Rajan Modi & Associates
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PAUL MERCHANTS FINANCE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **PAUL MERCHANTS FINANCE PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended, 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, 2026, 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 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 Companies Act, 2013 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 opinion. Our opinion is not modified in respect of this matter.

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Ph : 0171-4001870, **M** : 8199997581, **E-mail** : info@rajanmodi.com, **Web** : www.rajanmodi.com
Branch : 546, SST Nagar, Patiala, **M** : 98148906803

Management's Responsibility 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, 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 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, 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 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.

CHARTERED ACCOUNTANTS
AMBALA CANTT

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances and for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in

(i) planning the scope of our audit work and in evaluating the results of our work; and
(ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) That as per the explanations provided to us, during the year, Paul Merchants Finance Private Limited, wholly owned subsidiary of Paul Merchants Limited, completed the transfer of its Gold Loan Business Undertaking to L&T Finance Limited by way of a slump sale on a going concern basis.

b) The company had already categorised the assets & liabilities of the transferred business as 'Held for sale' in the previous financial year. Further, profit from the transfer as well from operation of the business till its transfer has been separately recognised as Profit from discontinued operations in the accompanying Audited financial statements in accordance with IND AS 105.

The above remarks are on the basis of explanations provided to us by the management however our opinion on the accompanying financial statements are not qualified to this extent.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 (including other comprehensive income), 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 Indian Accounting Standards (IND-AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015. Rule 7 of the Companies (Accounts) Rules, 2014.

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

e. On the basis of written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 Auditors' report in accordance with section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is 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, 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.

iv. Based on our examination which included test checks, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

v. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

vii. Based on such audit procedures that we have 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 (iv) and (v) above contain any material mis-statement.

viii. Based on the representations received by us and audit procedures conducted by us, the company has paid dividend during the year and the same is in compliance of Section 123 of Companies Act, 2013.

For M/S RAJAN MODI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. - 020081N

LALIT GARG
PARTNER
M. No. 502617
UDIN: 26502617XECLWT1935

Date: 21.05.2026
Place: Ambala

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, 2026:

i. (a) (A) According to the explanations and representations made to us by the management, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipments.

(B) According to the explanations and representations made to us by the management, the Company has maintained proper records showing full particulars of Intangible Assets

(b) The Property Plant and Equipments 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 Property Plant and Equipments 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 material discrepancies between the books records and the physical fixed assets have been noticed by the management, as represented to us.

(c) According to information and explanations given to us, the company does not own any immovable properties as such reporting with regards to conveyance deeds is not applicable in its case.

(d) According to information and explanations given to us, the company has not revalued its Property Plant and Equipments or Intangible Assets or both during the year.

(e) According to information and explanations given to us, no proceedings have been initiated or pending against the company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) In respect of its inventories, since the company is a Non-Banking Financial Company, it does not carry any types of inventory. Hence, this clause is not applicable.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees during the year from banks and financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures including test check procedures, we have not come across any material difference between the information submitted in the quarterly returns / statements filed by the company with such banks and financial institutions when compared with the books of accounts and other relevant information provided by the Company.

iii. (a) As the company is in principal business of extending loans, clause 3(iii) (a) of the order is not applicable to the company hence not commented upon.

(b) Considering that the Company is a Non-Banking Finance Company, the investments made, guarantees given and security given and the terms and conditions of the grant of loans are not prima facie prejudicial to the Company's interest.

(c) The Company is a Non-Banking Financial Company ('NBFC'), registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India. In respect of loans granted by the Company, we report that the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular except relating to Stage-3 or Credit impaired Loan assets (or Non-Performing Assets as per applicable RBI Norms) as disclosed in the financial statements and reproduced below in sub para (d).

(d) In respect of loans granted by the Company by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for the following cases as on March 31, 2026:

Gold Loan and Other others			
No. of Loan accounts	Principal Amount overdue	Interest Amount Overdue*	Total amount overdue
1	34,29,384/-	3,50,079/-	37,79,463/-

**The abovementioned interest overdue has been derecognized as income as well as not included in carrying value of loan assets as per applicable RBI norms and accounting policies of the company.*

(e) The Company is primarily engaged in the lending business and accordingly, the reporting under clause 3(iii)(e) of the Order is not applicable to the Company.

(f) Basis the information and explanations provided to us by the management, the Company has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment and accordingly, the reporting under clause 3(iii)(f) of the Order is not applicable to the Company.

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.

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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, 2026 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 by the management and those charged with governance, there are no statutory dues which have not been paid on account of a dispute except for demand of Rs 97,090/- raised vide order u/s 143(3) of the Income Tax Act 1961 for Financial Year 2021-22. As per the documents examined by us and explanation of the management, the said demand has arisen due to an error apparent from record and a rectification application in this regard has been preferred with the concerned officer and company is sanguine of resolution at the earliest.

viii. According to information and explanations provided to us, there is no transaction that is not recorded in the books of account which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) 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 or any lender.

(b) In our opinion and according to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, the term loans of the company have been applied for the purpose it was taken for.

(d) In our opinion, funds raised for short term purposes are not being utilized for long term purposes.

(e) According to information provided to us, the company does not have any subsidiaries, associates or joint ventures and as such reporting required as per the order regarding receipt from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable in the present case.

(f) According to information shared and explanations given to us, the company does not have any subsidiaries, associates or joint ventures and as such reporting required as per the order regarding raising of loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate company.

x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company not raised money by way of initial public offer or further public offer including debt instruments during the year.

(b) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review.

xi. (a) Based on audit procedures performed and information and explanations & representations given to us by management, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(b) Based upon the audit procedures performed and the information and explanations given by the management, we report that no report u/s 143(12) of Companies Act 2013 has been filed by the auditors.

(c) As per explanations provided to us by the company, no whistle blower complaints have been received by the company during the year.

xii. The company is not a Nidhi Company and therefore provisions of Para 3(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. (a) In our opinion and according to explanations and information received by us, the company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the internal auditors for the financial year were obtained by us from the management and verified on test check and sample basis as part of our audit procedures. The findings as per such reports were considered by us as part of our audit.

xv. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions as specified in section 192 of the Companies Act 2013 with directors or persons connected with them during the year. Hence reporting requirement under Clause 3 (xv) of the Order are not applicable to the Company.

xvi. The company is carrying on the business of lending and for the said purpose company has obtained Certificate of Registration (COR) from RBI and is registered under section 45-IA of Reserve Bank of India Act 1934.

xvii. Upon examination of the cash flow statement of the company, we have concluded that the company had not incurred any cash losses in the current financial year and in the immediately preceding financial year.

xviii. There has not been any resignation by statutory auditor during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements as well as our knowledge of the Board of Directors and management plans, no material uncertainty exists as on the date of the audit report that company is incapable 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 or guarantee as to the future viability of the Company and further state that our reporting is based on the facts up to the date of the audit report as disclosed to us by the management and not thereafter.

xx. As per the information and explanations provided by the Management and based on our audit procedures, the Company has duly complied with its CSR obligations. An amount of ₹19,32,896/- remained unspent towards CSR expenditure as at the end of the financial year, which has been transferred to the Unspent CSR Account within 30 days from the end of the financial year, in accordance with the provisions of Section 135(6) of the Companies Act, 2013.

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xxi. The company does not have any subsidiaries/joint ventures/associates and as such reporting as per the order regarding report of auditors of companies included in consolidated financial statements is not applicable in this case.

For M/S RAJAN MODI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. - 020081N

LALIT GARG
PARTNER
M. No. 502617
UDIN: 26502617XECLWT1935

Date: 21.05.2026
Place: Ambala

"Annexure B" to the Independent Auditor's Report of even date on the Financial Statements of Paul Merchants Finance Private Limited for year ended on 31st March 2026

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 ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2026, 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 (the 'Guidance Note').

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, 2026, 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 M/S RAJAN MODI & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. - 020081N

LALIT GARG
PARTNER
M. No. 502617
UDIN: 26502617XECLWT1935

Date: 21.05.2026
Place: Ambala

PAUL MERCHANTS FINANCE PRIVATE LIMITED
Audited Balance Sheet as at 31st March 2026
CIN-U65921CH2010PTC032462

(Rs. In Lakhs)

Particulars	Note	Current Year as at 31st March 2026	Previous Year as at 31st March 2025
ASSETS			
(1) **Financial Assets**			
(a) Cash and Cash Equivalents	1	1,487.15	112.73
(b) Bank Balance Other than (a) above	1	5,953.25	233.98
(c) Derivative Financial Instruments		-	-
(d) Receivables		-	-
(i) Trade Receivables	2A	28.30	3.42
(ii) Other Receivables	2B	14.54	-
(e) Loans	3	30,449.33	-
(f) Investments	4	23,009.99	-
(g) Other Financial assets (to be specified)	5	23.97	13.04
(2) **Non - Financial Assets**			
(a) Inventories		-	-
(b) Current Tax Assets	6	197.45	-
(c) Deffered Tax Asset(Net)	7	132.75	36.38
(d) Investment Property		-	-
(e) Biological Assets Other than bearer plants		-	-
(f) Property, Plant and Equipment	8	443.92	40.61
(j) Other Intangible Assets	8	44.11	32.47
(h) Intangible Assets Under Development	8	4.42	-
(g) Capital Work in Progress	9	-	-
(i) Goodwill		-	-
(k) Other Non Financial Assets	10	464.76	448.27
(3) **Group of assets classified as held for sale**	11B	-	1,43,783.69
TOTAL ASSETS		62,253.94	1,44,704.59
LIABILITIES AND EQUITY			
LIABILITIES			
(1) **Financial Liabilities**			
(a) Derivative Financial Instruments			
(b) Payables			
(I) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises	12A	20.67	1.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12A	23.34	13.37
(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	12B	342.74	149.62
(c) Debt Securities	13	-	709.00
(d) Borrowing (other than Debt Securities)	14	346.30	1,685.00
(e) Deposits		-	-
(f) Subordinate Liabilities		-	-
(g) Other Financial Liabilites		-	-
(2) **Non Financial Liabilities**			
(a) Current Tax Liabilities	15	-	58.05
(b) Provisions	16	182.64	74.88
(c) Deffered Tax Liabilities(Net)		-	-
(d) Other Non Financial Liabilites (to be specified)	17	3.58	7.99
(3) **Group of liabilities classified as held for sale**	11B	-	1,06,087.57
(4) **EQUITY**			
(a) Equity Share Capital	18	4,264.86	4,264.86
(b) Other Equity	19	57,069.81	31,652.66
TOTAL LIABILITIES & EQUITY		62,253.94	1,44,704.59

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

SATPAUL BANSAL
(Chairman and Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

AARTI MARKAN
Chief Financial Officer
Membership no 502300
350,Sec 38A, Chandigarh

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

ARJU RANA
Company Secretary
Membership no ACS A59296
VPO Beejna
District Karnal - 132037

Auditor's Report
As per our separate reports of even date attached

For Rajan Modi & Associates
Chartered Accountants
FRN – 020081N

CA. Lalit Garg
Partner
Membership No 502617
6352/8, Nicholson Road
Ambala - 133001
UDIN: 26502617XECLWT1935

Place: Chandigarh
Date: 21-05-2026

PAUL MERCHANTS FINANCE PRIVATE LIMITED
Audited Profit and Loss Statement for the year ended 31st March 2026
CIN-U65921CH2010PTC032462

(Rs. In Lakhs)

	Particulars	Note No.	Current Year for the year ended 31st March 2026	Previous Year for the year ended 31st March 2025
	Revenue from Operations			
	(i) Interest Income	20	1,606.61	0.83
	(ii) Gain on assignment of financial asset	20	-	-
	(iii) Rental Income		-	-
	(iv) Fees and commission Income	21	174.53	50.99
I.	**Total Revenue from operations**		1,781.14	51.82
II.	Other Income	22	2,849.30	33.12
III.	**Total Income (I+II)**		**4,630.44**	**84.93**
	Expenses:			
	(i) Finance Costs	23	87.35	145.90
	(ii) Employee Benefits Expenses	24	1,420.15	238.02
	(iii) Depreciation, amortization and Impairment	8	171.56	59.73
	(iv) Others expenses	25	1,147.45	132.63
	(v) CSR Expense	26	67.98	0.17
IV.	**Total Expenses (IV)**		**2,894.48**	**576.44**
V.	**Profit before exceptional & extraordinary items & tax (IV-V)**		1,735.95	-491.51
VI.	Exceptional Items		-	-
VII.	**Profit before tax (V-VI)**		1,735.95	-491.51
VIII.	**Tax Expense:**			
	(1) Current tax		557.27	-123.70
	(2) Prior period taxes		32.66	-
	(3) Deferred tax		-78.56	-15.32
IX.	**Profit/(Loss) for the period from continuing operations (VII-VIII)**		**1,224.59**	**-352.48**
X.	**Profit/(Loss) for the period from discontinued operations**		1,505.44	8,067.80
	Profit on Disposal of Group	11C	28,557.90	-
XI.	**Tax Expense of Discontinuing operations**		280.29	2,009.05
	Tax Expense on Disposal of Group		4,083.78	-
XII.	**Profit/(Loss) for the period from discontinued operations after tax**		1,225.14	6,058.75
	Profit/(Loss) on Disposal of Group		24,474.12	-
XIII.	**Profit (Loss) for the year (IX + XII)**		**26,923.85**	**5,706.26**
XIV.	**OTHER COMPREHENSIVE INCOME**			
	A(i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined employee benefit plans		-7.31	8.45
	(ii) Income tax relating to items that will not be reclassified to profit or loss		1.84	-2.13
	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)**		**26,918.38**	**5,712.59**
XVI.	**Earnings per equity share (for continuing operations):**			
	(1) Basic(Rs.)		2.87	-0.83
	(2) Diluted(Rs.)		2.87	-0.83
XVII.	**Earnings per equity share (for discontinued operations)**			
	(1) Basic(Rs.)		60.26	14.23
	(2) Diluted(Rs.)		60.26	14.23
XVIII.	**Earnings per equity share (for continuing and discontinued operations)**			
	(1) Basic(Rs.)		63.13	13.41
	(2) Diluted(Rs.)		63.13	13.41

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

SATPAUL BANSAL
(Chairman and Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

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

AARTI MARKAN
Chief Financial Officer
Membership no 502300
350,Sec 38A, Chandigarh

ARJU RANA
Company Secretary
Membership no ACS A59296
VPO Beejna
District Karnal - 132037

Place: Chandigarh
Date : 21-05-2026

Auditor's Report
As per our separate reports of even date attached

For Rajan Modi & Associates
Chartered Accountants
FRN – 020081N

CA Lalit Garg
Partner
Membership No 502617
6352/8, Nicholson Road
Ambala - 133001
UDIN:
26502617XECLWT1935

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

PAUL MERCHANTS FINANCE PRIVATE LIMITED
Audited Cash Flow Statement for the year ended 31st March 2026
CIN-U65921CH2010PTC032462

(Rs. In Lakhs)

	PARTICULARS	Current Year for the year ended 31st March 2026	Previous Year for the year ended 31st March 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax and Extraordinary items	1,731.05	-491.23
	Adjustment for:		
	Depreciation	171.56	59.73
	Finance Cost	87.35	145.90
	(Profit)/Loss on Sale of Fixed Assets	-7.99	-
	(Profit)/Loss on sale of Investments	-1,300.83	-
	Income from Investments	-1,105.11	-3.52
	Unrealised (Profit)/Loss on Investments	180.67	-
	Profit before working Capital Changes	-243.29	-289.13
	Changes in working capital:		
	Adjustments for (Increase) / decrease in operating assets :-		
	Trade Receivables	-39.41	33.90
	Loans	-30,449.33	-
	Other Current Assets	-27.43	-46.65
	Bank balances not considered as cash and cash equivalents	-3,013.89	-233.98
	Adjustments for increase / (decrease) in operating liabilities :-		
	Trade Payables	29.04	-34.72
	Other Current Liabilities	-66.78	105.07
	Short Term Provisions	107.76	62.77
	Cash generated from operations	-33,703.32	-113.62
	Income Taxes Paid	-589.93	-1,826.00
	Net cash generated from/ (used in) operating activities	-34,293.25	-2,228.75
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Income from Investments	1,105.11	-
	Purchase/Sale of Fixed Assets	-582.94	-28.74
	Increase/Decrease in Non Current Investments	-21,889.83	3.52
	Net cash generated from/ (used in) investing activities	-21,367.67	-25.22
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Issue of Share Capital	-	-
	Increase in Share premium	-	-
	Finance cost	-87.35	-145.90
	Dividend Paid	-1,501.23	-
	Borrowings (Net of Repayments)	-2,047.70	2,390.50
	Net cash generated from/ (used in) financing activities	-3,636.28	2,244.61
	Net cash flow from continued operations	-59,297.20	-9.36
	Net cash flow from discontinued operations (Note 11D)	48,260.50	10,617.61
	Cash and Cash equivalent at the beginning of the year	12,523.85	1,915.60
	Cash and Cash equivalents at the end of the year	1,487.15	12,523.85

Note: During the year, the Company has revised certain classifications and presentation disclosures in the Statement of Cash Flows. Accordingly, previous year figures have been regrouped / reclassified wherever considered necessary to conform to the current year presentation. These changes have no impact on the total cash flows of the Company.

SATPAUL BANSAL
(Chairman and Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

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

AARTI MARKAN
Chief Financial Officer
Membership no 502300
350,Sec 38A, Chandigarh

ARJU RANA
Company Secretary
Membership no ACS A59296
VPO Beejna
District Karnal - 132037

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Finance Private Limited for the year ended 31st March 2026 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.

For Rajan Modi & Associates
Chartered Accountants
FRN – 020081N

CA. Lalit Garg
Partner
Membership No 502617
6352/8, Nichalson Road
Ambala - 133001
UDIN: 26502617XECLWT1935

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Place: Chandigarh
Date: 21-05-2026

(C) Profit/(Loss) for the period from discontinued operations

	Particulars	Note	Current Year for the year ended 31st March 2026	Previous Year for the year ended 31st March 2025
	Revenue from Operations			
	(i) Interest Income	20	4,757.66	20,891.68
	(ii) Gain on assignment of financial asset	20	7.27	560.39
	(iii) Rental Income		-	-
	(iv) Fees and commission Income	21	101.12	371.60
(I)	**Total Revenue from operations**		4,866.06	21,823.66
(II)	Other Income	22	28,659.02	157.90
III.	Total Income (I+II)		33,525.08	21,981.56
	Expenses:			
	(i) Finance Costs	23	2,301.14	7,327.84
	(ii) Employee Benefits Expenses	24	751.23	3,879.55
	(iii) Depreciation, amortization and impairment	8	-9.68	253.35
	(iv) Others expenses	25	419.04	2,401.99
	(v) CSR Expense	26	-	51.03
IV.	**Total Expenses (IV)**		3,461.74	13,913.76
V.	**Profit before exceptional & extraordinary items & tax (IV-V)**		30,063.34	8,067.80
VI.	Exceptional Items		-	-
VII.	**Profit before tax (V-VI)**		30,063.34	8,067.80
VIII.	**Tax Expense:**			
	(1) Current tax		4,380.05	1,949.70
	(2) Prior period taxes		-	-
	(3) Deferred tax		-15.98	59.35
	Profit/(Loss) for the period from discontinued operations		25,699.26	6,058.75
IX.	**OTHER COMPREHENSIVE INCOME**			
	A(i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined employee benefit plans		-2.40	8.17
	(ii) Income tax relating to items that will not be reclassified to profit or loss		0.61	-2.06
	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		-	-
X	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)**		25,697.46	6,064.86

(D) Statement of Cash Flow

	PARTICULARS		As at 31st March 2026	As at 31st March 2025
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before Tax and Extraordinary items		30,060.93	8,075.97
	Adjustment for:			
	Depreciation		-9.68	253.35
	Finance Cost		2,301.14	7,327.84
	(Profit)/Loss on sale of Fixed Assets		-2.58	0.63
	(Profit)/Loss on sale of Investments		-69.83	-96.56
	Income from Investments		-	-
	Unrealised (Profit)/Loss on Investments		-	-0.52
	Profit before working Capital Changes		32,279.99	15,560.71
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets :-			
	Trade Receivables		18.64	-14.14
	Loans		1,25,490.45	-29,889.14
	Other Current Assets		1,260.17	-644.43
	Bank balances not considered as cash and cash equivalents		-	-2,705.38
	Adjustments for increase / (decrease) in operating liabilities :-			
	Trade Payables		-35.84	-29.47
	Other Current Liabilities		-6,340.31	2,513.83
	Short Term Provisions		-468.89	11.66
	Cash generated from operations		1,52,204.22	-15,196.34
	Income Taxes Paid		-4,380.05	-
	Net cash generated from/ (used in) operating activities		1,47,824.16	-15,196.34
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase/Sale of Fixed Assets		909.66	-136.48
	Increase/Decrease in Current Investments		-	-
	Increase/Decrease in Non Current Investments		1,070.35	-903.44
	Net cash generated from/ (used in) investing activities		1,980.02	-1,039.93
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Issue of Share Capital		-	387.71
	Increase in Share premium		-	2,093.66
	Finance Cost		-2,301.14	-7,327.84
	Borrowings (Net of Repayments)		-99,242.54	31,700.34
	Net cash generated from/ (used in) financing activities		-1,01,543.68	26,853.88
	Net cash flow from discontinued operations		48,260.50	10,617.61

PAUL MERCHANTS FINANCE PVT. LTD.
First Floor SCO 827-828, SECTOR 22-A
CHANDIGARH

RAJAN MOHAN & ASSOCIATES
CHARTERED ACCOUNTANTS
AMBALA CANTT

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

Note 1: CASH & BANK BALANCE

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
A. Cash and cash equivalents						
Balance with banks in Current Accounts	-	1,485.95	1,485.95	12,323.30	112.73	12,436.03
Cash in Hand	-	1.20	1.20	87.82	-	87.82
Total (1)	-	1,487.15	1,487.15	12,411.12	112.73	12,523.85
B. Other Balances with Banks						
i) In Term Deposit Accounts with > 3 month and <12 months maturity	-	5,953.21	5,953.21	2,705.38	233.98	2,939.36
ii) Gratuity Fund	-	0.04	0.04	-	-	-
Total (2)	-	5,953.25	5,953.25	2,705.38	233.98	2,939.36
Total (1+2)	-	7,440.40	7,440.40	15,116.50	346.72	15,463.22

Note 2A: Trade Receivable

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Sundry Debtors	-	28.30	28.30	18.64	3.42	22.06
Total	-	28.30	28.30	18.64	3.42	22.06

Trade Receivable Ageing

(Rs. In lakhs)

Particulars	As at 31st March 2026					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Sundry Debtors	28.30	-	-	-	-	28.30
Total	28.30	-	-	-	-	28.30

(Rs. In lakhs)

Particulars	As at 31st March 2025					
	Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Sundry Debtors	19.83	-	2.12	0.11	-	22.06
Total	19.83	-	2.12	-	-	22.06

Note 2B: Other Receivables

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Receivable from L&T	-	14.54	14.54	-	-	-
Total	-	14.54	14.54	-	-	-

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 3 : LOANS

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations (at amortised cost)	Continued Operations (at amortised cost)	TOTAL	Discontinued Operations (at amortised cost)	Continued Operations (at amortised cost)	TOTAL
(A) Maximum Balance during the year						
i) Gold Loan (includes 10% MRR under Direct Assignment)	-	-	-	1,25,400.45	-	1,25,400.45
ii) Loans against Property (LAP)	-	10,812.52	10,812.52	-	-	-
iii) Corporate Loans	-	19,551.49	19,551.49	90.00	-	90.00
iv) Unsecured Loans	-	85.32	85.32	-	-	-
Total (A) - Gross	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**
Less: Impairment loss allowance	-	-	-	-	-	-
Total (A) - Net	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**
(B) Loan Classification based on Security						
I) Secured by tangible assets						
i) Gold Loan (includes 10% MRR under Direct Assignment)	-	-	-	1,25,400.45	-	1,25,400.45
ii) Others	-	-	-	40.00	-	40.00
iii) Loans against Property (LAP)	-	10,812.52	10,812.52	-	-	-
Total (I) - Gross	-	**10,812.52**	**10,812.52**	**1,25,440.45**	-	**1,25,440.45**
II) Secured against hypothecation of receivables						
i) Corporate Loans	-	19,551.49	19,551.49	-	-	-
Total (II) - Gross	-	**19,551.49**	**19,551.49**	-	-	-
III) Unsecured						
i) Loans to Related Parties	-	51.02	51.02	-	-	-
ii) Others	-	34.29	34.29	50.00	-	50.00
Total (III) - Gross	-	**85.32**	**85.32**	**50.00**	-	**50.00**
Total (B) (I+II+III) - Gross	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**
Less: Impairment loss allowance	-	-	-	-	-	-
Total (B) (I+II+III) - Net	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**
(C) Geographical Classification						
(I) Loans in India						
i) Public Sector						
ii) Others	-	30,449.33	30,449.33	1,25,490.45	-	1,25,490.45
(II) Loans outside India	-	-	-	-	-	-
Total (C) - Gross	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**
Less: Impairment loss allowance	-	-	-	-	-	-
Total (C)- Net	-	**30,449.33**	**30,449.33**	**1,25,490.45**	-	**1,25,490.45**

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 4: Investments

(Rs. in lakhs)

Particulars	As at 31st March 2026				As at 31st March 2025			
	Discontinued Operations	Continued Operations		TOTAL	Discontinued Operations		Continued Operations	TOTAL
		At Amortised Cost	At fair Value Through Profit or Loss		At Amortised Cost	At fair Value Through Profit or Loss		
Investment in Mutual Funds - Quoted								
Invesco Ind Focus Fund	-	-	163.25	163.25	-	-	-	-
HDFC Flexi Cap Fund	-	-	88.77	88.77	-	-	-	-
ICICI Prudential Multi Asset Fund	-	-	195.90	195.90	-	-	-	-
Nippon India Multi Cap Fund	-	-	178.57	178.57	-	-	-	-
WhiteOak Capital Multi Asset Allocation Fund	-	-	196.30	196.30	-	-	-	-
Motilal Oswal Large & Midcap Fund	-	-	215.38	215.38	-	-	-	-
Motilal Oswal Nifty Midcap 150 Fund	-	-	221.27	221.27	-	-	-	-
HDFC Nifty 50 Index Fund	-	-	351.85	351.85	-	-	-	-
ICICI Prudential Nifty 100 Fund	-	-	270.42	270.42	-	-	-	-
Axis Liquid Fund	-	-	350.46	350.46	-	-	-	-
TATA LIQUID FUND	-	-	-	-	-	1,000.52	-	1,000.52
HDFC Gold - ETF	-	-	217.08	217.08	-	-	-	-
ICICI Prudential Gold - ETF	-	-	253.50	253.50	-	-	-	-
ICICI Prudential Silver - ETF	-	-	123.42	123.42	-	-	-	-
Nippon India Silver - ETF	-	-	92.84	92.84	-	-	-	-
PMS - Quoted								
Neo Asset Mgmt Yield Enhancer	-	-	2,585.47	2,585.47	-	-	-	-
PMS - Unquoted								
Abakkus Asset Manager P Ltd	-	-	229.25	229.25	-	-	-	-
Alpha Alternative PMS	-	-	3,658.98	3,658.98	-	-	-	-
Buoyant Capital	-	-	367.64	367.64	-	-	-	-
Emkay Investments Managers Ltd	-	-	206.92	206.92	-	-	-	-
AIF - Quoted								
Northern Arc Money Market Alpha Trust	-	-	888.26	888.26	-	-	-	-
AIF - Unquoted								
360 One Income Opportu Fund	-	-	92.34	92.34	-	-	-	-
Vivriti Short Term Debt Fund	-	-	1,041.60	1,041.60	-	-	-	-
Campus Fund III	-	-	20.03	20.03	-	-	-	-
NCD/CP/MLD - Quoted								
Muthoottu Mini Finance Limited - CP	-	989.10	-	989.10	-	-	-	-
Alpha Alternative EQAR	-	511.15	-	511.15	-	-	-	-
Indel Money Pvt Ltd	-	99.13	-	99.13	-	-	-	-
Sammaan Capital Ltd	-	928.25	-	928.25	-	-	-	-
Satin Finserv Ltd	-	200.91	-	200.91	-	-	-	-
MAS Financial Services Ltd	-	498.74	-	498.74	-	-	-	-
Keertana Finserv Ltd	-	125.09	-	125.09	-	-	-	-
Mufin Green Finance Ltd	-	603.26	-	603.26	-	-	-	-
NCD/CP/MLD - Unquoted								
Incred Capital Gold	-	207.10	-	207.10	-	-	-	-
InCred Capital Nifty	-	88.94	-	88.94	-	-	-	-
Whizdm Finance P Ltd	-	524.22	-	524.22	-	-	-	-
Manipal Health Care Pvt Ltd	-	1,004.33	-	1,004.33	-	-	-	-
Vivriti Capital Ltd	-	500.08	-	500.08	-	-	-	-
UGRO Capital Ltd	-	687.50	-	687.50	-	-	-	-
Security Receipts - Telephone Cables								
Omkara PS 10/2025-26 Trust Series I	-	2,082.91	-	2,082.91		-	-	-
Omkara PS 10/2025-26 Trust Series II	-	1,949.79	-	1,949.79		-	-	-
Total	-	11,000.50	12,009.50	23,009.99		1,000.52	-	1,000.52

PAL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828 SECTOR 22-A * CHANDIGARH *

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS * AMBALA CANTT *

Note 5: Other Financial assets

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Amount Recoverable	-	15.06	15.06	-	13.04	13.04
Advances to Employees	-	8.91	8.91	-	-	-
Total	-	23.97	23.97	-	13.04	13.04

Note 6: CURRENT TAX ASSETS

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Advance Tax & TDS (Net of Provision for Tax)	-	197.45	197.45	-	-	-
Total	-	197.45	197.45	-	-	-

Note 7: Deferred Tax Asset

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Opening Balances	-	36.38	36.38	-	82.53	82.53
Add: Deferred Tax Asset	-	96.38	96.38	-	-	-
Less: Deferred Tax Liability	-	-	-	-	-46.15	-46.15
Total	-	132.75	132.75	-	36.38	36.38

Note 10 : OTHER NON FINANCIAL ASSETS

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st Mar 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Prepaid Expenses	-	23.93	23.93	215.41	3.70	219.11
Security and Amount Recoverable	-	25.30	25.30	911.21	49.10	960.31
Input Credit	-	208.60	208.60	120.67	8.06	128.73
Advance to Vendor	-	295.56	295.56	12.89	432.93	445.81
Less: Provision on advances	-	-88.63	-88.63	-	45.52	45.52
Total	-	464.76	464.76	1,260.17	448.27	1,708.44

Note 12A : Trade Payable

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Trade Payable_MSME	-	20.67	20.67	29.63	1.59	31.22
Trade Payable_ Others	-	23.34	23.34	6.21	13.37	19.58
Total	-	44.00	44.00	35.84	14.96	50.80

TRADE PAYABLE AGEING

(Rs. In lakhs)

Particulars	As at 31st March 2026				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (Undisputed)	20.67	-	-	-	20.67
(ii) Others (Undisputed)	22.04	0.09	0.52	0.68	23.34
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	42.71	0.09	0.52	0.68	44.00

(Rs. In lakhs)

Particulars	As at 31st March 2025				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME (Undisputed)	31.22	-	-	-	31.22
(ii) Others (Undisputed)	18.50	0.29	0.11	0.68	19.58
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	49.73	0.29	0.11	0.68	50.80

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22 A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 8: FIXED ASSETS

Amount (Rs.)

PARTICULARS	Rate	Gross Block					Depreciation					Net Block	
		Balance as at 1 April 2025	Additions	Disposals	Transfer In/Out	Balance as at 31 March 26	Balance as at 1 April 2025	Depreciation charge for the year	Disposal	Transfer In/Out	Balance as at 31 March 2026	Balance as at 31 March 2025	Balance as at 31 March 2026
Motor Car	31.23%	173.37	491.64	12.19	-	652.82	139.25	120.15	10.15	-	249.26	34.12	403.57
Computer & Accessories	63.16%	17.29	18.07	-	0.76	36.12	14.23	8.91	-	0.20	23.35	3.06	12.77
Air Conditioner	25.89%	-	-	-	2.00	2.00	-	0.07	-	1.73	1.80	-	0.20
Furniture & Fixture	25.89%	-	5.91	-	-	5.91	-	0.90	-	-	0.90	-	5.01
Office Equipments	25.89%	6.37	20.56	-	-	26.93	2.94	2.55	-	-	5.49	3.43	21.44
Security Devices	18.10%	-	1.07	-	-	1.07	-	0.13	-	-	0.13	-	0.94
Software	63.16%	156.54	50.49	-	-	207.03	124.07	38.85	-	-	162.92	32.47	44.11
TOTAL		353.57	587.73	12.19	2.76	931.87	280.49	171.56	10.15	1.94	443.84	73.08	488.03
Intangible Assets Under Development	-	-	4.42	-	-	4.42	-	-	-	-	-	-	4.42

PAUL MERCHANTS FINANCE PVT LTD First Floor SCO 8... SECTOR 22-A CHA...

RAJAN MOHIT & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 08: FIXED ASSETS

(Rs. In lakhs)

PARTICULARS	Division	Rate	Gross Block					Depreciation					Net Block	
			Balance as at 1 April 2024	Additions	Disposals	Transfer In/Out	Balance as at 31 March 25	Balance as at 1 April 2024	Depreciation charge for the year	Disposal	Transfer In/Out	Balance as at 31 March 2025	Balance as at 31 March 2024	Balance as at 31 March 2025
Total			316.39	19.34	-	17.85	353.57	212.31	59.73	-	8.45	280.49	104.07	73.08
Motor Car	Continued operations	31.23%	173.37	-	-	-	173.37	123.76	15.49	-	-	139.25	49.61	34.12
Computer & Accessories	Continued operations	63.16%	5.49	-	-	11.80	17.29	3.49	4.11	-	6.64	14.23	2.00	3.06
Office Equipments	Continued operations	25.89%	0.32	-	-	6.05	6.37	0.02	1.10	-	1.81	2.94	0.30	3.43
Software	Continued operations	63.16%	137.21	19.34	-	-	156.54	85.04	39.03	-	-	124.07	52.16	32.47
Total			1,664.27	167.77	6.12	-17.85	1,808.06	674.60	253.35	-3.88	-8.45	915.63	989.66	892.43
Safes	Discontinued operations	18.10%	604.18	23.64	-	-	627.82	195.13	65.26	-	-	260.39	409.05	367.43
Security Devices	Discontinued operations	18.10%	161.14	14.01	-	-	175.15	39.44	19.86	-	-	59.30	121.70	115.85
Computer & Accessories	Discontinued operations	63.16%	184.02	60.52	-	-11.80	232.74	128.76	53.88	-	-6.64	176.00	55.27	56.74
Weighing Scale	Discontinued operations	18.10%	21.97	0.56	-	-	22.53	9.37	2.02	-	-	11.39	12.59	11.14
Furniture & Fixture	Discontinued operations	25.89%	354.40	17.89	-	-	372.29	134.31	51.77	-	-	186.08	220.09	186.21
Invertor	Discontinued operations	25.89%	61.50	8.62	6.12	-	64.00	24.42	9.40	-3.88	-	29.95	37.08	34.05
Air Conditioner	Discontinued operations	25.89%	77.41	4.93	-	-	82.34	31.57	10.91	-	-	42.48	45.84	39.86
Office equipments	Discontinued operations	25.89%	51.72	8.99	-	-6.05	54.66	21.32	6.11	-	-1.81	25.61	30.40	29.05
Software	Discontinued operations	63.16%	147.94	28.60	-	-	176.54	90.29	34.14	-	-	124.43	57.64	52.10
GRAND TOTAL	-	-	1,980.65	187.10	6.12	-	2,161.63	886.92	313.08	-3.88	-	1,196.12	1,093.74	965.51
Intangible Assets Under Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-

RAJANMODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 9 - Capital Work in Progress

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	Total	Discontinued Operations	Continued Operations	Total
Projects in progress	-	-	-	4.98	-	4.98
Projects Temporarily suspended	-	-	-	-	-	-
Overdue Projects	-	-	-	-	-	-
Projects Exceeded Budgetary Cost	-	-	-	-	-	-
Total	**-**	**-**	**-**	**4.98**	**-**	**4.98**

(Rs. In lakhs)

Particulars	As at 31st March 2026				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects Temporarily suspended	-	-	-	-	-
Overdue Projects	-	-	-	-	-
Projects Exceeded Budgetary Cost	-	-	-	-	-
Total	-	-	-	-	-

(Rs. In lakhs)

Particulars	As at 31st March 2025				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	4.98	-	-	-	4.98
Projects Temporarily suspended	-	-	-	-	-
Overdue Projects	-	-	-	-	-
Projects Exceeded Budgetary Cost	-	-	-	-	-
Total	4.98	-	-	-	4.98

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 12B : OTHER PAYABLES

(Rs. in lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Expenses and other Payable	-	214.77	214.77	5,836.52	130.00	5,966.52
Interest payable on NCD	-	-	-	-	11.98	11.98
Auction Refundable	-	-	-	199.24	-	199.24
Salary Payable	-	127.97	127.97	304.55	7.64	312.19
Total	-	342.74	342.74	6,340.31	149.62	6,489.92

Note 13: NON-CONVERTIBLE DEBENTURES

(Rs. in lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Non-Convertible Debentures	-	-	-	-	709.00	709.00
	-	-	-	-	709.00	709.00

Note 15: CURRENT TAX LIABILITIES

(Rs. in lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Provision for Tax (Net of Advance Tax & TDS)	-	-	-	-	58.05	58.05
Total	-	-	-	-	58.05	58.05

Note 16: PROVISIONS

(Rs. in lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Provision on Advances	-	85.09	85.09	258.67	-	258.67
- Provision on standard assets (Stage 1 & 2)	-	50.79	50.79	197.53	-	197.53
- Provision on NPA (Stage 3)	-	34.29	34.29	61.14	-	61.14
Provision for Gratuity	-	42.40	42.40	89.32	32.93	122.25
Provision For Leave Encashment	-	14.50	14.50	41.48	5.35	46.83
Provision For Bonus	-	40.65	40.65	79.43	36.59	116.02
Total	-	182.64	182.64	468.89	74.88	543.77

Note 17: OTHER NON FINANCIAL LIABILITIES

(Rs. in lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Employee Retention	-	3.58	3.58	-	7.99	7.99
Total	-	3.58	3.58	-	7.99	7.99

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 14: BORROWINGS

(Rs. In lakhs)

Particulars	As at 31st March 2026						As at 31st March 2025					
	Discontinued Operations			Continued Operations			Discontinued Operations			Continued Operations		
	At Amortised Cost	At fair Value Through Profit or Loss	Total	At Amortised Cost	At fair Value Through Profit or Loss	Total	At Amortised Cost	At fair Value Through Profit or Loss	Total	At Amortised Cost	At fair Value Through Profit or Loss	Total
(a) Term Loan	-	-										
(i) from banks	-	-	-	-	-	-	-	49,978.75	49,978.75	-	-	-
Current Liabilitites	-	-	-	-	-	-	-	49,978.75	49,978.75	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
(ii) from other parties	-	-	-	-	-	-	-	6,780.43	6,780.43	-	-	-
Current Liabilitites	-	-	-	-	-	-	-	6,780.43	6,780.43	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Car Loan	-	-	-	346.30	-	346.30	-	-	-	-	-	-
Current Liabilitites	-	-	-	104.02	-	104.02	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	242.29	-	242.29	-	-	-	-	-	-
(b) Loans repayable on demand	-	-										
(i) from banks	-	-	-	-	-	-	26,434.36	-	26,434.36	-	-	-
(a) in Indian Rupees	-	-	-	-	-	-	26,434.36	-	26,434.36	-	-	-
(b) foreign currency exposure	-	-	-	-	-	-	-	-	-	-	-	-
(c) Loans from related party	-	-	-	-	-	-	16,049.00	-	16,049.00	1,685.00	-	1,685.00
Loan from Directors and Relatives (Unsecured)	-	-	-	-	-	-	84.00	-	84.00	-	-	-
Loan from fellow subsidaries	-	-	-	-	-	-	965.00	-	965.00	-	-	-
Loan from Holding Company (Unsecured)	-	-	-	-	-	-	15,000.00	-	15,000.00	1,685.00	-	1,685.00
Total (A)	-	-	-	346.30	-	346.30	42,483.36	56,759.18	99,242.54	1,685.00	-	-
Borrowings in India	-	-	-	346.30	-	346.30	42,483.36	56,759.18	99,242.54	1,685.00	-	1,685.00
Borrowings outside India	-	-	-	-	-	-					-	1,685.00
Total (B)	-	-	-	346.30	-	346.30	42,483.36	56,759.18	99,242.54	1,685.00	-	1,685.00

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 18: EQUITY CAPITAL

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

Particulars	As at 31st March 2026 Number	As at 31st March 2026 Amount (Rs. In Lakhs)	As at 31st March 2025 Number	As at 31st March 2025 Amount (Rs. In Lakhs)
Authorised				
Equity Shares of Rs. 10 each	4,50,00,000	4,500.00	4,50,00,000	4,500.00
Issued				
Equity Shares of Rs. 10 each	4,26,48,616	4,264.86	4,26,48,616	4,264.86
Subscribed & fully Paid up				
Equity Shares of Rs. 10 each	4,26,48,616	4,264.86	4,26,48,616	4,264.86
Total	4,26,48,616	4,264.86	4,26,48,616	4,264.86

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 alloted 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 / disinventsment.

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

Particulars	Equity Shares	
	As at 31st March 2026	As at 31st March 2025
	Number	Number
Shares outstanding at the beginning of the year	4,26,48,616	3,87,71,469
Shares Issued during the year	-	38,77,147
Shares bought back during the year	-	-
Shares outstanding at the end of the year	4,26,48,616	4,26,48,616

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

Name of Shareholder (Mr./Mrs.)	Equity Shares			
	As at 31st March 2026		As at 31st March 2025	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Rajneesh Bansal (As a nominee of Paul merchants limited)	1	-	1	-
Paul Merchants Ltd (Holding Company)	4,26,48,615	100	4,26,48,615	100

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

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 19: OTHER EQUITY

(Rs. In lakhs)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Impairment Reserve						
Opening Balance	-	573.48	573.48	-	121.48	121.48
(+) Current Year Transfer	-	45.21	45.21	-	452.00	452.00
(-) Amount withdrawn during the year pursuant to approval from RBI		-547.12	-547.12	-	-	-
Closing Balance	-	71.57	71.57	-	573.48	573.48
A. Statutory Reserve						
Opening Balance	3,475.43	-	3,475.43	2,262.46	-	2,262.46
(+) Current Year Transfer	5,139.49	244.18	5,383.68	1,212.97	-	1,212.97
Closing Balance	8,614.93	244.18	8,859.11	3,475.43	-	3,475.43
B. General Reserve						
Opening Balance	14,539.73	-2,352.08	12,187.66	10,139.84	-1,999.80	8,140.04
(+) Current Year Transfer	20,584.33	905.17	21,489.50	4,399.89	-352.28	4,047.62
(-) DIVIDEND APPORTIONMENT	-	1,501.23	1,501.23	-	-	-
(+) Transfer from Impairment Reserve pursuant to approval of RBI	-	547.12	547.12	-	-	-
Closing Balance	35,124.06	-2,401.02	32,723.04	14,539.73	-2,352.08	12,187.66
C. Securities Premium Account						
Opening Balance	15,416.09	-	15,416.09	13,322.43	-	13,322.43
Add : Securities premium credited on Share issue	-	-	-	2,093.66	-	2,093.66
Less : Premium Utilised	-	-	-	-	-	-
Closing Balance	15,416.09	-	15,416.09	15,416.09	-	15,416.09
D. Retained Earning						
Opening balance			-			
(+) Net Profit For the current year	25,699.26	1,224.59	26,923.85	6,058.75	-352.48	5,706.26
(+)/ (-) Other Comprehensive Income/(loss) (net of tax)	-1.80	-3.67	-5.47	6.11	0.21	6.32
(-) Prior Period Provision	-	-	-	-	-	-
(-) Transfer to Impairment Reserve as per RBI requirement	-26.36	71.57	45.21	452.00	-	452.00
(-) Transfer to General Reserve	20,584.33	905.17	21,489.50	4,399.89	-352.28	4,047.62
(-) Transfer to Statutory Reserve as per RBI requirement	5,139.49	244.18	5,383.68	1,212.97	-	1,212.97
	59,155.08	-2,085.27	57,069.81	33,431.26	-1,778.60	31,652.66
Less: Transferred to other divisions	-59,155.08	59,155.08	-	-	-	-
Total	-	57,069.81	57,069.81	33,431.26	-1,778.60	31,652.66

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 para 2.2 of Master Direction- Reserve Bank of India (Non- Banking Financial Company- Scale based Regulation) Directions, 2023 dated October 19, 2023

PAUL MERCHANTS FINANCE PVT LTD First Floor SCO 827-828 SECTOR 22

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 20: INTEREST INCOME AND GAIN ON ASSIGNMENT OF FINANCIAL ASSET

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL (On Financial Assets measured at Amortised Cost)	Discontinued Operations	Continued Operations	TOTAL (On Financial Assets measured at Amortised Cost)
Interest Income on Loans	4,757.66	1,606.61	6,364.27	20,891.68	0.83	20,892.50
Gain on Assignment of Financial Asset	7.27	-	7.27	560.39	-	560.39
Total Revenue From Operations	4,764.94	1,606.61	6,371.55	21,452.06	0.83	21,452.89

Note 21: FEES AND COMMISSION INCOME

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Income from Money Transfer Service	-	-	-	-	0.18	0.18
Processing Fee	-	84.05	84.05	-	-	-
Other Commission Income - Paulpay	-	2.12	2.12	-	5.29	5.29
Other Commission Income - Insurance	-	70.96	70.96	-	-	-
Other Fees and Commision Income	101.12	17.40	118.52	371.60	45.51	417.11
Total	101.12	174.53	275.65	371.60	50.99	422.59

Note 22: OTHER INCOME

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Interest on FDR	24.94	373.88	398.82	32.52	17.19	49.70
Income from Investments	-	1,105.11	1,105.11	-	-	-
Realised Gain/Loss from Investments	69.83	1,300.83	1,370.66	96.56	3.52	100.08
Unrealised Gain from Investments	-	-	-	0.52	-	0.52
Miscellaneous Income	6.35	69.48	75.83	28.31	12.41	40.72
Profit on slump sale	28,557.90	-	28,557.90	-	-	-
Total	28,659.02	2,849.30	31,508.31	157.90	33.12	191.01

Note 23: FINANCE COSTS

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Interest on borrowings	1,914.53	56.85	1,971.38	7,159.63	73.36	7,232.98
Interest on NCD	-	23.80	23.80	-	72.01	72.01
Bank Charges	386.61	6.71	393.32	168.21	0.53	168.74
	2,301.14	87.35	2,388.49	7,327.84	145.90	7,473.73

Note 24: EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Salaries & Allowances	673.09	1,241.30	1,914.39	3,425.51	219.49	3,645.00
Leave Encashment	6.78	11.23	18.01	42.07	1.82	43.89
Staff Welfare Expenses	11.38	112.04	123.42	108.54	8.24	116.78
Contribution to ESI & EPF	32.97	26.09	59.06	169.08	3.69	172.77
Gratuity	6.25	7.55	13.80	31.79	1.08	32.86
Bonus	20.77	21.93	42.70	102.57	3.70	106.27
Total	751.23	1,420.15	2,171.38	3,879.55	238.02	4,117.57

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

Note 25: OTHER EXPENSES

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Commission Expenses	-	37.14	37.14	-	1.06	1.06
Computer Expenses	10.43	25.21	35.64	66.97	1.26	68.23
Certification & Intergration Fees	-	5.45	5.45	-	-	-
Software Expenses	-	55.78	55.78	-	20.41	20.41
Telephone Expenses	12.68	7.66	20.34	43.87	0.26	44.13
Travelling & Conveyance Expenses	16.10	53.52	69.62	97.89	4.04	101.93
Insurance	16.64	10.16	26.80	107.66	8.42	116.09
Legal, Professional & Consultancy Charges	22.67	284.54	307.21	330.20	0.98	331.18
Payments To Auditors (Refer Note (i) Below)	-	0.00	0.00	2.50	-	2.50
System Audit Expenses	-	3.98	3.98	-	13.95	13.95
Printing & Stationary	7.26	4.59	11.85	41.91	0.54	42.45
Rent, Taxes & Energy Cost	192.86	62.89	255.75	1,009.37	3.27	1,012.64
Security Expenses	75.72	2.66	78.38	404.57	-	404.57
Advertisement & Publicity	1.90	72.81	74.71	36.28	11.56	47.84
Impairment Of Loan Asset	2.56	35.09	37.65	20.37	-	20.37
Cashfree Chargeback/Dispute Lost	-	-	-	-	0.39	0.39
Repair & Maintenance	3.71	2.07	5.78	25.88	-	25.88
Director'S Fees, Allowances And Expenses	-	1.25	1.25	0.71	-	0.71
Conference And Meeting Exp	0.05	55.22	55.27	7.84	-0.00	7.84
Postage And Telegram	7.49	0.43	7.92	20.23	0.09	20.33
Donation	0.01	21.50	21.51	3.86	-	3.86
Freight And Carriage	0.02	0.09	0.11	2.63	-	2.63
Server Charges	-	12.89	12.89	0.03	12.91	12.94
Auctioneer Charges	1.66	-	1.66	16.16	-	16.16
Unrealised Loss from Investments	-	180.67	180.67	-	-	
Provision on advances	-	43.11	43.11	-	45.62	45.62
Misc Office Expenses	47.29	166.24	213.53	163.06	7.85	170.91
Total	419.04	1,144.95	1,563.99	2,401.99	132.63	2,534.62

NOTE 25 (i) Payments to auditors

Payments to the auditor	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
Statutory Audit Fees	-	1.00	1.00	1.00	-	1.00
Tax Audit Fees	-	0.50	0.50	0.50	-	0.50
Fees for other services	-	1.00	1.00	1.00	-	1.00
Total	-	2.50	2.50	2.50	-	2.50

Note 26: Corporate Social Responsibility & other Social Welfare Expenses

Particulars	For the Year ended 31st March 2026			For the Year ended 31st March 2025		
	Discontinued Operations	Continued Operations	TOTAL	Discontinued Operations	Continued Operations	TOTAL
A) Gross Amount Required to be spent by the Co. During the Year	-	94	94	-	-	61.96
B) Amount Spent on CSR During the year	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid	Amount Paid
Amount carried forward from previous year	-	-	5.01	-	-	15.77
Amount carried forward from FY 2022-23	-	-	1.84	-	-	-
-Setting up of old age home and Day care centre	-	7.12	7.12	26.00	-	26.00
- Animal Welfare	-	1.83	1.83	0.66	-	0.66
- Eradicating hunger	-	34.37	34.37	24.37	0.17	24.54
- Education	-	11.70	11.70	-	-	-
- Promoting Healthcare & Sanitation	-	12.95	12.95	-	-	-
C) Excess/(Shortfall) in expenditure, if any	-	-	-19.34	-	-	5.01
D) Total of Shortfall of earlier years , If any	-	-	-	-	-	-
E) Reason of Shortfall:	-	-	-	-	-	-
Amount remaining unspent pertains to "Ongoing Projects" approved by CSR committee and thereafter by Board which will be spent in coming years.	-	-		-	-	-
Unspent CSR amount deposited in special account (Unspent CSR Account)	-	19.34	19.34	-	-	-
Date of deposit	-	-	28-Apr-26	-	-	-
F) Nature of CSR Activities	-	-	-	-	-	-
G) Details of CSR contributed to related Parties including Trust controlled by Company	-	-	-	-	-	-
H) Details of movement in provisions if any , made with respect to a liability by entering into a contractual obligation	-	-	-	-	-	-
Total	-	67.98	67.98	51.03	0.17	51.20

PAUL MERCHANTS FINANCE PVT. LTD.
First Floor
SCO 827-828,
SECTOR 22-A

RAJAN MOHAN & ASSOCIATES
CHARTERED ACCOUNTANTS
AMBALA

PAUL MERCHANTS FINANCE PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
CIN-U65921CH2010PTC032462

A. Equity Share Capital

Changes in equity share capital for the year ended 31st March, 2026

Particulars	Amount (Rs.in lakhs)
Balance at the beginning of the reporting period	4,264.86
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	-
Balance at the end of the reporting period	4,264.86

Changes in equity share capital for the year ended 31st March, 2025

Particulars	Amount (Rs.in lakhs)
Balance at the beginning of the reporting period	3,877.15
Changes in equity share capital due to prior period errors	-
Restated balance at the beginning of the current reporting period	-
Changes in equity share capital during the year	387.71
Balance at the end of the reporting period	4,264.86

B. Other Equity

Changes in other equity for the year ended 31 Mar 2026

(Rs. In lakhs)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserve	Statutory Reserve	Impairment Reserve	
Balance at the beginning of the current reporting period	15,416.09	12,187.66	3,475.43	573.48	31,652.66
Changes in accounting policy or prior period errors	-	-	-	-	
Restated balance at the beginning of current reporting period	-	-	-	-	-
Dividends	-	-1,501.23			-1,501.23
Profit for the current year	-	21,493.87	5,384.77	45.21	26,923.85
Security premium during the year	-	-	-	-	-
Other comprehensive income: Remeasurement of Net defined benefit Asset/Liability (net of tax)	-	-4.37	-1.09		-5.47
Transfer from Impairment Reserve pursuant to approval of RBI	-	547.12	-	-547.12	-
Balance as on 31-03-2026	15,416.09	32,723.04	8,859.11	71.57	57,069.81

Changes in other equity for the year ended 31 March, 2025

(Rs. In lakhs)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserve	Statutory reserve	Impairment Reserve	
Balance at the beginning of the current reporting period	13,322.43	8,140.04	2,262.46	121.48	23,846.41
Changes in accounting policy or prior period errors	-	-	-	-	
Restated balance at the beginning of current reporting period	-	-	-	-	-
Dividends	-	-	-	-	-
Profit for the current year	-	4,042.56	1,211.71	452.00	5,706.27
Security premium during the year	2,093.66	-	-	-	2,093.66
Other comprehensive income: Remeasurement of Net defined benefit Asset/Liability (net of tax)	-	5.06	1.26	-	6.32
Balance as on 31-03-2025	15,416.09	12,187.66	3,475.43	573.48	31,652.66

SATPAUL BANSAL
(Chairman and Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

AARTI MARKAN
Chief Financial Officer
Membership no 502300
350,Sec 38A, Chandigarh

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

ARJU RANA
Company Secretary
Membership no ACS A59296
VPO Beejna
District Karnal - 132037

Auditor's Report
As per our separate reports of even date attached

For Rajan Modi & Associates
Chartered Accountants
FRN – 020081N

CA. Lalit Garg
Partner
Membership No 502617
6352/8, Nicholson Road
Ambala - 133001

Place: Chandigarh
Date :

Note 27: Related Party Disclosures
(As per Ind AS 24 issued by ICAI)

A. List of Related Parties having control or significant influence

Sr. No.	Nature of Relationship	Name of Related Party
1	Holding Company	Paul Merchants Limited
2	Fellow Subsidiary Company	Paul Infotech Private Limited
		PML Realtors Private Limited
3	Key Management Personnel	Mr. Sat Paul Bansal - Chairman & Managing Director
		Mrs. Sarita Rani Bansal - Whole Time Director
		Mr. Shaibu Geevarghese Cherian - Whole Time Director
		Mrs. Aarti Markan - Chief Financial Officer
		Mrs. Arju Rana - Company Secretary
4	Director	Mr. Rajneesh Bansal - Director
5	Relative of Directors / Key Management Personnel	Mrs. Aastha Bansal - Relative of Director
		Mr. Sandeep Bansal - Relative of Director
		Mrs. Nita Bansal - Relative of Director
6	Firm in which KMP / Director or relative of Director is proprietor	Tapa Gas Service
		Paul Distributors
		Channel Management & Marketing
7	Partnership fim in which Director or relative of Director is a partner	Bright Cove Goods
		Paul Innovations LLP
		Niraa Talent
		Guru Production
		Cable Distribution Services
		Bright Furnishing LLP
		I-Shop
		Shubh Shop
		White Hill Distribution
		Tea Stall
		Pitaara Marketing
8	Companies in which Director / Relative of director exercise control/significant influence	Musa Productions Private Limited
		Chaupaal Entertainment LLC, UAE
		Chaupal Global PTE. LTD, Singapore
		Magical Vacation Travel & Tourism LLC, UAE
		Paul Fincare Private Limited
		9X Media Private Limited
		ADB 21 Media Private Limited
		Bosna Digital Entertainment Private Limited
		BBSM Films Private Limited
		Collective Media Ventures Private Limited
		Divya Broadcasting Private Limited
		Infotechture Solutions Private Limited (formerly Paul Instacred Private Limited)
		Paul E commerce Private Limited
		Paul Swift Credit Private Limited
		Paul Excursions Private Limited
		Paul Merchants Jewels & Metals LLP
		Paul Overseas Private Limited
		Pitaara Talkies Private Limited
		PML Holidays Private Limited

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A *CHANDIGARH*

RAJAN... ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

B. Disclosure of transactions between the Company and related parties
For the Period ended 31st Mar 2026

Nature of Transaction	Key Management Personnel Amount (Rs. In lakhs)	Holding Company Amount (Rs. In lakhs)	Director & Relative of Director/KMP Amount (Rs. In lakhs)	Related Party Others Amount (Rs. In lakhs)
Rent paid	-	55.68	-	-
Rent received	-	-	-	0.95
Rent received	-	-	-	1.99
Rent received	-	-	-	0.59
Net Repayment of working capital	-	16,685.00	-	-
Interest paid on loan	-	294.67	-	-
Interest received on loan	-	0.04	-	-
Commission received for cross reference sale of Travel Services	-	0.14	-	-
Commission for cross reference sale	-	-	-	-
Commission Paid for cross reference	-	-	-	0.01
Dividend Paid	-	1,501.23	0.00	-
Right Issue	-	-	-	-
Purchase of goods & services	-	117.30	-	10.50
Sale of goods & services	-	5.55	-	-
Additional Borrowing from director	-	-	30.00	-
Additional Borrowing from KMP	38.00	-	-	-
Additional Borrowing from KMP	20.00	-	-	-
Interest Exp on borrowing from director	-	-	0.20	-
Interest Exp on borrowing from KMP	1.44	-	-	-
Interest Exp on borrowing from KMP	0.28	-	-	-
Loan & Advance repaid to Director	-	-	30.00	-
Loan & Advance repaid to KMP	113.00	-	-	-
Loan & Advance repaid to KMP	29.00	-	-	-
Additional Borrowing from Fellow Subsidiary	-	-	-	175.00
Interest Exp on borrowing from Fellow Subsidiary	-	-	-	8.51
Loan & Advance repaid to Fellow Subsidiary	-	-	-	1,140.00
Interest income on Loan & Advances given to Related Party	-	-	-	0.03
Loan & Advance repaid by Bosna Digital	-	-	-	40.00
Interest income on Loan & Advances given to KMP	0.55	-	-	-
Loan & Advance given to Fellow Subsidiary	-	-	-	1,402.00
Loan & Advance repaid by Fellow Subsidiary	-	-	-	1,352.00
Interest income on Loan & Advances given to Fellow Subsidiary	-	-	-	3.05
Loan & Advance repaid by Whole Time Director	3.18	-	-	-
Remuneration paid to relative of director	-	-	28.29	-
Remuneration paid to Whole Time Director	596.13	-	-	-
Remuneration paid to CMD	2,010.00	-	-	-
Remuneration paid to Company Secretary & Chief Financial Officer	40.36	-	-	-
EMIs by KMPs	3.58	-	-	-
Remuneration paid to director	-	-	500.00	-
Total	**2,855.52**	**18,659.60**	**588.49**	**4,134.64**

C. Disclosure of Outstanding balance of related parties
For the Period ended 31st Mar 2026

Nature of Transaction	Key Management Personnel Amount (Rs. In lakhs)	Holding Company Amount (Rs. In lakhs)	Director & Relative of Director/KMP Amount (Rs. In lakhs)	Related Party Others Amount (Rs. In lakhs)
Loan & Advances receivable from Fellow Subsidiary	-	-	-	51.02
Loan & Advances receivable from Whole Time Director	4.40	-	-	-
Total	4.40	-	-	51.02

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

B. Disclosure of transactions between the Company and related parties
For the Period ended 31st Mar 2025

Nature of Transaction	Key Management Personnel Amount (Rs. In lakhs)	Holding Company Amount (Rs. In lakhs)	Director & Relative of Director/KMP Amount (Rs. In lakhs)	Related Party Others Amount (Rs. In lakhs)
Rent paid	-	28.67	-	-
GST on corporate guarantee given	-	-	-	-
Rent paid to Whole Time Director	4.05	-	-	-
Reimbursement of Legal Expenses	-	-	-	-
Rent received	-	-	-	0.91
Rent received	-	-	-	1.84
Net Service Charges Received - DMT	-	-	-	-
Service Charges Paid - Indo Nepal	-	0.08	-	-
Net Amount of working capital repaid	-	2,305.62	-	-
Interest paid on loan	-	1,547.20	-	-
Commission for cross reference sales of Forex Services earned	-	12.24	-	-
Commission received for cross reference sale	-	-	-	1.91
Commission Paid for cross reference sale	-	-	-	4.28
Dividend Paid	-	-	-	-
Right Issue	-	2,481.37	-	-
Purchase of goods & services	-	56.53	-	-
Additional Borrowing from director	-	-	412.00	-
Additional Borrowing from KMP	189.50	-	-	-
Additional Borrowing from KMP	19.00	-	-	-
Interest Exp on borrowing from director	-	-	9.28	-
Interest Exp on borrowing from KMP	6.95	-	-	-
Interest Exp on borrowing from KMP	0.22	-	-	-
Loan & Advance repaid to Director	-	-	475.50	-
Loan & Advance repaid to KMP	156.50	-	-	-
Loan & Advance repaid to KMP	10.00	-	-	-
Additional Borrowing from Fellow Subsidiary	-	-	-	463.00
Interest Exp on borrowing from Fellow Subsidiary	-	-	-	63.14
Loan & Advance repaid to Fellow Subsidiary	-	-	-	117.70
Interest Income on Loan & Advances given to Related Party	-	-	-	17.75
Loan & Advances repaid to Related Party	-	-	-	135.00
Interest Income on Loan & Advances given to KMP	0.83	-	-	-
Loan & Advance repaid by Whole Time Director	2.91	-	-	-
Remuneration paid to relative of director	-	-	12.00	-
Remuneration paid to Whole Time Director	72.39	-	-	-
Remuneration paid to CMD	360.00	-	-	-
Remuneration paid to Company Secretary & Chief Financial Officer	30.57	-	-	-
Total	**852.91**	**6,431.70**	**908.78**	**805.53**

C. Disclosure of Outstanding balance of related parties
For the Period ended 31st Mar 2025

Nature of Transaction	Key Management Personnel Amount (Rs. In lakhs)	Holding Company Amount (Rs. In lakhs)	Director & Relative of Director/KMP Amount (Rs. In lakhs)	Related Party Others Amount (Rs. In lakhs)
GST on corporate guarantee payable	-	-	-	-
Working Capital facility	-	16,685.00	-	-
Loan & Advances payable to Fellow Subsidiary	-	-	-	965.00
Loan & Advances payable to Fellow Subsidiary	-	-	-	-
Loan & Advances payable to Director	75.00	-	-	-
Loan & Advances payable to KMP	9.00	-	-	-
Loan & Advances receivable from Related Party	-	-	-	40.00
Loan & Advances receivable from Whole Time Director	7.58	-	-	-
Total	**91.58**	**16,685.00**	**-**	**1,005.00**

PAUL MERCHANTS FINANCE PVT. LTD.
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SECTOR 22-A
CHANDIGARH

Note 28: Earnings per Share (Disclosure required as per INDAS 33)

Particulars	As at 31st March 2026			As at 31st March 2025		
	Discontinued Operations	Continued Operations	Total	Discontinued Operations	Continued Operations	Total
	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)
Net Profit for the Year (*Rs.*)	25,699.26	1,224.59	26,923.85	6,058.75	-352.48	5,706.26
Number of Equity Shares (*Nos.*)	4,26,48,616	4,26,48,616	4,26,48,616	4,26,48,616	4,26,48,616	4,26,48,616
Weighted Average of Outstanding Equity Shares (Nos.)	4,26,48,616	4,26,48,616	4,26,48,616	4,25,63,637	4,25,63,637	4,25,63,637
Basic & Diluted EPS (*Rs per Share*)	60.26	2.87	63.13	14.23	-0.83	13.41

Note 29: OTHER COMPREHENSIVE INCOME

Particulars	As at 31st March 2026	As at 31st March 2025
	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)
Remeasurement Gain / (Loss) on defined benefit obligations	-7.31	8.45
Income tax relating to above	1.84	-2.13
Remeasurement Loss on defined benefit obligations (net of Tax)	-	-

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

CHARTERED ACCOUNTANTS AMBALA CANTT

Note 30: Segment reporting

As per IND AS-108 on Segment Reporting, segment information is provided below:

(Rs. In lakhs)

S no	Particular	For the year ending 31st March 2026	For the year ending 31st March 2025
1	**Segment Revenue**		
(a)	Gold Loan (including Profit on slump sale)	33,525.08	21,981.56
(b)	Lending Vertical	4,540.93	3.88
(c)	Prepaid Instruments	18.55	34.02
(d)	Distribution	70.96	44.88
(e)	Other	-	2.15
	Income from Operation	**38,155.52**	**22,066.49**
2	**Segment Expenditure**		
(a)	Gold Loan	3,461.74	13,913.76
(b)	Lending Vertical	2,594.49	279.93
(c)	Prepaid Instruments	163.27	188.27
(d)	Distribution	106.28	53.08
(e)	Other	30.44	55.16
	Expenses from Operation	**6,356.22**	**14,490.20**
	PROFIT BEFORE TAX (a) - (b)	**31,799.29**	**7,576.29**
3	**Segment Assets**		
(a)	Gold Loan	-	1,43,783.69
(b)	Lending Vertical	61,685.99	203.30
(c)	Prepaid Instruments	373.95	517.89
(d)	Distribution	62.11	30.79
(e)	Other	131.89	168.92
	Total Assets	**62,253.94**	**1,44,704.59**
4	**Segment Liabilities**		
(a)	Gold Loan	-	1,06,087.58
(b)	Lending Vertical	794.44	894.88
(c)	Prepaid Instruments	101.12	1,799.77
(d)	Distribution	23.36	4.85
(e)	Other	0.35	
	Total Liabilities	**919.27**	**1,08,787.08**
5	**Capital Employed**		
(a)	Gold Loan	-	37,696.11
(b)	Lending Vertical	60,891.54	-691.58
(c)	Prepaid Instruments	272.83	-1,281.88
(d)	Distribution	38.75	25.94
(e)	Other	131.54	168.92
	Total Capital Employed	**61,334.67**	**35,917.51**

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A *CHANDIGARH*

CHARTERED ACCOUNTANTS AMBALA CANTT

Note 31: Disclosure as per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Financial Statements: Presentation and Disclosures) Directions, 2025, vide RBI/DOR/2025-26/359 dated November 28, 2025 as amended from time to time

A. Loans against gold collateral

i) Details of loans extended against eligible gold collateral

Particulars	As at 31st March 2026 Amount (Rs. In lakhs)	As at 31st March 2025 Amount (Rs. In lakhs)
Total gold loan portfolio	-	1,25,400.45
Total assets (Loans)	-	1,44,704.59
Gold loan portfolio as % of total assets	-	86.66%

The above exposures denotes gross carrying amount

ii) Details of gold auctions

Particulars	As at 31st March 2026 Amount (Rs. In lakhs)	As at 31st March 2025 Amount (Rs. In lakhs)
(a) Unclaimed gold or silver collateral at the end of the financial year (in grams)	-	-
(b) Number of loan accounts in which auctions were conducted	799	5,768
(c) Total outstanding in loan accounts	475.42	4,959.14
(d) Gold collateral acquired during the FY due to default of loans (in grams)	-	-
(e) Gold collateral auctioned during the FY (in grams)	7,967.44	84,231.05
(f) Recovery made through auctions during the FY	575.88	5,080.30
(g) Recovery percentage:		
(i) as % of value of gold collateral	-	-
(ii) as % of outstanding loan	121.13%	102.44%

The Company confirms that none of the group companies have participated in the above auctions. The details have been compiled by the management and relied by auditors

B. Exposures

(i) Exposure to real estate sector

(Rs. In lakhs)

Category	Current Year	Previous Year
i) Direct exposure a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	2,241.06	NIL
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.	8,571.46	40.00
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures i. Residential ii. Commercial Real Estate	NIL	NIL
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
Total Exposure to Real Estate Sector	**10,812.52**	**40.00**

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN ... ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

(ii) Exposure to capital market

(Rs. In lakhs)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt	8,929.96	NIL
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds	-	
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	-	
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances	-	
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	-	
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	
vii) Bridge loans to companies against expected equity flows / issues	-	
viii) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	
ix) Financing to stockbrokers for margin trading	-	
x) All exposures to Alternative Investment Funds:		
a) Category I	-	
b) Category II	112.37	
c) Category III	1,929.87	
Total exposure to capital market	**10,972.19**	

(iii) Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ lakhs)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ lakhs)	Gross NPAs (₹ lakhs)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services						
a) NBFCs	19,551.49	-	-	-	-	-
b) Commercial Real Estate	8,571.46	-	-	40.00	-	-
4. Personal Loans						
(a) Unsecured Loans	85.32	34.29	40.20%	50.00	50.00	100.00%
5. Others						
(a) Gold Loans	-	-	-	1,25,400.45	159.15	0.13%
(b) Other Retail Loans	2,241.06	-	-	-	-	-
TOTAL	**30,449.33**	**34.29**	**0.11%**	**1,25,490.45**	**209.15**	**0.17%**

Note: In accordance with the applicable RBI guidelines, exposures have been disclosed by sector. Within each sector, exposure to a specific sub-sector/industry exceeding 10% of the Company's Tier I Capital as at the reporting date has been disclosed separately. Exposures to sub-sectors/industries that are less than 10% of the Company's Tier I Capital have been aggregated and disclosed under "Others" within the respective sector.

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(iv) Intra-group exposures

Particulars	Current Year			Previous Year		
	i) Total amount of intra-group exposures (₹ lakhs)	ii) Total amount of top 20 intra-group exposures (₹ lakhs)	iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers (₹ lakhs)	i) Total amount of intra-group exposures (₹ lakhs)	ii) Total amount of top 20 intra-group exposures (₹ lakhs)	iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers (₹ lakhs)
Loans & Advances Given (Outstanding as on 31st March)	51.02	51.02	0.17%	40.00	40.00	0.03%
Loans & Advances Taken(Outstanding as on 31st March)	0.00	0.00	0.00%	17734.00	17734.00	18.00%

(v) Unhedged foreign currency exposure

The Company's exposure of unhedged foreign currency risk at the end of the reporting period is Nil (Previous year Nil)

(vi) Details of financing of Parent Company products

The Company does not have any financing of Parent Company products during the current and previous year.

(vii) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded

The Company has not exceeded the prudential exposure limits during the current and previous year.

(viii) Unsecured advances

Particulars	As at 31st March 2026		As at 31st March 2025	
	Amount (Rs. In lakhs)	% of Total	Amount (Rs. In lakhs)	% of Total
Unsecured Loans & Advances	85.32	0.28%	50.00	0.04%

There are no advances secured against intangible assets.

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nt in ₹ lakhs)

Related Party / Items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint Ventures		Key management Personnel		Relatives Of Key Management Personnel		Director		Relatives Of Directors		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
owings#																		
Outstanding	-	16,685.00	-	-	-	-	-	84.00	-	-	-	-	-	-	-	965.00	-	17,734.00
Maximum Balance	17,615.00	19,490.62	-	-	-	-	-	137.97	-	-	-	257.50	-	-	-	1,023.00	17,615.00	20,909.09
sits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ment of Deposits#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
nces#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	4.40	7.58	-	-	-	-	-	-	51.02	40.00	55.42	47.58
Maximum Balance	-	-	-	-	-	-	7.58	10.49	-	-	-	-	-	-	845.00	175.00	852.58	185.49
tments#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Balance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
hase of fixed/Other s	-	56.53	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.53
of fixed/Other assets	5.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.55	-
hase of Goods & Services	117.30	-	-	-	-	-	-	-	-	-	-	-	-	-	10.50	-	127.80	-
of Goods & Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
mission for Cross ence Sale	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.14	-
est paid	294.67	1,547.20	-	-	-	-	1.72	7.16	-	-	0.20	9.28	-	-	8.51	63.14	305.10	1,626.79
est received	0.04	-	-	-	-	-	0.55	0.83	-	-	-	-	-	-	3.09	17.75	3.68	18.57
: Issue	-	2,481.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,481.37
Paid	55.68	28.67	-	-	-	-	-	4.05	-	-	-	-	-	-	-	-	55.68	32.72
Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.53	2.74	3.53	2.74
mission Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01	-
end	1,501.23	-	-	-	-	-	-	-	-	-	0.00	-	-	-	-	-	1,501.23	-
uneration	-	-	-	-	-	-	2,646.49	462.97	-	-	500.00	-	28.29	-	-	-	3,174.78	462.97
rs**	-	12.31	-	-	-	-	3.58	-	-	12.00	-	-	-	-	-	6.20	3.58	30.51

losures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

outstanding at the year end and the maximum during the year are to be disclosed

ify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.

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1. Related party, in the context of the aforementioned disclosure, shall include all related parties as per the applicable accounting standards. Further, related party shall also include following related parties defined under Section 2(76) of the Companies Act, 2013.

i. a director or his relative;

ii. a key managerial personnel or his relative;

iii. a firm, in which a director, manager or his relative is a partner;

iv. a private company in which a director or manager or his relative is a member or director;

v. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;

vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

vii. any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

2. At a minimum, Key Management Personal (KMPs) shall include following key managerial personnel as per section 2(51) of the Companies Act, 2013.

i. the Chief Executive Officer or the managing director or the manager

ii. the company secretary

iii. the whole-time director

iv. the Chief Financial Officer

v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and

vi. such other officer as may be prescribed

3. Relatives of KMPs at the minimum, shall include following relatives as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

(i) they are members of a Hindu Undivided Family;

(ii) they are husband and wife; or

(iii) one person is related to the other in such manner as may be prescribed;

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

(1) Father; Provided that the term "Father" includes step-father.

(2) Mother: Provided that the term "Mother" includes the step-mother.

(3) Son: Provided that the term "Son" includes the step-son.

(4) Son's wife.

(5) Daughter.

(6) Daughter's husband.

(7) Brother: Provided that the term "Brother" includes the step-brother;

(8) Sister: Provided that the term "Sister" includes the step-sister.

C. (ii) Exposures to Related Parties

(Rs. In lakhs)

Particulars	**Current Year**	**Previous Year**
A. Loans to Related Parties		
1. Aggregate value of loans sanctioned to related parties during the year	1,402.00	-
2. Aggregate value of outstanding loans to related parties as on 31st March	51.02	40.00
3. Aggregate value of outstanding loans to related parties as a proportion of total credit exposure as on 31st March (in %)	0.17%	0.03%
4. Aggregate value of outstanding loans to related parties which are categorized as:		
(i) Special Mention Accounts as on 31st March	-	-
(ii) Non-Performing Assets as on 31st March	-	-
5. Amount of provisions held in respect of loans to related parties as on 31st March	0.20	0.16
B. Contracts and Arrangements involving Related Parties		
6. Aggregate value of contracts and arrangements awarded to related parties during the year	5,181.08	4,536.45
7. Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

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D. Disclosure of Complaints

(i) Complaints received by the NBFC from its customers

Sr. No		Particulars	Current Year	Previous Year
1		No. of complaints pending at the beginning of the year	0	0
2		No. of complaints received during the year	8	31
3		No. of complaints disposed during the year	8	31
	3.1	Of which, number of complaints rejected by the NBFC	0	0
4		No. of complaints pending at the end of the year	0	0

(ii) Maintainable complaints received by the NBFC from Office of Ombudsman

Sr. No		Particulars	Current Year	Previous Year
5*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	4	7
	5.1	Of All, number of complaints resolved in favour of the NBFC by Office of Ombudsman	4	7
	5.2	Of All, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	1
	5.3	Of All, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	1
6*		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme

* It shall only be applicable to NBFC which is included under the Reserve Bank – Integrated Ombudsman Scheme, 2021.

(iii) Top five grounds of complaints received from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of All, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Current Year				
Levy of charges without prior notice/ excessive charges/ foreclosure charges	0	2	-67%	0	0
Staff Behavior	0	2	-67%	0	0
Difficulty in operation of accounts	0	1	-89%	0	0
Others	1	2	-80%		
Total	1	7		0	0
	Previous Year				
Levy of charges without prior notice/ excessive charges/ foreclosure charges	0	6	20%	0	0
Staff Behavior	0	6	0%	0	0
Difficulty in operation of accounts		9	125%		
Others		10	100%		
Total	0	31		0	0

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E. Liquidity

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Number of Significant Counterparties	1.00	3.00
Amount (₹ Lakhs)	346.30	55,027.82
Percentage of funding concentration to total borrowings	100.00%	54.14%
Percentage of funding concentration to total liabilities	37.67%	50.58%

(ii) Top 20 large deposits (amount in Rs. Lakh and % of Total Deposits)
Not Applicable

(iii) Top 10 Borrowings:

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total amount of Top 10 borrowings	346.30	86,774.66
% of total borrowings	100.00%	85.38%

(iv) Funding Concentration based on significant instrument/product

(Rs. In lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
Name of the instrument/product	Amount	% of Total	Amount	% of Total
Term Loan	346.30	100.00%	56,759.18	68.23%
WCDL	-	-	16,878.00	20.29%
FCNB/FCNR	-	-	-	-
OD	-	-	9,556.37	11.49%

(v) Stock ratios

(Rs. In lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
(i)	Commercial paper as a percentage of total public funds	-	-
(ii)	Commercial paper as a percentage of total liabilities	-	-
(iii)	Commercial paper as a percentage of total assets	-	-
(iv)	Other short-term liabilities as a percentage of total public funds	-	-
(v)	Other short-term liabilities as a percentage of total liabilities*	42.07%	6.01%
(vi)	Other short-term liabilities as a percentage of total assets	0.62%	4.52%
(vii)	Non-convertible debentures as a percentage of total public funds	-	-
(viii)	Non-convertible debentures as a percentage of total liabilities	-	0.65%
(ix)	Non-convertible debentures as a percentage of total assets	-	0.49%
(x)	Institutional set-up for liquidity risk management	The Board of Directors has the overall responsibility for establishing the risk management framework of the Company. The Board decides the liquidity risk tolerance/limits and, accordingly, lays down strategies, policies and procedures for the management of liquidity risk. The Company has instituted a Risk Management Committee, which reports to the Board, and is responsible for evaluating the overall risks faced by the Company including liquidity risk. The Asset-Liability Committee (ALCO) of the Company, consisting of the Company's Senior Management and Members of the Board, is responsible for ensuring adherence to the risk tolerance/limits as well as implementing the liquidity risk management strategy of the Company. The Company has also constituted Asset-Liability Management (ALM) Support Group at the execution level, which is responsible for analysing, monitoring and reporting the liquidity risk profile to the ALCO.	

* Total liabilities comprises of total financial liabilities and total non-financial liabilities

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F. Comparison between provisions required under IRACP and impairment loss allowances made under Ind AS 109

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	30,415.03	50.79	30,364.24	122.36	-71.57
	Stage-2					
Sub total		**30,415.03**	**50.79**	**30,364.24**	**122.36**	**-71.57**
Non-Performing Asset (NPA)						
(i) Substandard	Stage-3	-	-	-	-	-
(ii) Doubtful						
Doubtful - up to 1 year	Stage-3	-	-	-	-	-
Doubtful - 1 to 3 years	Stage-3	-	-	-	-	-
Doubtful - More than 3 years	Stage-3				-	-
Unsecured	Stage-3	34.29	34.29	-	34.29	-
(iii) Loss	Stage-3	-	-	-	-	-
Subtotal for NPA		**34.29**	**34.29**	**-**	**34.29**	-
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	30,415.03	50.79	30,364.24	122.36	-71.57
	Stage-2	-	-	-	-	-
	Stage-3	34.29	34.29	-	34.29	-
	Total	**30,449.33**	**85.09**	**30,364.24**	**156.65**	**-71.57**

(1) The shortfall of Rs. 71.57 Lakhs between the provisions as per RBI IRACP Norms and Loss allowances as per IND AS 109 has been maintained as Impairment Reserve.

(2) The company has followed the assumption contained in IND-AS 109 about considering Stage-1 advances as those which are 30 days past due. The same is as per board approved policy as well as placed before Audit Committee.

(3) The Company classifies its loan assets as Non-Performing Assets (NPAs) in accordance with the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time. Accordingly, loan assets with overdue exceeding 90 days are classified as NPAs.

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G. Loans to directors, senior officers and relatives of directors

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Directors and their relatives	-	-
Entities associated with directors and their relatives	51.02	40.00
Senior Officers and their relatives	-	-

H. Capital

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(i) CRAR (%)	101.29%	27.44%
(ii) CRAR - Tier 1 Capital (%)	101.21%	27.31%
(iii) CRAR - Tier 2 Capital (%)	0.08%	0.13%
(iv) Amount of subordinated debt raised as Tier II capital	50.79	170.19
(v) Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

I. Investments

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
1. Value of Investments		
(i) Gross Value of Investments		
(a) in India	23,009.99	1,000.52
(b) outside India	-	-
(ii) Provisions for Depreciation		
(a) in India	-	-
(b) outside India	-	-
(iii) Net Value of Investments		
(a) in India	23,009.99	1,000.52
(b) outside India	-	-
2. Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add: Provisions made during the year	-	-
(iii) Less: Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

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K. Other Disclosures

(i) Registration obtained from other financial sector regulators

1. Certificate of Authorisation (CoA) No. 131/2019 dated January 25, 2019 issued by RBI to **Paul Merchants Finance Private Limited** for issuance of Prepaid Payment Instruments valid upto June 30,2027.
2. Registration under Corporate Agent under Regulation 11 of IRDA regulations 2015; registration number CA0547 dt 21-05-2024 valid upto March 11, 2027.

(ii) Disclosure of Ratings

No rating assigned by credit rating agencies as at 31st March 2026.

(iii) Remuneration of non-executive Directors

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Rajneesh Bansal	500.00	

(iv) Provisions and Contingencies

(Rs. In lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31, 2026	As at March 31, 2025
Provisions for depreciation on Investment	-	-
Provision towards NPA	34.29	61.14
Provision made towards income tax	4,937.32	1,826.00
Provision for standard assets	50.79	197.53
Other provisions and contingencies		
- Provision for employee benefits	97.55	285.10
Total	5,119.96	2,369.77

(v) Draw down from Reserves

The Company has withdrawn Rs. 5.47 Crores from impairment reserve and transferred to general reserve during the year ended March 31, 2026 pursuan to approval from RBI.

(vi) Concentration of deposits, advances, exposures and NPAs

a) Concentration of Advances

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total advances to twenty largest borrowers	23,262.56	1,360.95
(%) of advances to twenty largest borrowers to total advances	82.47%	1.08%

b) Concentration of Exposures

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total exposure to twenty largest borrowers / customers	23,262.56	1,360.95
(%) of exposure to twenty largest borrowers / customers to total exposure	76.40%	1.08%

c) Concentration of NPAs

(Rs. In lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Total Exposure to top four NPA accounts	34.29	69.44

(vii) Movement of NPAs

	Particulars		
(i)	**Net NPAs to Net Advances (%)**	**As at March 31, 2026**	**As at March 31, 2025**
(ii)	**Movement of NPAs (Gross)**		0.12
a)	Opening Balance		
b)	Additions during the year	209.15	719.00
a)	Reductions during the year	-	1,373.83
b)	Closing Balance	174.86	1,883.68
(iii)	**Movement of Net NPAs ***	34.29	209.15
a)	Opening Balance		
b)	Additions during the year	148.01	628.53
a)	Reductions during the year	-	1,373.83
b)	Closing Balance	148.01	1,854.35
		-	148.01
(iv)	**Movement of Provisions for NPAs (excluding provisions on standard assets)**		
a)	Opening Balance		
b)	Additions during the year	61.14	90.47
a)	Reductions during the year	-	-
b)	Closing Balance	26.85	29.33
		34.29	61.14

* Net Advances is computed by reducing provision for non-performing assets from gross loans and advances

(viii) Overseas Assets

The Company does not have any joint ventures and subsidiaries aboard.

(ix) Off Balance sheet SPVs sponsored

The Company does not have any off-Balance sheet SPVs sponsored.

(x) Off Balance sheet exposures and structured products

The Company does not have any off-Balance sheet exposures and structured products

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ote 32: Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-
2/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021

/pe of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan as on March 31, 2026	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	6Exposure to accounts classified as Standard consequent to implementation of resolution plan as on March 31, 2025
ersonal Loans	-	-	-	-	-
orporate persons*	-	-	-	-	-
f which MSMEs	-	-	-	-	-
thers	-	-	-	-	-
otal	-	-	-	-	-

PAUL MERCHANTS FINANCE PVT. LTD. * CHANDIGARH * First Floor SCO 827-828, SECTOR 22-A

RAJAN MODI & ASSOCIATES * CHARTERED ACCOUNTANTS * AMBALA CANTT *

Note 33: Disclosures pertaining to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC. No.278/21.04.018/2025-26 - Reserve Bank of India (Non-Banking Financial Companies — Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28 November 2025, as amended:

(i) Read with RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048/2025-26, 'Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025' dated 28 November 2025:

(ii) Detail of Loans, not in default, transferred through Assignment

(Rs. In lakhs)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
Count of loans accounts assigned	Nil	35,251.00
Aggregate principal outstanding of loans transferred	Nil	22,499.67
Weighted average residual maturity (in months)	Nil	5.83
Weighted average holding period (in months)	Nil	4.76
Average retention of beneficial economic interest (MRR) (%)	Nil	10.00%
Average coverage of tangible security (%)	Nil	152.72%
Rating wise distribution of loans transferred	Unrated	Unrated

(iii) Detail of stressed loans acquired during the year:

For the Year ended March 31, 2026:

(Rs. In lakhs)

Particulars	From ARCs	From Scheduled commercial banks
Aggregate principal outstanding of loans acquired	Nil	Nil
Weighted average residual tenor of the loans acquired	Nil	Nil
Aggregate consideration (Including interest accrued)	Nil	Nil

Note: The Company has acquired Security Receipts (SRs) issued by Omkara PS 10/2025-26 Trust, comprising Trust Series – I amounting to Rs. 2070.00 lakhs and Trust Series – II amounting to Rs. 1937.70 lakhs. The said Trusts have acquired stressed loan assets pursuant to the underlying securitisation transactions. However, the company has not acquired any stressed loans from any ARCs directly.

For the Year ended March 31, 2025:

(Rs. In lakhs)

Particulars	From ARCs	From Scheduled commercial banks
Aggregate principal outstanding of loans acquired	Nil	Nil
Weighted average residual tenor of the loans acquired	Nil	Nil
Aggregate consideration (Including interest accrued)	Nil	Nil

Paul Merchants Finance Pvt. Ltd. First Floor SCO 827-828, Sector 22-A Chandigarh

Chartered Accountants Ambala Cantt

Note 34: The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time

(Rs. In lakhs)

S.NO.	Liabilities Side	As at 31st March 2026	As at 31st March 2025
(1)	**Loans & advances availed by NBFC inclusive of interest accured thereon but not paid**		
	(a) Debenture -Secured	NIL	720.98
	- Unsecured	NIL	NIL
	(other Falling within the meaning of public deposit)	NIL	NIL
	(b) Deferred Credits	NIL	NIL
	(c) Term Loans from Bank/FI	NIL	56,759.17
	(d) Inter Corporate Loans & Borrowings	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Public Deposits	NIL	NIL
	(g) Other Loans	NIL	NIL
	(i) Other Borrowing From Bank/FI	346.30	26,434.37
	(ii) Loan From Related Party	NIL	17,734.00
(2)	**Break Up of 1(f) above (outstanding public deposit inclusive of interest accrued thereon but not paid)**		
	(a) In the form of unsecured debentures	NIL	NIL
	(b) In the form of Partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
	(c) other Public Deposits	NIL	NIL
	Assets Side	**As at 31st March 2026**	**As at 31st March 2025**
(3)	**Breakup of loan & Advances including Bill Receivables (other than those included in (4) below):**		
	(a) Secured	30,364.01	1,25,440.45
	(b) Unsecured	85.32	50.00
(4)	**Breakup of leased Asset & Stock on hire & other assets counting towards asset financing activities**		
	(i) Lease Assets Including lease rentals under sundry debtors:		
	(a) Financial Lease	NIL	NIL
	(b) Operating Lease	NIL	NIL
	(ii) Stock on hire including hire charges under sundry debtors	NIL	NIL
	(a) Asset on Hire	NIL	NIL
	(b) Repossessed Assets	NIL	NIL
	(iii) Other Loans counting towards asset financing activities		
	(a) Loans where assets have been repossessed	NIL	NIL
	(b) Loans other than (a) above	NIL	NIL
(5)	**Breakup of investments**		
	Current Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	3,444.48	NIL
	(iii) Units of Mutual Funds	350.46	1,000.52
	(iv) Goverement Securities	NIL	NIL
	(v) Others (please specify)		
	- Portfolio Management Services (PMS)	2,585.47	NIL
	- Alternative Investment Fund (AIF)	888.26	NIL
	2. Unquoted		
	(i) Shares		
	(a) Equity	NIL	NIL
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	2,716.13	NIL
	(iii) Units of Mutual Funds		NIL
	(iv) Goverement Securities	NIL	NIL
	(v) Others (please specify)		
	- Portfolio Management Services (PMS)	3,658.98	NIL
	- Alternative Investment Fund (AIF)	1,041.60	NIL
	- Security Receipts - Telephone Cables	4,032.70	NIL

PAUL MERCHANTS FINANCE PVT. LTD. First Floor SCO 827-828, SECTOR 22-A CHANDIGARH

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALA CANTT

	Long Term Investments		
	1. Quoted		
	(i) Shares		
	(a) Equity		
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL
	(iii) Units of Mutual Funds	511.15	NIL
	(iv) Goverement Securities	2,568.55	NIL
	(v) Others (please specify)	NIL	NIL
		NIL	NIL
	2. Unquoted		
	(i) Shares		
	(a) Equity		
	(b) Preference	NIL	NIL
	(ii) Debentures and Bonds	NIL	NIL
	(iii) Units of Mutual Funds	296.04	NIL
	(iv) Goverement Securities	NIL	NIL
	(v) Others (please specify)	NIL	NIL
	- Portfolio Management Services (PMS)		
	- Alternative Investment Fund (AIF)	803.80	NIL
		112.37	NIL
(6)	**Borrower group- wise classification of assets financed as in (3) & (4) above:**		
	Category		
	1. Related Parties	**As at 31st March 2026**	**As at 31st March 2025**
	(a) Subsidiaries	**Amount (Rs. In lakhs)**	**Amount (Rs. In lakhs)**
	(b) Company in the same group	-	-
	(c) Other Related Parties	51.02	-
	2.Other than related parties	-	40.00
	(a) Secured		
	(b) Unsecured	30,364.01	1,25,400.45
	TOTAL	34.29	50.00
(7)	**Investor group- wise classification of all investments (Current & Long Term) in shares and securities (both quoted & unquoted)**	**30,449.33**	**1,25,490.45**
	Category		
		Market Value/ Break up or fair value or NAV	**Book 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	23,009.99	1,000.52
(8)	**- Other Information**	**23,009.99**	**1,000.52**
	Particulars	**Amount (Rs. In lakhs)**	**Amount (Rs. In lakhs)**
	(i) Gross Non Performing Assets		
	(a) Related Parties	**34.29**	**209.15**
	(b) Other than Related Parties	-	-
		34.29	209.15
	(ii) Net Non Performing Assets		
	(a) Related Parties	-	**148.01**
	(b) Other than Related Parties	-	-
		-	148.01
	(iii) Asset acquire in staisfaction of Debt'		
			-

First Floor SCO 827-828, SECTOR 22-A CHANDIGARH PVT. LTD.

Note 35: Disclosure under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March 2026 Amount (Rs. In lakhs)	As at 31st March 2025 Amount (Rs. In lakhs)
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	Principal - 20.67 Interest Due - Nil	Principal - 31.22 Interest Due - 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	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	NIL
The amount of interest accrued and remaining unpaid at the end of each accounting year	NIL	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	NIL

NOTE 36: DISCLOSURE AS PER AMENDED SCHEDULE III TO THE COMPANIES ACT,2013

(a) There are no differences in the quarterly returns or statements (such as stock statements) filed by company. All such statements are in agreement with the Books of Accounts.

(b) No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Property (Prohibition) Act ,1988 (45 of 1988)and the rules made thereunder.

(c) The company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.

(d) The company does not have any transaction with the Strike Off Companies in the Financial Year.

(e) No registration or satisfaction of charges are pending to be filed with ROC.

(f) There are no transactions recorded in the books of accounts, which are disclosed during the Income tax assessment /search/survey.

(g) The company has not traded or invested in crypto currency or virtual currency during the financial year.

(h) There is no scheme of Amalgamation/Merger is approved by Court/NCLT, as no such case for Amalgamation/Merger related to company is pending before any Court/NCLT.

(i) The Company does not possess any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessees) whose title deeds are not held in the name of the Company during the financial year ended March 31, 2026

(j) The company has complied with the number of layers prescribed under section 2(87) of the companies Act 2013.

(k) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) b 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 lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries"). The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether direct or indirectly or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

PAUL MERCHANTS FINANCE PVT. LTD.
First Floor
SCO 827-828,
SECTOR 22-A
CHANDIGARH

CHARTERED ACCOUNTANTS
AMBALA CANTT

Note 37: Reconciliation of the Total Tax Charge:

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2026 and 31 March 2025 is, as follows:

(Rs. In lakhs)

Particulars	FY 2025-26	FY 2024-25
Accounting profit before tax	**31,799.29**	**7,576.29**
Applicable tax rate	25.168%	25.168%
Computed tax expense	**8,003.25**	**1,906.80**
Tax effect of:		
Short / (Excess) provision for tax relating to prior years	32.66	-
Impact of income taxed at different rates**	(3,137.33)	-
Tax on expenditure not considered for tax provision	133.57	30.90
Tax benefit on additional deductions	(62.16)	(111.70)
Deferred Tax	(94.54)	44.02
Tax expenses recognised in the statement of Profit & Loss	**4,875.45**	**1,870.02**
Effective tax rate	**15.33%**	**24.68%**

** The Company transferred its Gold Loan Business undertaking as a going concern by way of slump sale to L&T Finance Limited. This resulted in a capital gain which is taxable at the rate of 14.30%. The impact on account of different tax rate (i.e. 25.168% minus 14.30%) is Rs. 3122.35 lakhs.

** The Company sold equity shares held as investments which resulted in a capital gain which was taxed at the rate of 22.88%. The impact on account of different tax rate (i.e. 25.168% minus 22.88%) is Rs. 14.98 lakhs.

Note 38: Slump Sale of Gold Loan Business Undertaking as a going concern

The Board of Directors of Paul Merchants Limited and its material wholly owned subsidiary, Paul Merchants Finance Private Limited (PMFPL), approved the transfer of PMFPL's Gold Loan Business to L&T Finance Limited (Acquirer) via a slump sale on a going concern basis through a Business Transfer Agreement (BTA) dated February 7, 2025. The transfer of the undertaking was successfully executed on June 9, 2025, triggering a first tranche lump sum purchase consideration of Rs. 6,60,64,47,302. Out of this initial amount, the Acquirer retained Rs. 25 Crores to be released under agreed timelines, and PMFPL received the remaining balance. Subsequently, the second-tranche consideration was determined to be Rs. 77,49,26,164/-, of which Rs. 15 Crore was designated as a retained amount under the BTA. An additional sum of Rs. 1,21,22,776/- was temporarily kept in abeyance by the Acquirer pending a legal and tax opinion regarding depreciation treatment, allowing PMFPL to receive a balance of Rs. 61,28,03,388/- during that review quarter. The transaction reached its absolute structural conclusion during the last quarter of FY 2025-26 when all outstanding consideration components receivable under the BTA were completely settled. The final adjustments against the retained funds were crystallized, accounting for a Rs. 2,90,217/- deduction due to a gold audit and the resolution of the Rs. 1,21,22,776/- depreciation adjustment previously held in abeyance. Accordingly, PMFPL successfully received a net sum of Rs. 13,61,33,435/- during the last quarter of the FY 2025-26, with the final remaining balance of Rs. 14,53,572/- being paid shortly thereafter on April 7, 2026.

Note 39: Other Notes

1. Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.

2. 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 applicabe.

3. Accounting Policies and Notes ***1 to 39*** form integral part of Accounts for the year ending 31-03-2026

4. Previous year figures have been rearranged and regrouped wherever necessary to make them comparable with current year figures.

SATPAUL BANSAL
(Chairman and Managing Director)
DIN - 00077499
#749, Sector 8,
Chandigarh

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

As per our separate reports of even date attached

For Rajan Modi & Associates
Chartered Accountants
FRN – 020081N

AARTI MARKAN
Chief Financial Officer
Membership no 502300
350,Sec 38A, Chandigarh

ARJU RANA
Company Secretary
Membership no ACS A59296
VPO Beejna
District Karnal - 132037

CA. Lalit Garg
Partner
Membership No 502617
6352/8, Nichalson Road
Ambala - 133001
UDIN: 26502617XECLWT1935

Place: Chandigarh
Date :

Summary of material accounting policies

This note provides details of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 thereafter.

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. Due to the amendments in Schedule III applicable to NBFC's, the relevant changes has been made.

Functional and Presentation Currency

Amounts in the financial statements are presented in Indian Rupees in Lakh rounded off to two decimal places as permitted by Division III of Schedule III of the Act, except when otherwise indicated.

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 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. Property, Plant and Equipment

The items of Property, 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 including 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.

CHARTERED ACCOUNTANTS

First Floor SCO 827-828 SECTOR 22-A CHANDIGARH

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 16.

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. Related Party Transactions

All related party transactions were entered at arms' length basis and in the ordinary course of business. The details of related party transactions as required under the Companies Act, 2013 are disclosed in notes to accounts forming part of financial statement.

G. Events after the Reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

H. Revenue Recognition

Recognition of Interest Income:

The Company recognises interest income by applying the effective interest rate (EIR) to the gross carrying amount of a financial asset except for purchased or originated credit-impaired financial assets and other credit-impaired financial assets. For purchased or originated credit-impaired financial assets, the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. For other credit-impaired financial assets, the Company applies effective interest rate to the amortised cost of the financial asset in subsequent reporting periods. The effective interest rate on a financial asset is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While estimating future cash receipts, factors like expected behaviour and life cycle of the financial asset, probable fluctuation in collateral value etc. are considered which has an impact on the EIR. While calculating the effective interest rate, the Company includes all fees and points paid or received to and from the borrowers that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. Interest income on all trading assets and financial assets required to be measured at FVTPL is recognised using the contractual interest rate as net gain on fair value changes.

Recognition of Revenue from Sale of Goods or Services:

Revenue (other than for financial instruments within the scope of Ind AS 109) is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customers, excluding amounts collected on behalf of third parties.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contracts with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For contracts that have more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue from contracts with customers for rendering services is recognized at a point in time when performance obligation is satisfied.

Recognition of Dividend Income:

Dividend income (including from FVOCI investments) is recognized when the Company's right to receive the payment is established. This is established when it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

I. **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 2026 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.

RAJAN MODI & ASSOCIATES CHARTERED ACCOUNTANTS AMBALACANTT

PAUL MERCHANTS

J. 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. Acquiring such asset then necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

K. Provision for Current and Deferred Tax

Current Tax:

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss, i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income 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:

Deferred tax is recognized for temporary differences at the reporting date between the tax values of assets and liabilities used in calculating taxable profit and their amounts shown in the financial statements for financial reporting.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

1. When the deferred tax liability comes from the first time goodwill, or an asset or liability, is recognized in a transaction that isn't a business combination, and at the time of the transaction, it doesn't affect accounting profit or taxable profit or loss.
2. For taxable temporary differences related to investments in subsidiaries, when the timing of the reversal of these differences can be controlled and it's likely that the temporary differences won't reverse in the near future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses. Deferred tax assets are recognized to the extent that it is likely taxable profit will be available to use these deductible temporary differences and unused tax items, except:

1. When the deferred tax asset from a deductible temporary difference comes from the first recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, it doesn't affect accounting profit or taxable profit or loss.

2. For deductible temporary differences related to investments in subsidiaries, associates, and joint ventures, deferred tax assets are recognized only if it's probable the temporary differences will reverse in the foreseeable future and taxable profit will be available to use them.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted if it's no longer probable that enough taxable profit will be available to use all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at each reporting date and recognized if it becomes probable future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the year when the asset is realized or the liability settled, using tax rates (and tax laws) in place or substantially enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax items are recognized in correlation with the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

L. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but disclosed in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

M. 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 / Noncurrent classification of assets and liabilities.

N. 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 thet Lease can be terminated on short term notice from either side.

O. Financial Instruments

I. Financial Assets

Initial recognition and measurement: All financial assets are recognised initially at fair value when the Company becomes party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

Subsequent measurement: The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets.

Financial assets measured at amortised cost: A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (FVOCI): A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets measured at fair value through profit or loss (FVTPL): A financial asset which is not classified in any of the above categories are measured at FVTPL.

Impairment of financial assets: In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' model (ECL), for evaluating impairment of financial assets other than those measured at fair value through profit or loss.

Expected Credit Loss (ECL) Policy: Expected Credit Loss, at each reporting date, is measured through a loss allowance for a financial asset:

• At an amount equal to the lifetime expected credit losses if the credit risk on that financial Instrument has increased significantly since initial recognition.

• At an amount equal to 12-month expected credit losses, if the credit risk on a financial Instrument has not increased significantly since initial recognition.

Lifetime expected credit losses means expected credit losses that result from all possible default events over the expected life of a financial asset. 12-month expected credit losses means the portion of Lifetime ECL that represent the ECLs that result from default events on financial assets that are possible within 12 months after the reporting date.

The Company performs an assessment, at the end of each reporting period, of whether a financial assets credit risk has increased significantly since initial recognition. When making the assessment, the change in the risk of a default occurring over the expected life of the financial Instrument is used instead of the change in the amount of expected credit losses.

Based on the above process, the Company categorizes its loans into three stages as described below:

For non-impaired financial assets: Stage 1 is comprised of all non-impaired financial assets which have not experienced a significant increase in credit risk since initial recognition. When loans are first recognised, the company recognizes an allowance based on 12-month ECL. Stage 1 loans includes those loans where there is no significant increase in credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from stage 2. In assessing whether credit risk has increased significantly, the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition.

• Stage 2 is comprised of all non-impaired financial assets which have experienced a significant increase in credit risk since initial recognition. The Company recognises lifetime ECL for stage 2 financial assets. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities will revert to recognizing 12 months ECL provision. The Company considers a significant increase in credit risk since initial recognition in all cases when the financial asset is more than 30 days past due but up to 90 days past due after the due date on its contractual payments and the company recognises a life time ECL provision on such Stage 2 assets.

For impaired financial assets: Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Company recognises lifetime ECL for impaired financial assets. The company considers a financial instrument as defaulted and therefore Stage 3 (Credit Impaired) for Expected Credit Loss (ECL) calculations in all cases when the loan becomes 90 days past due after the due date on its contractual payments.

Estimation of Expected Credit Loss: The mechanics of the ECL calculations are outlined below and the key elements are as follows:

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 from missed payments.

Probability of Default (PD)

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. The Company uses historical information where available to determine PD. Considering the different products and schemes, the Company has bifurcated its loan portfolio into various pools. For certain pools where historical information is available, the PD is calculated considering fresh disbursal of past years. For those pools where historical information is not available, the PD/ default rates as stated by external reporting agencies is considered.

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.

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.

Forward looking information – While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates. On a periodic basis, the Company analyses if there is any relationship between key economic trends like GDP, unemployment rates, benchmark rates set by the Reserve Bank of India, inflation etc. with the estimate of PD, LGD determined by the Company based on its internal data. While the internal estimates of PD, LGD rates by the Company may not be always reflective of such relationships, temporary overlays, if any, are embedded in the methodology to reflect such macro-economic trends reasonably

To mitigate its credit risk on financial assets, the Company seeks to use collateral, where possible. The collateral comes primarily in the form of gold pledged as security against the gold loan given. However, the fair value of collateral affects the calculation of ECL. The fair value of the same is based on data published by various external agencies and related market index.

Loans are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to write-offs after adjusting for their collateral recovery. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

II. Financial Liabilities

Classification as Debt or Equity

Debt and equity instruments, issued by the Company, are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities are classified, at initial recognition:

• At fair value through profit or loss, except:

• Loans and borrowings,

• Payables, or

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• As derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings, and payables are recognised net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurements

The measurement of financial liabilities depends on its classification, as described below:

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

P. Fair Value Measurements

The Company measures financial instruments such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input, that is significant to the fair value measurement, is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations. At each reporting date, the Management analyses the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Q. Statement of Cash Flows

Statement of Cash Flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The Statement of Cash Flows from operating, investing and financing activities of the Company are segregated.

R. Earning Per share

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted-average number of equity shares outstanding during the year. For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted-average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.