on Demand)					
(b) Loans from related party					
Loan from Directors (Unsecured)	23,876,198.87	-	-	-	23,876,198.87
Loan from Holding Company (Unsecured)	1,017,150,002.15	-	-	-	1,017,150,002.15
(Terms of Repayment: Repayable on Demand)					
Total (A)	1,340,104,425.45	-	-	-	1,340,104,425.45
Borrowings in India	1,340,104,425.45	-	-	-	1,340,104,425.45
Borrowings outside India					
Total (B)	1,340,104,425.45	-	-	-	1,340,104,425.45

Since the company is NBFC registered with RBI, the requirement of disclosure under Rule 16A of Companies (Acceptance of Deposit) Rules is not applicable.



Note 10 : EQUITY CAPITAL

A. Authorised, Issued, Subscribed & Paid up Share Capital and Par Value per Share

Particulars	As at 31st Mar 2021	As at 31st Mar 2021	As at 31st Mar 2020	As at 31st Mar 2020
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity Shares of Rs. 10 each	45,000,000.00	450,000,000.00	45,000,000	450,000,000
Issued				
Equity Shares of Rs. 10 each	31,017,175.00	310,171,750.00	31,017,175	310,171,750
Subscribed & fully Paid up				
Equity Shares of Rs. 10 each	31,017,175.00	310,171,750.00	31,017,175	310,171,750
Total	31,017,175.00	310,171,750.00	31,017,175.00	310,171,750.00

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation, equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

There are no share in the preceeding five years allotted as fully paid up without payment being received in cash/ Bonus shares/ Bought Back.

There are no shares reserved for issue under options and contracts/ commitments for sale of shares / disinvestment.

B. Reconciliation of Number of Shares Outstanding at the beginning and end of the year

Particulars	Equity Shares	Equity Shares
	As at 31st Mar 2021	As at 31st Mar 2020
	Number	Number
Shares outstanding at the beginning of the year	31,017,175.00	31,017,175.00
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	31,017,175.00	31,017,175.00

C. Shares in the company held by each shareholder holding more than 5% shares

Name of Shareholder (Mr./Mrs.)	Equity Shares		
	As at 31st Mar 2021	As at 31st Mar 2020	
	No. of Shares held	No. of Shares held	% of Holding
Mr. Sat Paul Bansal (As a nominee of Paul merchants limited)	-	1.00	-
Mr. Rajneesh Bansal (As a nominee of Paul merchants limited)	1.00	-	-
Paul Merchants Ltd. (Holding Company)	31,017,174.00	31,017,174	100.00

D. Rights, Preferences and Restrictions attaching to various classes of Shares

Class of Shares	Rights, Preferences and Restrictions attaching to various classes of Shares
Equity Shares	No Special Rights, Preferences & Restrictions Attached



Note 11: OTHER EQUITY

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Impairment Reserve		
Opening Balance		-
(+) Current Year Transfer	1,779,567.09	-
Closing Balance	1,779,567.09	-
A. Statutory Reserve		
Opening Balance	46,001,094.20	15,862,839.20
(+) Current Year Transfer	39,239,802.81	30,138,255.00
Closing Balance	85,240,897.01	46,001,094.20
B. General Reserve		
Opening Balance	179,383,621.85	64,844,019.84
(+) Current Year Transfer	156,959,211.24	120,553,020.01
(-) DIVIDEND APPORTIONMENT	24,813,740.00	4,962,748.00
(-) DIVIDEND DISTRIBUTION TAX		1,050,670.00
Closing Balance	311,529,093.10	179,383,621.85
C. Securities Premium Account		
Opening Balance	913,511,262.00	913,511,262.00
Add : Securities premium credited on Share issue		0.00
Less : Premium Utilised		
Closing Balance	913,511,262.00	913,511,262.00
D. Retained Earning		
Opening balance		
(+) Net Profit For the current year	197,978,581.15	150,691,275.01
(-) Prior Period Provision		
(-) Transfer to Impairment Reserve as per RBI requirement	1,779,567.09	
(-) Transfer to General Reserve	156,959,211.24	120,553,020.01
(-) Transfer to Statutory Reserve as per RBI requirement	39,239,802.81	30,138,255.00
Closing Balance	0.00	-
Total	1,312,060,819.19	1,138,895,978.05

Nature and purpose of reserve

Statutory reserve : Statutory Reserve represents the Reserve created under Section 45 iC of the Reserve Bank of India Act, 1934. Accordingly an amount representing 20% of Profit for the period is transferred for the year.

Securities Premium : This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: This Reserve represents the cumulative profits of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Impairment Reserve: This reserve is created in accordance with IND AS 109.



Note 12 : INTEREST INCOME

Particulars	For the Year ended 31st Mar 2021			For the Year ended 31st Mar 2020		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss
Interest Income on Loans	-	597,009,777.59	-	-	422,953,668.46	-
Total Revenue From Operations	-	597,009,777.59	-	-	422,953,668.46	-

Note 13 : FEES AND COMMISSION INCOME

Particulars	For the Year ended 31st Mar 2021 Amount (Rs.)	For the Year ended 31st Mar 2020 Amount (Rs.)
Income from Money Transfer Service	30,209,065.77	12,115,885.38
Total	30,209,065.77	12,115,885.38

Note 14: OTHER INCOME

Particulars	For the Year ended 31st Mar 2021 Amount (Rs.)	For the Year ended 31st Mar 2020 Amount (Rs.)
	Amount (Rs.)	Amount (Rs.)
Profit on sale of Investments	-	-
Miscellaneous Income	793,463.15	554,178.05
Loan Servicing Fees	970,618.99	-
Total	1,764,082.14	554,178.05

Note 15: FINANCE COSTS

Particulars	For the Year ended 31st Mar 2021		For the Year ended 31st Mar 2020	
	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost
Interest on borrowings	-	156,016,432.30	-	98,340,838.60
Bank Charges	-	11,910,841.31	-	3,270,075.69
	-	167,927,273.61	-	101,610,914.29

Note 16: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st Mar 2021 Amount (Rs.)	For the Year ended 31st Mar 2020 Amount (Rs.)
	Amount (Rs.)	Amount (Rs.)
Salaries & Allowances	74,167,983.00	58,972,595.00
Leave Encashment	1,309,491.00	188,270.00
Staff Welfare Expenses	3,818,215.50	2,765,914.00
Contribution to ESI & EPF	4,811,601.00	3,928,957.00
Gratuity	1,154,520.00	914,458.00
Bonus	3,050,521.50	1,888,451.00
Total	88,312,332.00	68,658,645.00



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Note 17 : OTHER EXPENSES

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Commission Exp-DMT & Indo Nepal	17,135,757.49	3,359,084.75
Computer Expenses	2,293,288.05	2,446,071.65
Travelling & Conveyance Expenses	5,655,671.31	6,392,784.18
Insurance	5,242,496.12	2,891,530.00
Legal, Professional & Consultancy Charges	11,996,584.70	2,200,257.00
Payments to auditors (Refer Note (i) below)	65,000.00	90,200.00
Stationery & Telephone expenses	3,293,320.88	2,730,761.59
Rates and taxes	315,099.71	255,947.08
Rent	15,747,313.68	13,439,574.21
Security Expenses	18,712,417.22	12,557,232.00
Advertisement & Publicity	3,944,875.25	4,831,137.34
Provision for impairment of Loan Asset	1,037,559.55	3,731,074.61
Water & Electricity Expenses	2,234,249.00	1,956,908.00
Repair & Maintenance	3,836,658.08	2,034,845.50
Misc Office Expenses	5,477,305.78	5,363,317.07
Total	96,487,596.92	62,280,704.98

NOTE 17 (i) Payments to auditors

Payments to the auditor as	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Statutory Audit Fees	50,000.00	50,000.00
Tax Audit Fees	15,000.00	17,700.00
Fees for other services	-	22,500.00
Total	65,000.00	90,200.00

Note 18: Corporate Social Responsibility & other Social Welfare Expenses

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (In Rs.)	Amount (In Rs.)
Gross Amount Required to be spent by the Co. During the Year	1,995,353	709,671
A) Amount Spent During the year	Amount Paid	Amount Paid
Overhead Expenses	82,272	-
Animal Welfare	-	-
Environment sustainability	-	-
Promoting Healthcare	155,400	300,000
Making available safe drinking water	-	-
Eradicating hunger	2,069,245	413,877
Employment enhancing Vocation skills	-	-
Promoting education	-	-
Food and Sanitation	-	-
Women Empowerment	-	-
B) AMOUNT YET TO BE PAID	NIL	NIL
	2,306,917	713,877
Other Social Welfare Expenses (not covered under CSR)	329,600	-
Total	2,636,517	713,877



A. List of Related Parties having control or significant influence

Name of Related Party	Relationship
Sh. Sat Paul Bansal	Director up to 29/08/2020 and Rejoined as Chairman & Managing Director w.e.f 01/04/2021
Sh. Rajneesh Bansal	Director
Sh. Sandeep Bansal	Relative of Director
Paul Merchants Limited	Holding Company
Sh. Shaibu Geeyarghese Cherian	Whole Time Director
Sh. Amanpal Singh	Company Secretary
Sh. Rajesh Garg	CFO
Sarita Rani Bansal	Relative of Director
Astha Bansal	Relative of Director
M/s Erisha Infratech LLP	LLP in which director is designated Partner and relatives of Directors are also Partners who have resigned on 15/06/2020.
PAUL OVERSEAS PVT LTD	Private Company in which two directors are also shareholders and directors
PAUL ENERGY PROJECTS PRIVATE LIMITED	Private Company in which two directors are also shareholders and directors
PAUL EXCURSIONS PRIVATE LIMITED	Private Company in which two directors are also shareholders and directors
PML HOLIDAYS PVT. LIMITED	Private Company in which two directors are also shareholders and directors
PAUL FAST REMIT PVT. LIMITED	Private Company in which two directors are also shareholders and directors
TALK MORE COMMUNICATIONS PRIVATE LIMITED	Private Company in which two directors are also Directors
PAUL DISTRIBUTORS	Private Company in which a director is also Director and shareholder
PAUL & COMPANY	Proprietorship firm in which Mrs. Sarita Rani Bansal is proprietor
PML REALTORS PVT LIMITED	Partnership firm in which Mr. Sat Paul Bansal is partner
Paul Instacred Private Limited	Fellow Subsidiary
Paul E commerce Private Limited	Private Company in which relatives of Director is also Directors and shareholders
Divya Broadcasting Private Limited	Private Company in which relatives of Director is also Directors and shareholders
TAPA GAS SERVICES	Private Company in which relatives of Director is also Directors and shareholders
	Proprietorship firm in which Rajneesh Bansal is Proprietor

B. List of Related Party along with Transactions in Ordinary Course of Business

Nature of Transaction	Key Management Personnel Amount (Rs.)	For the Period ended 31st March 2021		
		(Holding Company) Amount (Rs.)	Managerial Remuneration Amount (Rs.)	Related Party (Rs.)
Rent paid	-	1,596,826	-	-
Rent received	-	97,200	-	-
Net Service Charges Paid - Indo Nepal/ DMT	-	958,945	-	-
Net additional working capital	-	361,700,100	-	-
Interest paid on loan	-	119,609,958	-	-
Commission for cross reference sales	-	724,995	-	-
Dividend Paid	-	24,813,740	-	-
Purchase of goods & services	-	540,017	-	-
Additional Borrowing from director	-	-	-	50,453,614
Interest Exp on borrowing from director	-	-	-	3,228,696
Advance repaid to Director	-	-	-	69,379,813
Additional Borrowing from relative of director	-	-	-	444,755,001
Interest Exp on borrowing from relative of director	-	-	-	5,890,757
Advance repaid to relative of Director	-	-	-	220,427,191
Advance Given to relative of Director	-	-	-	610,000
Interest income on Advance given to relative of Director	-	-	-	4,313,109
Advance repaid by relative of Director	-	-	-	10,000
Salary paid to relative of director	-	-	-	625,503
Managerial Remuneration	-	-	2,422,006	-
Remuneration paid to Key Management Personnel	1,704,283	-	-	-
Total	1,704,283	510,041,781	2,422,006	799,693,685



Nature of Transaction	Key Management Personnel Amount (Rs.)	For the Period ended 31st March 2020		Managerial Remuneration Amount (Rs.)	Related Party (Rs.)
		Holding Company (Rs.)	Amount		
Rent paid			1,863,850.42		
Rent received			108,000.00		
Security Expense Sharing			648,000.00		
Net Service Charges Paid - Indo Nepal/ DMT			1,767,482.00		
Net additional working capital			668,150,001.15		
Interest paid on loan			80,434,529.69		
Commission for cross reference sales			89,084.00		
Dividend Paid			4,962,748.00		
Purchase of goods & services			2,462,753.00		
Interest Exp on borrowing					1,514,227.78
Additional Borrowing from director					10,826,200.00
Interest Exp on borrowing from director					639,350.69
Additional Borrowing from relative of director					4,950,000.00
Interest Exp on borrowing from relative of director					697,352.46
Advance repaid by relative of Director					25,695,469.81
Interest Income on Advance given to relative of Director					7,326,173.19
Salary paid to relative of director					630,178.00
Managerial Remuneration				2,571,848.00	
Remuneration paid to Key Management Personnel	1,893,050.00				
Total	1,893,050.00	760,486,448.26	2,571,848.00		52,278,951.93

There are no other transactions with related parties which are not in ordinary course of business or not at arm's length.

Note 20: Loan to Assets Ratio

As per Master Circular - 'Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015', the Company is maintaining Loan to Assets Ratio of 90.92% for loans granted against collateral security of Gold Jewellery.

Particulars	Amount (in Rs.)
Advances against security of Gold Jewellery	3,598,743,431.58
Total Assets of the Company	3,957,970,202.90

Note 21 : Disclosure Required as per Reserve Bank Master Direction On 'Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016' dated Sep 1, 2016

SNO.	Particulars	For the Period ended 31st March 2021	For the Period ended 31st March
		Amount Or/	Amount Overdue
	- Liabilities Side	As on 31st March, 2021	
(1)	thereon but not paid		
	(a) Borrowing From Bank/FI	665,734,122.79	NIL
	(b) Loan From Related Party	1,564,201,464.68	NIL
	- Assets Side		
	Breakup of loan & Advances including Bill Receivables		
	(a) Secured		3,746,077,381.74
	(b) Unsecured		4,800,737.02
	Total		
(3)	- Other information		
	(I) Gross Non Performing Assets		
	(a) Related Parties		
	(b) Other than Related Parties		17,121,814.00
	(II) Net Non Performing Assets		
	(a) Related Parties		
	(b) Other than Related Parties		13,169,962.60



		Rs. in lakh	
SNO.	Particulars - Liabilities Side	For the Period ended 31st March 2021	
		Amount O/S	Amount Overdue
		As on 31st March, 2021	
(1)	Loans & advances availed by NBFC inclusive of interest accrued thereon but not paid		
	(a) Debenture - Secured		
	- Unsecured	NIL	NIL
	(other falling within the meaning of public deposit)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter Corporate Loans & Borrowings	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits	NIL	NIL
	(g) Other Loans	NIL	NIL
	(i) Borrowing From Bank/FI	NIL	NIL
	(ii) Loan From Related Party	665,734,122.79	NIL
	(2) Break Up of 1(f) above (outstanding public deposit inclusive of interest accrued)	1,564,201,464.68	NIL
	(a) In the form of unsecured debentures		
	In the value of security	NIL	NIL
	(c) other Public Deposits	NIL	NIL
	- Assets Side		
(3)	(4) below:	Amount O/S	
	(a) Secured		
	(b) Unsecured		3,746,077,381.74
(4)	Breakup of leased Asset & Stock on hire & other assets counting towards asset		4,800,737.02
	(i) Lease Assets including lease rentals under sundry debtors:		
	(a) Financial Lease		NIL
	(b) Operating Lease		NIL
	(ii) Stock on hire including hire charges under sundry debtors		
	(a) Asset on Hire		NIL
	(b) Repossessed Assets		NIL
	(iii) Other Loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed		NIL
	(b) Loans other than (a) above		NIL
(5)	Breakup of Investments		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		NIL
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Government Securities		NIL
	(v) Others (please specify)		NIL
	2. Unquoted		
	(i) Shares		
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Government Securities		NIL
	(v) Others (please specify)		NIL
	Long Term Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		NIL
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Government Securities		NIL
	(v) Others (please specify)		NIL
	2. Unquoted		
	(i) Shares		
	(a) Equity		NIL
	(b) Preference		NIL
	(ii) Debentures and Bonds		NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Government Securities		NIL
	(v) Others (please specify)		NIL
(6)	Borrower group-wise classification of assets financed as in (3) & (4) above:		
	Category	Amount Net of provision	Amount Net of provision
	1. Related Parties	Secured	Unsecured
	(a) Subsidiaries		
	(b) Company in the same group		4,200,603.00
	(c) Other Related Parties		600,000.00
	2. Other than related parties		
	TOTAL	3,746,077,381.74	4,800,603.00



(7) Investor group- wise classification of all investments (Current & Long Term) in shares and securities (both quoted & unquoted)		
Category	NAV	Books Value (net of provision)
1. Related Parties		
(a) Subsidiaries		
(b) Company in the same group	-	-
(c) Other Related Parties	-	-
2. Other than related parties	-	-
TOTAL	-	-
(8) - Other Information	-	-
Particulars	Amount	
(i) Gross Non Performing Assets		
(a) Related Parties	NIL	
(b) Other than Related Parties	17,121,814.00	
(ii) Net Non Performing Assets		
(a) Related Parties	NIL	
(b) Other than Related Parties	15,169,962.60	
(iii) Asset acquire in satisfaction of Debt		

Note 22 : Disclosure Required as per Reserve Bank Master Circular, RBI/ 2015-16/23 DNBR (PD) CC. No.044/03.10.119/2015-16 Dated July 01,2015

As per the company Policy ,the Company auctioned 152 defaulter loan accounts during the financial year. The outstanding dues on these loan accounts were Rs.53,96,832/- till the respective date of auction. The Company realised Rs.54,02,913/- on auctioning of gold jewellery taken as collateral security on these loans. Company confirms that none of its sister concerns participated in the above auctions.

Note 23. Earnings per Share

Particulars	As on 31st March 2021	As at 31 March 2020
	Amount (Rs.)	Amount (Rs.)
Net Profit for the Year (Rs.)	197,822,103	151,161,896
Number of Equity Shares (Nos.)	31,017,175	31,017,175
Basic & Diluted EPS (Rs per Share)	6.38	4.87

Note 24: OTHER COMPREHENSIVE INCOME

Particulars	For the Year ended 31st Mar 2021	For the Year ended 31st Mar 2020
	Amount (Rs.)	Amount (Rs.)
Remeasurement (Gain)/Loss on defined benefit obligations	-209,111.0	628,920.0
Income tax relating to above	52,633.2	-158,299.2
Remeasurement Loss on defined benefit obligations (net of Tax)	-156,477.8	470,620.8

Note 25. Deferred Tax

(As per Ind AS 22 Issued by ICAI)

Deferred Tax Assets on Account of Timing Differences	As at 01.04.2020 Amount (Rs.)	Arising During the Year Amount (Rs.)	As at 31.03.2021 Amount (Rs.)
Depreciation	352,727	(614,497)	(261,770)
Bonus	489,972	122,400	612,372
Gratuity	754,814	142,808	897,622
Gratuity-OCI	0	(52,633)	(52,633)
Employee Benefit Expense	0	0	0
Employee Benefit Income	0	0	0
Net Deferred Tax Asset	1,597,513	(401,922)	1,195,591

Note 26: Minimum Revenue from Operations

The company has complied with RBI guidelines with regard to minimum stipulated revenue from operations of 50% since its start of business operations from December 2012.



Note 27. Segment reporting

S no	Particular	For the year ending 31st March 2021	For the year ending 31st March 2020
1	Segment Revenue		
(a)	GOLD	5,970.10	4,230.62
(b)	DMT	302.09	121.16
(c)	OTHER	18.61	5.54
	Income from Operation	6,290.80	4,357.32
2	Segment Expenditure		
(a)	GOLD	3,323.67	2,284.18
(b)	DMT	306.13	89.29
(c)	OTHER	-	-
	Expenses from Operation	3,629.80	2,373.47
	PROFIT BEFORE TAX (a) - (b)	2,661.00	1,983.85
3	Capital Employed		
	GOLD	39,259.95	28,062.77
	DMT	319.76	519.82
	OTHER	-	-
	UNALLOCATED ASSETS	-	-
	UNALLOCATED LIABILITIES	-	-
		39,579.70	28,602.60

Note 28: Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	Amount (Rs.)
the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	NIL
the amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act	NIL
the amount of interest accrued and remaining unpaid at the end of each accounting year	NIL
the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23	NIL

Note 29. Other Notes

- As per information available to the company there are no outstanding dues owed to Small Scale undertakings as on 31.03.2021.
- With reference to the Scheme of grant of Ex-Gratia Payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) as advised by Department of Financial Services (DFS), Ministry of Finance, Govt. of India vide their letter nos. F.No.1/12/2020-BOA.I dated 23.10.2020 and 29.10.2020, the company had paid the claim of Rs. 13,32,753/- (Rupees Thirteen Lakh thirty two thousand seven hundred fifty three only) towards the amount of ex-gratia interest paid to the eligible borrowers in specified loan accounts under the captioned scheme.
- Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- Additional information pursuant to Schedule III division III part I & II of the Companies Act, 2013 other than stated above is either NIL or not applicable.

Accounting Policies and Notes 1 to 28 form integral part of Accounts for the year ending 31st March 2021.

For and on behalf of the Board of Directors

SAT PAUL BARNAL
(Chairman & Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

SHAMU GEEVARGHSE EMERIAN
(Whole Time Director)
DIN - 07319125
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

ANANPAL SINGH
Company Secretary
Membership No. : A42581
#5540, Street No.4, Shiva ji

RAJESH GARG
CFO
Membership no 098484
472, Marita Enclave, Dhakoli

Nagar, Ludhiana

Zirakpur

Place: Chandigarh
Date : 31-05-2021

Auditor's Report

As per our separate reports of even date attached

For Rajiv Goel & Associates
Chartered Accountants
FRN - 011106N

CA. Rohit Goel
Partner
M. No. 091756

S.C.O.823-824, SECTOR -22A,
Chandigarh
UDIN:21091756AAAACE6131

Disclosure required as per Reserve Bank of India Notification No. DOR (NBFC). CC . PD. No.109/ 22.10.106 /2019-20 dated March 13,2020;

In accordance with the regulatory guidance on Implementation of Ind AS issued by RBI on March 13, 2020, the company has computed provisions as per Income Recognition Asset Classification and Provisioning (IRACP) norms issued by RBI solely for comparative purposes as specified therein. A comparison between provisions required under IRACP and impairment allowances made under Ind AS 109 is given below:

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5=[3]-[4]	6	7=[4]-[6]
Performing Asset						
Standard	Stage-1	3,330,253,703	4,818,681	3,325,435,022	8,325,634	(3,506,953)
	Stage-2	403,502,601	3,243,471	400,259,130	1,008,757	2,234,715
Sub total		3,733,756,304	8,062,152	3,725,694,152	9,334,391	(1,272,239)
Non-Performing Asset (NPA)						
Sub Standard	Stage-3	17,121,814	1,444,523	15,677,291	1,951,851	(507,328)
Doubtful - up to 1 year	Stage-3	-	-	-	-	-
1 to 3 years	Stage-3	-	-	-	-	-
More than 3 years	Stage-3	-	-	-	-	-
Subtotal for doubtful						
Loss	Stage-3					
Subtotal for NPA		17,121,814	1,444,523	15,677,291	1,951,851	(507,328)
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage-1	-	-	-	-	-
	Stage-2	-	-	-	-	-
	Stage-3	-	-	-	-	-
Subtotal		-	-	-	-	-
TOTAL	STAGE-1	3,330,253,703	4,818,681	3,325,435,022	8,325,634	(3,506,953)
	STAGE-2	403,502,601	3,243,471	400,259,130	1,008,757	2,234,715
	STAGE-3	17,121,814	1,444,523	15,677,291	1,951,851	(507,328)
	TOTAL	3,750,878,118	9,506,675	3,741,371,443	11,286,242	(1,779,567)

(1) The shortfall of Rs. 17,79,567/- Between the provisions as per RBI IRAC Norms and Loss allowances as per IND AS 109 has been appropriated as Impairment Reserve in accordance with RBI Circular DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13.03.2020.

(2) The company has rebutted the assumption contained in IND-AS 109 about considering Stage-1 advances as those which are 30 days past due. Instead, company has considered the same at 60 days past due due to its evaluation of past borrower behaviour and profile. The same is as per board approved policy as well as placed before Audit Committee Board



Continued on 11/11/2020
Signature

SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

These financial statements are prepared in accordance with Indian Accounting Standard (IndAS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

B. Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

C. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

D. Plant and Equipment

The items of Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized.

The Company has opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to IND AS.

E. Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

F. Cash and cash equivalents

Cash and cash equivalents Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value in accordance with IND AS 7. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

G. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

H. Employee Benefits

The entity makes contributions to statutory provident funds in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948. Provident Fund and ESI are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the fund.

Gratuity Liability as on 31st March 2021 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

Leave encashment which are short term compensated absences are charged to profit and loss account of the year in which it is due.

I. Borrowing Costs

As per IND AS 23 Borrowing costs that are attributable to the acquisition or construction of qualifying assets (if any) are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.



J **Provision for Current and Deferred Tax**

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

K **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes except for contingent provision against standard assets as prescribed by RBI guidelines. Contingent Assets are neither recognized nor disclosed in the financial statements.

L **Classification of Current / Non Current Assets**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has assumed its operating cycle as 12 months for the purpose of Current / Non current classification of assets and liability

M **Leases**

The Company has complied with IND AS 116 "Leases" applicable from 1 April 2019, and considered all material lease contracts existing on April 1, 2019. The Company has accounted for its short term leases and low value assets in accordance with para 6 of the IND AS. We have considered as short term lease considering the fact that Lease can be terminated on short term notice from either side



N. Loans and Expected Credit Losses

The Company is mainly engaged in the business of providing gold loans. The tenure of the loans generally is for 12 months. The Company also provides unsecured and secured loans to individuals, traders, businesses and self employed. The tenure of the loans ranges from 12 months to 60 months. The company categorises and values its loan book at fair value basis using Staging methods.

Stage-1 advances are those advances which are high and standard grade where the company sees no significant risk of default. Stage-2 advances are advances where the company assesses there has been significant deterioration in quality whereas Stage-3 advances are considered to be credit impaired advances.

The categorisation into different categories is based upon company's analysis of borrower profile and past behaviour and basis the same following categorisation is derived by the company. The expected credit losses for advances by considering the Exposure at Default, Probability of Default and the loss on default which are derived basis the past history of company's operations, overall economic situation and industry practices.

Company's internal credit rating grades and staging criteria for loans are as follows:

Rating	Loan days past due	Stages
High Grade	Not yet due	Stage 1
Standard grade	1-60 DPD	Stage 1
Past due but not impaired	61- 180 DPD	Stage 2
Individually impaired	180 DPD or More	Stage 3

Exposure at Default (EAD)

The Exposure at Default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest.

Probability of Default (PD)

The Probability of Default is an estimate of the likelihood of default over a given time horizon. To calculate the ECL for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12 month ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for events over the lifetime of the instruments. The Company uses historical information wherever available to determine PD.

Portfolio	As at 31 March 2021		
	Stage 1	Stage 2	Stage 3
Gold Loans			
Other Loans-Secured	2%	10%	100%
Other Loans-Unsecured	4%	10%	100%
	4%	10%	100%

Loss Given Default (LGD)

LGD is the estimated loss that the Company might bear if the borrower defaults. The Company determines its recovery by analysing the recovery trends, collateral value and expected proceeds from sale of asset.

Portfolio	As at 31 March 2021		
	Stage 1	Stage 2	Stage 3
Gold Loan			
Other Loans-Secured	7%	7%	7%
Other Loans-Unsecured	20%	20%	20%
	100%	100%	100%

When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

