



Hindon Mercantile Limited

CIN : U34300DL1985PLC021785

Email id : compliance@mufinfinance.com

Director's Report

To,
The Members,
Hindon Mercantile Limited.

Your Directors have immense pleasure in presenting the 36th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(Rs.in Lacs)

Particulars	Standalone for financial year ended on 31st March		Consolidated for financial year ended on 31st March	
	2021	2020	2021	2020
Revenue from operations	4,065.36	347.95	4,065.36	347.95
Other income	104.16	5.30	104.16	5.30
Total revenues	4169.52	353.24	4169.52	353.24
Total expenses	3,751.26	241.89	3,751.37	241.89
Profit before tax	418.26	111.35	418.15	111.35
Profit for the year	318.30	95.65	318.20	95.65
Earnings Per Share (In Rs.)	5.25	2.26	5.25	2.26

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company is focused on providing easy and quick loan facility which includes Vehicle Loan, SME Loans and Startups, Personal loans, Gold Loan, Loan against property and Working capital Loans. The Directors of your Company are optimist for the significant growth of the Company and striving to achieve new milestones in upcoming years. Company also focused on branch expansion as it offers visibility and brand exposure which can positively influence a company's profits.

DIVIDEND

Your Directors do not recommend for any dividend for the year under review

TRANSFER TO RESERVES:

As required by Reserve Bank of India, the Company made a transfer of Rs.63,66,043/- to statutory reserves constituting 20% of the profits made during the financial year under review.

MATERIAL CHANGES DURING THE YEAR

During the year under review A Scheme of Arrangement for Amalgamation of Mufin Finance Limited (Transferor Company-1) & QTP Financial Services Private Limited (Transferor Company-2) with Hindon Mercantile Limited (Transferee Company) under the provisions of Section 230-232 of the Companies Act, 2013 and rules made thereunder, approved by Hon'ble National Company Law Tribunal

(NCLT), at New Delhi Bench on 14th September, 2020 vide Company Application No. (CAA)-22/(ND)/2020.

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No any material events which affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

SHARE CAPITAL

During the year under review, authorized capital of the Company increased from Rs. 6 Crores to Rs. 25 Crores and company allotted 39,71,079 equity shares on right basis and 15,62,500 shares equity shares on preferential basis.

DISCLOSURE OF ANNUAL RETURN

As per the provisions of the Act, the Company has to mention the web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed. Web-link for annual return is as under <https://hindon.co/investors/annualreturn>

NUMBER OF MEETINGS OF THE BOARD

During the year under review the board meets 18 times and the dates on which the Board Meetings were held are May, 25th 2020, August 10th, 2020, September 18th, 2020, October 23rd, 2020, November 11th, 2020, November 13th, 2020, December 9th, 2020, December 23rd, 2020, January 23rd, 2021, January 30th, 2021, February 8th, 2021, February 11th, 2021, March 2nd, 2021, March 3rd, 2021, March 13th, 2021, March 22nd, 2021, March 25th, 2021, March 26th, 2021.

CHANGES IN DIRECTORS DURING THE YEAR AND TILL THE DATE OF THIS REPORT

During the year under review Mr. Luv Khanna, (DIN: 07723426) appointed as an additional director of the Company with effect from 18th September 2020, further he regularized as a director of the Company with effect from 31st December 2020.

Mr. Manish Jugraj Jain (DIN : 03478614) resigned from the directorship of the Company with effect from 02nd November 2020, due to his pre-occupation.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

During the year under review your Company have one wholly own subsidiary company i.e Hindon Peer to Peer Finance Private Limited (CIN: U65990DL2020PTC371174).The statement containing the features of the financial statements of Hindon Peer to Peer Finance Private Limited under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 is being attached with the Board's Report in Form AOC-1 as Annexure I and the forming part of the Board's Report. No any Joint Venture or Associates during the financial year 2020-21.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company, being a non-banking financial company registered with the RBI and engaged in the business of giving loans, is exempt from complying with the provisions of section 186 of the Act with effect from loans. Accordingly, the disclosures of the loans given as required under the aforesaid section have not been made in this Report. However, with respect to investment the Company Invested into wholly owned subsidiary a sum of Rs. 10 Lakh during the year under review.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188

The company has not entered into transactions referred to in section 188(1) of The Companies Act, 2013 with related party during the period under review as mentioned in form AOC-2 are attached to this report as Annexure II.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information pursuant to Section 134(3)(m) of the Act, read with Companies (Accounts) Rules, 2014 is as follows:

- a. The Company has no activity involving conservation of energy or technology absorption.
- b. The Company does not have any Foreign Exchange Earnings.
- c. The Company does not have any Foreign Exchange outgo

RBI'S GUIDELINES

The Company is a Non-Deposit Taking Non-Banking Financial Company (NBFC-ND). The Company has complied with and continues to comply with all the applicable regulations and directions of the RBI.

DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

There was no significant and material order passed by the regulators, Tribunal or Courts.

DEPOSITS

The Company is registered as NBFC-ND and does not accept any deposits. Hence, no deposit was accepted from the public for the financial year ended March 31, 2021.

RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These risks are discussed at the meetings of the Board of Directors of the Company and are systematically addressed by the Board of Directors through mitigating actions. It is further stated that the Board of Director had not identify any element of risk which in the opinion of the Board may threaten the existence of the company.

AUDITORS

M/s. PGSJ & Co., Chartered Accountants, FRN: 032387N were appointed as the statutory auditor of the Company, in terms of the Section 139 of the Companies Act, 2013 and rules made thereunder.

AUDITOR'S REPORT

The Notes on accounts and observations of the Auditors in their Report on the Accounts of the Company are self-explanatory. There are no observations (including any qualification, reservation, adverse remark

or disclaimer) of the Auditors in their Audit Reports that may call for any explanation from the Directors.

SECRETARIAL STANDARDS OF ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

SECRETARIAL AUDIT REPORT

In terms of Section 204 of The Companies Act, 2013 and Rules made there under, the Secretarial Audit is not applicable to the Company for the year under review.

INTERNAL AUDIT & CONTROLS

As per the provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the provisions of Internal Audit are not applicable on the Company for the year under review.

INDEPENDENT DIRECTORS AND COMMITTEES OF THE BOARD

The Company is not required to appoint independent directors on the Board of the Company and also not required to constitute any Committee(s) of the Board.

AUDIT COMMITTEE

Since, the company is not covered under the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of its Board and its Power) Rules, 2014, to constitute an Audit Committee are not applicable to the Company

NOMINATION AND REMUNERATION COMMITTEE

Since, the company is not covered under the provisions of Section 178 of the Companies Act, 2013, hence it is not required to constitute the Nomination and remuneration committee.

ESTABLISHMENT OF VIGIL MECHANISM

The provisions of Section 177 of the Companies Act, 2013 and the rules made thereunder, in relation to establishment of vigil mechanism are not applicable to the Company for the year under review.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB- SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

As per the explanations given by the Auditors in their report no material fraud on or by the Company or any fraud in the Company by its officers or employees has been noticed or reported during the Financial Year 2020-21.

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

Under the Provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, Company has Internally Complied the provisions under the act and there is no case under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 was filed.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per the criteria laid down under the Companies Act, 2013 and the Rules made thereunder, Your Company is not required to form a CSR Committee and to spend minimum amount towards the CSR activities.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

There was no employee in the Company, who if employed throughout the financial year, was in receipt of remuneration for the year which, in the aggregate, was not less than Rupees One Crore and Two Lakh or if employed for part of the financial year, was in receipt of the remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight Lakh and Fifty Thousand per month or otherwise covered under Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit /loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

For and on behalf of the Board


KAPIL GARG
DIN: 01716987



Date: 25.11.2021

Place: Delhi


LUV KHANNA
DIN: 07723426





Hindon Mercantile Limited

CIN : U34300DL1985PLC021785

Email id : compliance@mufinfinance.com

ANNEXURE I

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiary

SN	Particulars	Details
1.	Name of the subsidiary	M/s. Hindon Peer to Peer Finance Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	
5.	Reserves & surplus	Rs. 10,00,000.00
6.	Total assets	(Rs. 10,641.00)
7.	Total Liabilities	Rs. 9,89,359.00
8.	Investments	Rs. 9,89,359.00
9.	Turnover	Nil
10.	Profit before taxation	Nil
11.	Provision for taxation	(Rs. 10,641.00)
12.	Profit after taxation	Nil
13.	Proposed Dividend	(Rs. 10,641.00)
		Nil
14.	% of shareholding	100%

For Hindon Mercantile Limited

Director

For Hindon Mercantile Limited

Director



Hindon Mercantile Limited

CIN : U34300DL1985PLC021785

Email id : compliance@mufinance.com

ANNEXURE II

FORM NO. AOC-2

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARM'S LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO

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

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


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

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

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/arrangements/transactions: **N.A.**
- (c) Duration of the contracts / arrangements/transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Date(s) of approval by the Board, if any: **N.A.**
- (f) Amount paid as advances, if any: **N.A.**

For Hindon Mercantile Limited

Director

For Hindon Mercantile Limited

Director

PGSJ & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Hindon Mercantile Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Hindon Mercantile Limited** ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, 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. 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.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, management discussion and analysis and report on corporate governance, but does not include the financial statements and our auditor's report thereon. The director's report, management discussion and analysis and report on corporate governance are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



PGSJ & Co., Chartered Accountants, 272, Rajdhani Enclave, Delhi-110034

+91 - 9911814171

Registered office: KP 333, Pitampura, Delhi-110034

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered



material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the 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 did not have any pending litigations for which there were any impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For PGSJ & CO.
Chartered Accountants
(Firm Registration No. 032387N)

Prateek Goyal
Partner
Membership No.: 540418
UDIN: 21540418AAAA16736
Place: Delhi
Date: 23/10/2021



**ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE
ON THE STANDALONE FINANCIAL STATEMENTS of Hindon Mercantile Limited**

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) In accordance with the phased programme for verification of fixed assets, certain items of fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, no immovable property is held in the name of the company.
- (ii) The Company does not have any inventories.
- (iii) According to the information and explanations given to us, the Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Terms & conditions of such loans are not prejudicial to the Company Interest for which schedule of repayment is not stipulated.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Consequently, clause (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013. Consequently, clause (vi) of the Order is not applicable to the Company.
- (vii) According to the information and explanations given to us and on the basis of our examination of the books of account, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and any other dues, during the year, with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, GST, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales-tax, Excise Duty, GST and Service Tax which have not been deposited as on March 31, 2021, on account of disputes with the related authorities.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions or banks. The Company does not have any outstanding debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has availed term loans during the year and the same is in compliance with the provisions of companies act 2013. The Company has not made an initial public offer during the year.



- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid Managerial remuneration to its directors, which could be considered in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, and corresponding details have been disclosed in the financial statements, as required by the applicable Indian Accounting Standards.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment/private placement of shares during the year. The same is in compliance with section 42 of the companies act 2013.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, requirement under clause (xv) is not applicable to the Company.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, & it has obtained registration.

For PGSJ & CO.

Chartered Accountants

(Firm Registration No. 032387N)

Prateek Goyal

Partner

Membership No.: 540418

UDIN: 21540418AAAAB16736

Place: Delhi

Date: 23/10/2021



Annexure B to the Independent Auditor's Report of even date to the members of Hindon Mercantile Limited on the standalone financial statements for the year ended 31 March 2021

Independent Auditor's Report on the Internal Financial Controls with reference to the Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Standalone Financial Statements of Hindon Mercantile Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the Guidance Note) issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

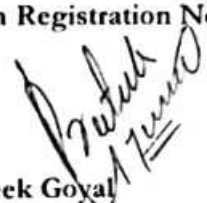
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For PGSJ & CO.
Chartered Accountants
(Firm Registration No. 032387N)


Prateek Goyal
Partner
Membership No.: 540418
UDIN: 21540418AAAAB16736
Place: Delhi
Date: 23/10/2021



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

Balance Sheet as at March 31, 2021

(Amount in INR)

Particulars	Notes	As at 31st March 2021	As at 31st March 2020
(A) Equity and liabilities			
1 Shareholders' funds			
(a) Share capital	3	11,22,09,250	5,68,73,460
(b) Reserves and surplus	4	24,99,53,401	7,84,63,376
Total (I)		36,21,62,651	13,53,36,836
2 Non-current liabilities			
(a) Long-term borrowings	5	3,00,00,00,000	27,97,50,797
(b) Deferred tax liability (net)	6	15,51,003	-
(c) Other non current liabilities	7	91,20,491	14,20,000
(d) Long-term provisions	8	66,362	1,72,287
Total (II)		3,01,07,37,856	28,13,43,084
3 Current liabilities			
(a) Short-term borrowings	9	16,26,69,666	4,97,77,074
(b) Trade payable	10		
- Payable to micro and small enterprises			
- Total outstanding dues to other creditors other than micro enterprises and small enterprises		39,87,835	99,968
(c) Other current liabilities	11	21,68,71,920	90,69,256
(d) Short-term provisions	12	1,31,75,994	23,94,918
Total (III)		39,67,05,415	6,13,41,216
Total equity and liabilities (I+II+III)		3,76,96,05,922	47,80,21,136
B Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets- Property, plant and equipment	13	3,13,46,187	56,31,012
(ii) Intangible assets	14	33,308	1,86,894
(b) Non current investments	15	10,00,000	-
(c) Deferred tax assets	6		2,88,655
Total (I)		3,23,79,495	61,06,561
2 Current assets			
(a) Trade Receivables	16	30,86,658	-
(b) Cash and cash equivalents	17	11,42,16,031	2,46,64,785
(c) Short-term loans and advances	18	3,54,17,22,788	41,48,31,434
(d) Other current assets	19	7,82,00,950	3,24,18,358
Total (II)		3,73,72,26,427	47,19,14,576
Total assets (I+II)		3,76,96,05,922	47,80,21,137

Summary of significant accounting policies

2

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

As per our annexed audit report of even date

For PGSJ & Co.
Chartered Accountants
FRN : 032387N

CA Prateek Goyal
M No: 540418

Partner
UDIN: 21540418AAAAB16756
PLACE: Delhi
DATE: 23 October 2021



For and on behalf of Board of Directors
Hindon Mercantile Limited

Kapil Garg
DIRECTOR
DIN: 01716987

Luv Khanna
DIRECTOR
DIN: 07723426

Ajay Kumar Chhabra
Company Secretary
M.No. A43650

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in INR)

Particulars	Notes	For the year ending 31st March 2021	For the year ending 31st March 2020
(A) REVENUE			
I Revenue from operations	20	40,65,36,250	3,47,94,675
II Other income	21	1,04,15,576	5,29,605
Total revenue		41,69,51,826	3,53,24,280
(B) Expenses:			
Employee benefit expenses	22	87,27,826	44,70,287
Financial costs	23	15,32,42,261	1,29,23,203
Provision on portfolio loans and other write off	24	2,22,79,363	19,95,816
Depreciation and amortization expense	13	18,14,366	2,68,635
Other expenses	25	18,90,62,081	45,31,484
Total expenses		37,51,25,897	2,41,89,425
(C) Profit before tax		4,18,25,929	1,11,34,855
(F) Tax expense:			
(I) Current tax		1,61,60,489	34,31,129
(II) Deferred tax charge/(credit)	6	18,39,658	(2,88,655)
(III) MAT credit	4	(80,04,433)	(15,72,500)
(H) Profit after tax		3,18,30,214	95,64,880
(I) Earning per equity share:			
(I) Basic	26	5.25	2.26
(II) Diluted		5.25	2.26

Summary of significant accounting policies

2

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

As per our annexed audit report of even date

For PGSJ & Co.
Chartered Accountants
FRN : 032387N

CA Prateek Goyal
M No: 540418

Partner
UDIN: 21540418AAAAB16T36

PLACE: Delhi

DATE: 23 October 2021



For and on behalf of Board of Directors
Hindon Mercantile Limited

Kapil Garg
DIRECTOR
DIN: 01716987

Luv Khanna
DIRECTOR
DIN: 07723426

Ajay Kumar Chhabra
Company Secretary
M.No. A43650

Standalone Cash Flow Statement for the year ended March 31, 2021

(Amount in INR)

		For the year ended	
		31 March 2021	31 March 2020
A.	Cash flow from operating activities		
	Net profit before tax and after prior period item	4,18,25,929	1,11,34,855
	Adjustments for:		
	Depreciation	18,14,366	2,68,635
	Previous year taxes written off	-	-
	Interest Income	(9,44,284)	(2,38,011)
	Dividend	-	(27,799)
	Rental income	(91,47,088)	(2,81,931)
	Bad Debts	1,31,95,346	1,36,970
	Provision for Receivables	90,84,017	18,58,846
	Provision for gratuity	(1,05,925)	-
	Finance costs	15,32,42,261	1,29,23,203
	Operating profit before working capital changes	20,89,64,622	2,57,74,767
	Adjustments for:		
	(Increase) / decrease in trade advances	(3,14,91,70,717)	(40,08,52,928)
	(Increase) / decrease in Other Current Assets	(4,60,07,284)	12,54,304
	Increase / (decrease) in Long term Loans & Advances	77,00,490	14,20,000
	Increase / (decrease) in trade payables	38,87,867	99,968
	(Increase) / decrease in trade receivables	(30,86,658)	-
	Increase / (decrease) in other liabilities	20,78,02,664	90,51,556
	Cash generated from operations	(2,76,99,09,016)	(36,32,52,333)
	Income taxes paid/ Refund Received	(51,54,720)	(2,27,00,261)
	Net cash provided / (used) by operating activities (A)	(2,77,50,63,736)	(38,59,52,594)
B.	Cash flows from investing activities		
	Purchase of Fixed Assets	(2,73,75,954)	(60,86,540)
	Increase in Net Worth on Account of Merger	-	9,70,23,976
	Maturity/ redemption of Investments (Net)	(10,00,000)	23,53,231
	Interest received	9,44,284	2,38,011
	Dividend	-	27,799
	Rental income	91,47,088	2,81,931
	Net cash provided / (used) by investing activities (B)	(1,82,84,582)	9,38,38,408
C.	Cash flow from financing activities		
	Finance costs paid	(15,32,42,262)	(1,29,23,203)
	Share Capital Issues	20,30,00,033	-
	Proceeds from Borrowings (Net)	2,83,31,41,793	32,95,27,871
	Net cash provided / (used) by financing activities (C)	2,88,28,99,564	31,66,04,668
	Net increase / (decrease) in cash and cash equivalents (A + B + C)	8,95,51,246	2,44,90,483
	Cash and cash equivalents at the beginning of period	2,46,64,785	1,74,302
	Cash and cash equivalents at the end of period	11,42,16,031	2,46,64,785

Summary of significant accounting policies

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

2

As per our annexed audit report of even date

For PGSJ & Co.
Chartered Accountants
FRN : 032387M

CA Prateek Goyal
M No: 540418

Partner

UDIN: 21540418AAAAB16136

PLACE: Delhi

DATE: 23 October 2021



For and on behalf of Board of Directors
Hindon Mercantile Limited

Kapil Garg
DIRECTOR
DIN: 01716987

Luv Khanna
DIRECTOR
DIN: 07723426

Ajay Kumar Chhabra
Company Secretary
M.No. A43650

CIN : U34300DL1985PLC021785

1 CORPORATE INFORMATION

Hindon Mercantile Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. It is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India in November 26, 2002. The Company is engaged in the business of providing Business Loans, Personal Loans, Vehicle Loans, Loan Against Property and loans to Micro Financial Institutions (MFI) and NBFCs.

The Company acquired 100% equity shares of "Hindon Peer To Peer Finance Private Limited", thereby becoming its subsidiary w e f October 09, 2020. Hindon Peer To Peer Finance Private Limited is proposed to be engaged in the Business peer to peer lending.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant provisions of the Companies Act, 2013 ("the Act"). The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the prudential norms for income recognition and provisioning for Non-performing Assets as prescribed by the Reserve Bank of India or Non-Banking Financial Companies. Loans to customers outstanding at the close of the year are stated net of amount written off. The Company assesses all receivables for their recovery and accordingly provisions for non-performing assets are enhanced as considered necessary, based on past experience, emerging trends and estimates. The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the preparation of the financial statements in the previous year.

B USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialize.

C PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS

- i) **Tangible assets:** Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



- ii) **Intangible assets:** Intangible assets are carried at cost of acquisition less amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Assets which are not ready for their intended use are shown as Intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

D DEPRECIATION AND AMORTISATION

- i) Depreciation on tangible fixed assets is provided on the Straight line method over the useful lives of assets prescribed under the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

Assets	Useful Life
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8-10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the Statement of Profit and Loss.

The estimated useful life of the assets are reviewed at the end of each financial year and the amortisation and depreciation method are revised, if necessary.

- ii) Intangible assets are amortized over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 2 years.
- iii) Assets given on lease are depreciated over the lease period and salvage value has been taken into consideration for calculation of depreciation in accordance with the lease agreement.

E IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

F INVESTMENTS

Investments that are readily realizable and are intended to be held for not more than one year from the date on which these investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.



G Portfolio loans

Portfolio loans have been classified as short term loans and advances as majority of loans have been realised in next 12 months from the reporting date.

H REVENUE RECOGNITION

- i) The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies, is recognised on receipt basis.
- ii) **Income from Loans**
Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. Service charges and stamp and documentation charges are recognised as income at the commencement of the contract.
- iii) **Income from Assignment of receivables At Par Structure**
In case of assignment of receivables "at par", the assets are de-recognised since all the rights, title and future receivable principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.
- iv) The Reserve Bank of India's prudential norms on income recognition and provisioning for bad and doubtful debts has been followed.
- v) Processing fee collected on loans disbursed are recognized at the inception of the loan.
- vi) Penal interest and charges are accounted as and when realized in respect of SME loans.
- vii) Income from mutual funds recognized on accrual basis.
- viii) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

I OTHER INCOME

Interest income on Bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

J BORROWING COSTS

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds to the extent not directly related to acquisition of a qualifying asset are charged to the Statement of Profit and Loss over the tenure of the loan.

K EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



L TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

M CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are shortterm balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

N CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

O LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

PROVISIONS AND CONTINGENCIES

- P** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



Q Asset Classification and Provisioning Norms

i) Assets Classification

Asset Classification	Definition
Standard assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
Non-Performing assets	An asset for which, interest/principal payment has remained overdue for a period of 180 days or more.

ii) Provisioning Norms for SME Loans

The Holding Company follows prudential norms as provided by the RBI for the same. Refer table below:

Asset Classification		Provisioning Norms	
Asset Classification	Period	Unsecured	Secured
Standard Asset	0-6 Months	0.25%	0.25%
Non-Performing Assets:			
Substandard Asset	>6-12 Months	10%	10%
Doubtful Asset	>12 - 24 Months	100%	20%
	>24 - 48 Months	100%	30%
	>48 Months	100%	50%
Loss Assets			Written off/100%

R Employees Retirement Benefits

Employee benefits includes provident fund, employee state insurance scheme, gratuity fund and compensated absences.

i) Short-term employee benefits

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

ii) Defined Contribution Plan

Group's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

iii) Defined Contribution Plan

Liabilities for gratuity fund are determined by actuarial valuation on Projected Unit Credit Method made at the end of each Balance Sheet date and provision for liabilities pending remittance to the fund is carried in the Balance Sheet

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

S Segment reporting

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Accounting Standard 17, Segment Reporting specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company operates in a single geographical segment i.e. domestic



Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 3

Share capital		
Authorised	25,00,00,000	6,00,00,000
Equity shares of Rs 10/- each (Refer Note A (i))		
2,50,00,000 (60,00,000 in previous year)		
Issued, subscribed and fully paid up	11,22,09,250	5,68,73,460
Equity shares of Rs 10/-each (Refer Note A (ii) & (iii))		
1,12,20,925 (56,87,346 in previous year)		
Total	11,22,09,250	5,68,73,460

Note (A)

(i) During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 19,00,00,000 divided into 1,90,00,000 equity shares of ₹ 10 each

(ii) During the year, the Company allotted 39,71,079 equity shares (Dated February 8,2021 Number of shares- 22,26,894 and Dated March 22,2021 Number of shares - 17,44,185) of ₹ 10 each at an issue price of ₹ 23.80 per share and ₹ 43 per share respectively including premium of ₹ 13.80 per share and ₹ 33 per share respectively to existing shareholders. Following details are as below:

Name of shareholder	Number of shares	Face value per share	Share premium per share	Issue price per share	Resolution date
Sandeep Jain	1,07,117	10.00	13.80	23.80	08-Feb-21
Neha Agarwal	1,07,117	10.00	13.80	23.80	08-Feb-21
Surabhi Setia	1,50,161.00	10.00	13.80	23.80	08-Feb-21
Ankur Sablok	41,672.00	10.00	13.80	23.80	08-Feb-21
Rajat Goyal	6,55,053.00	10.00	13.80	23.80	08-Feb-21
Kapil Garg	8,49,698.00	10.00	13.80	23.80	08-Feb-21
Luv Khanna	2,10,497.00	10.00	13.80	23.80	08-Feb-21
Deepak Setia	1,05,579.00	10.00	13.80	23.80	08-Feb-21
Total	22,26,894.00				
Rajat Goyal	5,39,931.00	10.00	33.00	43.00	22-Mar-21
Neha Agarwal	88,290.00	10.00	33.00	43.00	22-Mar-21
Kapil Garg	7,05,437.00	10.00	33.00	43.00	22-Mar-21
Saurabh Garg	2.00	10.00	33.00	43.00	22-Mar-21
Deepak Setia	43,103.00	10.00	33.00	43.00	22-Mar-21
Surabhi Setia	1,17,611.00	10.00	33.00	43.00	22-Mar-21
Sandeep Jain	88,290.00	10.00	33.00	43.00	22-Mar-21
Finmen Advisors Pvt. Ltd	50,088.00	10.00	33.00	43.00	22-Mar-21
Ankur Sablok	55,483.00	10.00	33.00	43.00	22-Mar-21
Luv Khanna	55,950.00	10.00	33.00	43.00	22-Mar-21
Total	17,44,185.00				
Grand Total	39,71,079.00				

(iii) During the year, the Company allotted 15,62,500 equity shares dated March 26,2021 of ₹ 10 each at an issue price of ₹ 48 per share including premium of ₹ 38 per share on preferential basis to Resilient Innovations Private limited



Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	-----------------------	-----------------------

(B) Reconciliation of authorized equity shares at the beginning and at the end of the reporting period:

Opening	60,00,000	18,00,000
Additions during the year	1,90,00,000	42,00,000
Closing	2,50,00,000	60,00,000

(C) Reconciliation of Issued, subscribed and fully paid up equity shares outstanding at the beginning and at the end of the reporting period:

Opening	56,87,346	13,50,000
Preferential Allotment	15,62,500	
Issued to Shareholders of Merged Entities		43,37,346
Right Issue	39,71,079	
Closing	1,12,20,925	56,87,346

(D) Details of the shareholders holding more than 5% of shares at the beginning or at the end of the reporting period:

Name of shareholders	As at 31st March 2021		As at 31st March 2020	
	No of shares	% of shares	No of shares	% of shares
Kapil Garg	39,06,358	34.81%	23,51,224	41.34%
Rajat Goyal	29,89,866	26.65%	17,94,882	31.56%
Finmen Advisors Pvt Ltd	2,77,361	2.47%	4,69,527	8.26%
Sandeep Jain	4,88,907	4.36%	2,93,490	5.16%
Neha Agarwal	4,88,907	4.36%	2,93,490	5.16%
Surabhi Setia	6,51,272	5.80%	2,93,490	5.16%
Resilient Innovations Pvt Ltd	15,62,500	13.92%		

(E) Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



This space has been left blank intentionally

Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034 IN
CIN : U34300DL1985PLC021785

Particulars	As at 31st March 2021	As at 31st March 2020
NOTE 4		
Reserve and surplus		
Securities premium reserve		
Opening balance	27,40,000	-
Add: Shared issued during the year (Refer Note A above)	14,76,64,243	
Add: Securities premium from amalgamated company		27,40,000
Total (1)	15,04,04,243	27,40,000
General reserve		
Opening Balance	1,93,22,459	1,74,09,483
Add: Transfer from General Reserve 45IC (Refer Note 1)	63,66,043	19,12,976
Total (2)	2,56,88,502	1,93,22,459
Surplus in statement of profit & loss a/c		
Opening Balance	5,64,00,918	(5,89,003)
Less: Transfer to General Reserve 45IC	(63,66,043)	(19,12,976)
Add: Transfer from Amalgamated Companies	-	5,09,10,516
Less: MAT credit utilization	(80,04,433)	(15,72,500)
Add: Previous year taxes written off		95,64,880
Add: Additions during the year	3,18,30,214	
Total (3)	7,38,60,656	5,64,00,918
Total(1=2+3)	24,99,53,401	7,84,63,376

1. Pursuant to the provision of Section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs 63,66,043 (Previous year : Rs 19,12,976) towards Statutory Reserve Fund

NOTE 5

LONG TERM BORROWINGS

-Unsecured		
Loans and advances from related parties	-	2,96,27,397
Others (Refer Note A below)		
Tier II capital	18,10,81,325	
Others than tier II	2,81,89,18,675	25,01,23,400
Total	3,00,00,00,000	27,97,50,797

Note A: During the year the company had entered into an inter-corporate deposits agreement with Resilient Innovations Pvt Ltd for Rs 300 crore (being shareholders of the company). In terms of the said agreement the company has taken the loan of Rs 300 crore from above mentioned shareholder which is repayable after five years.

This space has been left blank intentionally



Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	-----------------------	-----------------------

NOTE 6

Deferred TAX Liability

WDV As per Income Tax	2,97,19,281	54,45,239
WDV As per Companies Act	3,13,79,495	58,17,905
Timing Difference on Account of Depreciable Assets	(16,60,214)	(3,72,666)
Timing Difference on Account of Provision on Standard & Substandard Ass	65,38,519	12,09,161
Timing Difference on Account of Provision for Employee Benefits	(1,05,987)	1,72,788
Timing Difference	47,72,318	10,09,283
Deferred Tax Asset (Net)	15,51,003	(2,88,655)
Deferred Tax liability		-
Current year Provision	18,39,658	(2,88,655)

NOTE 7

OTHER NON CURRENT LIABILITIES

Security Deposits	91,20,491	14,20,000
Total	91,20,491	14,20,000

NOTE 8

Long term provision

Provision for gratuity	66,362	1,72,287
Total	66,362	1,72,287

NOTE 9

Short term borrowings

Secured loans

Overdraft facility against gold loan

-From banks

1,99,39,081 76,287

Unsecured loans

Loans and advances from related parties

42,007 4,92,70,187

Others

14,26,88,578 4,30,600

Total 16,26,69,666 4,97,77,074

NOTE 10

Trade payable

-Payable to micro and small enterprises

- Total outstanding dues to others

creditors other than micro enterprises and

small enterprises

39,87,835 99,968

Total 39,87,835 99,968

This space has been left blank intentionally



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	-----------------------	-----------------------

NOTE 11

Other current liabilities		76,21,347
Interest accrued and due on long term borrowings	6,68,16,211	1,299
Employee benefit payables	10,35,020	1,24,652
Expenses payable	13,52,50,502	13,21,958
Statutory dues payables	1,37,70,187	
Total	21,68,71,920	90,69,256

NOTE 12

Short term provision		21,08,071
Provision for Taxes (Net of TDS & Advance taxes)	1,02,37,127	(15,72,500)
Less MAT Credit availed	(80,04,433)	
Net Provision for Taxes (Net of TDS & Advance taxes and MAT credit availed)	22,32,693	5,35,571
Provision for Gratuity	439	501
Contingent provision against standard assets	87,98,891	10,24,374
Provision for Non-Performing Assets (Sub Standard)	21,43,971	8,34,471
	1,31,75,994	23,94,918



This space has been left blank intentionally

Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

NOTE 13 Property plant and equipment
(All Amount in INR unless otherwise stated)

Gross block	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Total Assets
Opening Balance	-	-	-	-	-
Acquisition through Merger	4,60,454	5,20,446	1,31,650	38,051	11,50,601
Additions	59,688	-	-	50,53,164	51,12,852
Disposals	-	-	-	-	-
Balance as at 31 March 2020	5,20,142	5,20,446	1,31,650	50,91,215	62,63,453
Additions	3,01,921	-	13,71,220	2,57,02,814	2,73,75,955
Disposals	-	-	-	-	-
Balance as at 31 March 2021	8,22,063	5,20,446	15,02,870	3,07,94,029	3,36,39,408
Accumulated depreciation and amortisation					
Balance as at 31 March 2019	-	-	-	-	-
Acquisition through Merger	3,24,584	1,07,071	38,055	4,160	4,73,870
Depreciation charge	65,424	33,052	16,721	43,374	1,58,571
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2020	3,90,008	1,40,123	54,776	47,534	6,32,441
Depreciation charge	61,847	49,442	60,975	14,88,516	16,60,780
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2021	4,51,855	1,89,565	1,15,751	15,36,050	22,93,221
Net block					
Balance as at 31 March 2020	1,30,134	3,80,323	76,874	50,43,681	56,31,012
Balance as at 31 March 2021	3,70,208	3,30,881	13,87,119	2,92,57,979	3,13,46,187

****No Assets were revalued during the year**

NOTE 14 Intangible asset

Gross block	Softwares	Total assets
Balance as at 31 March 2019	-	-
Acquisition through Merger	3,69,750	3,69,750
Additions	40,600	40,600
Disposals	-	-
Balance as at 31 March 2020	4,10,350	4,10,350
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	4,10,350	4,10,350
Accumulated depreciation and amortisation		
Balance as at 31 March 2019	-	-
Acquisition through Merger	1,13,392	1,13,392
Depreciation charge	1,10,064	1,10,064
Reversal on disposal of assets	-	-
Balance as at 31 March 2020	2,23,456	2,23,456
Depreciation charge	1,53,586	1,53,586
Reversal on disposal of assets	-	-
Balance as at 31 March 2021	3,77,042	3,77,042
Net block		
Balance as at 31 March 2020	1,86,894	1,86,894
Balance as at 31 March 2021	33,308	33,308



Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
NOTE 15		
Non current investments		
<i>(Valued at cost)</i>		
Investment in equity instruments		
(I) Unquoted, trade		
Investment in subsidiaries	10,00,000	-
1,00,000 (Previous year : Nil) equity shares of face value of 10 each of Hindon Peer To Peer Finance Pvt Ltd		
Total	10,00,000	-
NOTE 16		
Trade receivables		
Secured, considered good		
-Outstanding for a period exceeding six months from the date they are due	-	-
-Others	30,86,658	-
Unsecured, considered good		
-Outstanding for a period exceeding six months from the date they are due for payment	-	-
-Others	-	-
Total	30,86,658	-
NOTE 17		
Cash and cash equivalents		
Cash on Hand	2,24,711	16,89,947
Balance with Banks		
-In Current Accounts	6,76,59,713	1,81,31,492
-In Deposits with maturity within three months	4,63,31,607	48,43,346
Total	11,42,16,031	2,46,64,785



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 18

Short term loans and advances

(Secured), considered good

Vehicle Loan

Standard (0.25%)	58,98,00,184	9,37,29,196
------------------	--------------	-------------

Sub Standard (10%)	1,69,70,500	52,60,419
--------------------	-------------	-----------

Gold Loan

Standard (0.25%)	6,82,53,218	-
------------------	-------------	---

Sub Standard (10%)	-	-
--------------------	---	---

Loan Against Property

Standard (0.25%)	1,87,99,981	77,26,821
------------------	-------------	-----------

Sub Standard (10%)	5,42,500	-
--------------------	----------	---

(Unsecured), considered good

Business & Personal Loans

Standard (0.25%)	2,84,27,03,064	30,26,65,119
------------------	----------------	--------------

Sub Standard (10%)	39,26,710	30,84,295
--------------------	-----------	-----------

Advance to Vendors

	1,82,480	18,66,276
--	----------	-----------

Advance to Staff

	2,35,295	4,01,308
--	----------	----------

Security Deposit

	3,08,856	98,000
--	----------	--------

Total	3,54,17,22,788	41,48,31,434
--------------	-----------------------	---------------------

NOTE 19

Other current assets

Prepaid insurance	8,28,658	1,47,152
-------------------	----------	----------

Balance with revenue authorities	2,26,52,965	2,28,77,657
----------------------------------	-------------	-------------

Interest accrued but not due on portfolio loans	2,62,63,955	34,53,133
---	-------------	-----------

Insurance receivables	48,45,136	56,31,898
-----------------------	-----------	-----------

Other receivables	2,36,10,236	3,08,517
-------------------	-------------	----------

Total	7,82,00,950	3,24,18,358
--------------	--------------------	--------------------



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 20

Revenue from operations

Interest income	40,33,68,796	3,17,25,953
Loan processing fees	31,67,454	30,40,923
Dividend	-	27,799
Total	40,65,36,250	3,47,94,675

NOTE 21

OTHER INCOME

Rent Income from operating Lease	91,47,088	2,81,931
Profit on sale of Shares	-	9,663
Interest income on fixed deposits	9,44,284	2,38,011
Miscellaneous income	3,24,204	-
Total	1,04,15,576	5,29,605

NOTE 22

Employee benefit expenses

Salaries and wages	83,32,362	42,44,911
Contribution to provident and other funds	3,83,445	-
Provision for gratuity	(1,05,987)	1,72,788
Staff welfare expenses	1,18,006	52,588
Total	87,27,826	44,70,287

NOTE 23

FINANCIAL COSTS

Interest Expenses	15,28,39,490	1,28,68,186
Loan processing expenses		
Bank charges	3,08,426	52,815
Other borrowing cost	94,345	2,202
Total	15,32,42,261	1,29,23,203

NOTE 24

Provision on portfolio loans and other write off

Loss Assets Written Off (Net of Recoveries)	1,31,95,346	1,36,970
Contingent Provision against Standard assets	77,74,517	10,24,374
Provision for Non-Performing Assets (Sub Standard)	13,09,500	8,34,471
Total	2,22,79,363	19,95,816

This space has been left blank intentionally



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 25

OTHER EXPENSES

Payment to auditors (refer note 26 below)	1,59,000	1,00,000
Business auxilliary expenses	17,74,44,244	9,39,014
Professional & legal charges	48,41,302	11,24,827
Miscellaneous expenses	3,39,230	60,453
Office Expenses	10,55,961	4,33,602
Loan processing expenses	3,57,986	3,99,621
Printing and stationery	2,16,607	1,99,327
Prior Period Expense	5,84,566	
Rent	10,23,000	8,15,000
ROC Expenses	33,830	80,221
Travelling & conveyance	9,81,755	3,79,420
Share Issue Expenses	20,24,600	
Total	18,90,62,081	45,31,484

This space has been left blank intentionally



PGSJ & Co.

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Hindon Mercantile Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Hindon Mercantile Limited** ("the Holding Company") and its subsidiaries (the Holding company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated Statement of profit and loss, and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditor on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its consolidated loss, and its consolidated 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. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.



PGSJ & Co., Chartered Accountants, 272, Rajdhani Enclave, Delhi-110034

+91 - 9911814171

Registered office: KP 333, Pitampura, Delhi-110034

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to communicate

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.



Auditor's Responsibilities for the Audit of the Consolidated 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 Standard on Auditing (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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of Rs 9.89 lakh and net worth of Rs 9.89 lakh as at 31 March 2021, total revenues of Rs Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors

Report on Other Legal and Regulatory Requirements

1. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph above, on separate financial statements of the subsidiaries, we report that the Holding Company and its subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the 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 consolidated financial statement did not have any pending litigations for which there were any impact on its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding Company.
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable

For PGSJ & CO.
Chartered Accountants
(Firm Registration No. 032387N)

(Prateek Goyal)
Prateek Goyal
Partner

Membership No.: 540418

UDIN: 21540418AAAABJ7441

Place: Delhi

Date: 23/10/2021



Annexure 1

List of entity included in the Statement

1. Hindon PEER TO PEER FINANCE PRIVATE LIMITED.

Annexure A to the Independent Auditor's Report of even date to the members of Hindon Mercantile Limited on the consolidated financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Financial Statements of Hindon Mercantile Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.


Other Matter

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of Rs 9.89 lakh and net worth of Rs 9.89 lakh as at 31 March 2021, total revenues of Rs Nil for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been



audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For PGSJ & CO.
Chartered Accountants
(Firm Registration No. 032387N)


Prateek Goyal
Partner

Membership No.: 540418
UDIN: 21540418AAAABJ7441
Place: Delhi
Date: 23/10/2021



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

Consolidated Balance Sheet as at March 31, 2021

(Amount in INR)

	Notes	As at 31st March 2021	As at 31st March 2020
(A) Equity and liabilities			
1 Shareholders' funds			
(a) Share capital	3	11,22,09,250	5,68,73,460
(b) Reserves and surplus	4	24,99,42,759	7,84,63,376
Total (I)		36,21,52,009	13,53,36,836
2 Non-current liabilities			
(a) Long-term borrowings	5	3,00,00,00,000	27,97,50,797
(b) Deferred tax liability (net)	6	15,51,004	-
(c) Other non current liabilities	7	91,20,491	14,20,000
(d) Long-term provisions	8	66,362	1,72,287
Total (II)		3,01,07,37,857	28,13,43,084
3 Current liabilities			
(a) Short-term borrowings	9	16,26,69,666	4,97,77,074
(b) Trade payable	10		
- Payable to micro and small enterprises		39,87,835	99,968
- Total outstanding dues to other creditors other than micro enterprises and small enterprises			
(c) Other current liabilities	11	21,68,71,920	90,69,256
(d) Short-term provisions	12	1,31,75,994	23,94,918
Total (III)		39,67,05,415	6,13,41,216
Total equity and liabilities (I+II+III)		3,76,95,95,281	47,80,21,136
B Assets			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets- Property, plant and equipment	13	3,13,46,187	56,31,012
(ii) Intangible assets	14	33,308	1,86,894
(b) Deferred tax assets	6		2,88,655
Total (I)		3,13,79,495	61,06,561
2 Current assets			
(a) Trade Receivables	15	30,86,658	-
(b) Cash and cash equivalents	16	11,52,05,390	2,46,64,785
(c) Short-term loans and advances	17	3,54,17,22,788	41,48,31,434
(d) Other current assets	18	7,82,00,950	3,24,18,358
Total (II)		3,73,82,15,786	47,19,14,576
Total assets (I+II)		3,76,95,95,281	47,80,21,137

Summary of significant accounting policies

2

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

As per our annexed audit report of even date

For PGSJ & Co.

Chartered Accountants

FRN : 032387N

CA Prateek Goyal

M No: 540418

Partner

UDIN: 2) 540418AAAABJ7911

PLACE: Delhi

DATE: 23 October, 2021



**For and on behalf of Board of Directors
Hindon Mercantile Limited**

**Kapil Garg
DIRECTOR**

DIN: 01716987

**Luv Khanna
DIRECTOR**

DIN: 07723426

**Ajay Kumar Chhabra
Company Secretary
M.No. A43650**

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(Amount in INR)

Particulars	Notes	For the year ending 31st March 2021	For the year ending 31st March 2020
(A) REVENUE			
I. Revenue from operations	19	40,65,36,250	3,47,94,675
II. Other income	20	1,04,15,576	5,29,605
Total revenue		41,69,51,826	3,53,24,280
(B) Expenses:			
Employee benefit expenses	21	87,27,826	44,70,287
Financial costs	22	15,32,42,261	1,29,23,203
Provision on portfolio loans and other write off	23	2,22,79,363	19,95,816
Depreciation and amortization expense	13	18,14,366	2,68,635
Other expenses	24	18,90,72,723	45,31,484
Total expenses		37,51,36,539	2,41,89,425
(C) Profit before tax		4,18,15,287	1,11,34,855
(F) Tax expense:			
(I) Current tax		1,61,60,489	34,31,129
(II) Deferred tax charge/(credit)	6	18,39,659	(2,88,655)
(III) MAT credit	4	(80,04,433)	(15,72,500)
(H) Profit after tax		3,18,19,572	95,64,880
(I) Earning per equity share:			
(I) Basic	25	5.25	2.26
(II) Diluted		5.25	2.26

Summary of significant accounting policies

2

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

As per our annexed audit report of even date

For PGSJ & Co.
Chartered Accountants
FRN : 032387N

For and on behalf of Board of Directors
Hindon Mercantile Limited

CA Prateek Goyal
M No: 540418

Partner

UDIN: 21540418AAAABJ7441

PLACE: Delhi

DATE: 23 October, 2021



[Signature]
Kapil Garg
DIRECTOR
DIN: 01716987

[Signature]
Luv Khanna
DIRECTOR
DIN: 07723426

[Signature]
Ajay Kumar Chhabra
Company Secretary
M.No. A43650

Consolidated Cash Flow Statement for the year ended March 31, 2021

(Amount in INR)

For the year ended		
	31 March 2021	31 March 2020
A. Cash flow from operating activities		
Net profit before tax and after prior period item	4,18,15,287	1,11,34,855
Adjustments for:		
Depreciation	18,14,366	2,68,635
Previous year taxes written off	(9,44,284)	(2,38,011)
Interest Income	-	(27,799)
Dividend	(91,47,088)	(2,81,931)
Rental income	1,31,95,346	1,36,970
Bad Debts	90,84,017	18,58,846
Provision for Receivables	(1,05,925)	-
Provision for gratuity	15,32,42,261	1,29,23,203
Finance costs	20,89,53,980	2,57,74,767
Operating profit before working capital changes		
Adjustments for:		
(Increase) / decrease in trade advances	(3,14,91,70,717)	(40,08,52,928)
(Increase) / decrease in Other Current Assets	(4,60,07,284)	12,54,304
Increase / (decrease) in Long term Loans & Advances	77,00,491	14,20,000
Increase / (decrease) in trade payables	38,87,867	99,968
(Increase) / decrease in trade receivables	(30,86,658)	-
Increase / (decrease) in other liabilities	20,78,02,664	90,51,556
Cash generated from operations	(2,76,99,19,657)	(36,32,52,333)
Income taxes paid/ Refund Received	(51,54,720)	(2,27,00,261)
Net cash provided / (used) by operating activities (A)	(2,77,50,74,377)	(38,59,52,594)
B. Cash flows from investing activities		
Purchase of Fixed Assets	(2,73,75,954)	(60,86,540)
Increase in Net Worth on Account of Merger	-	9,70,23,976
Maturity/ redemption of Investments (Net)	-	23,53,231
Interest received	9,44,284	2,38,011
Dividend	-	27,799
Rental income	91,47,088	2,81,931
Net cash provided / (used) by investing activities (B)	(1,72,84,582)	9,38,38,408
C. Cash flow from financing activities		
Finance costs paid	(15,32,42,261)	(1,29,23,203)
Share Capital Issues	20,30,00,033	-
Proceeds from Borrowings (Net)	2,83,31,41,794	32,95,27,871
Net cash provided / (used) by financing activities (C)	2,88,28,99,566	31,66,04,668
Net increase / (decrease) in cash and cash equivalents (A + B + C)	9,05,40,607	2,44,90,483
Cash and cash equivalents at the beginning of period	2,46,64,785	1,74,302
Cash and cash equivalents at the end of period	11,52,05,392	2,46,64,785

Summary of significant accounting policies

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

As per our annexed audit report of even date

For PGSJ & Co.
Chartered Accountants
FRN : 032387N

CA Prateek Goyal
M No: 540418
Partner
UDIN: 21540418AAAAJB57441
PLACE: Delhi
DATE: 23 October, 2021



For and on behalf of Board of Directors
Hindon Mercantile Limited

Kapil Garg
DIRECTOR
DIN: 01716987

Luv Khanna
DIRECTOR
DIN: 07723426

Ajay Kumar Chhabra
Company Secretary
M.No. A43650

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

1 CORPORATE INFORMATION

Hindon Mercantile Limited is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. It is registered as a Non-Banking Finance Company (NBFC) with Reserve Bank of India in November 26, 2002. The Company is engaged in the business of providing Business Loans, Personal Loans, Vehicle Loans, Loan Against Property and loans to Micro Financial Institutions (MFI) and NBFCs.

The Company acquired 100% equity shares of "Hindon Peer To Peer Finance Private Limited", thereby becoming its subsidiary w e f October 09 2020. Hindon Peer To Peer Finance Private Limited is proposed to be engaged in the Business peer to peer lending.

2 Basis of consolidation

The consolidated financial has comprised the financial statements of the company and its subsidiary, subsidiary are all the entities (including stucture entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable return from its involvement with the entity to affect those returns through its power to direct the relevant activities of the entity. The group can have power over the investee even if it owns less than majority voting rights i.e. rights arising from their contractual arrangements. Subsidiary are fully consolidated from date on which control is transferred to the group. They are deconsolidated from the date that control ceases. Statement of profit and loss of subsidiary acquired or disposed of during the period are recognized from the effective date of acquisition, or upto the effective date of disposal, as applicable.

The group combines the financial statements of the Holding company and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

When necessary, adjustments are made to the financials statements of subsidiary to bring there accounting policies in line with the Corporation's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION OF FINANCIAL STATEMENTS

B USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialize.

C PROPERTY, PLANT & EQUIPMENTS AND INTANGIBLE ASSETS

- i) **Tangible assets:** Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of a tangible fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Tangible assets acquired on account of amalgamation are stated at the acquisition value agreed in the amalgamation agreement. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



- ii) **Intangible assets:** Intangible assets are carried at cost of acquisition less amortization. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Assets which are not ready for their intended use are shown as Intangible assets under development which comprises of all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management.

D DEPRECIATION AND AMORTISATION

- i) Depreciation on tangible fixed assets is provided on the Straight line method over the useful lives of assets prescribed under the Companies Act, 2013 which is also at par with the useful life of the assets estimated by the management.

	Useful Life as per Schedule II
Office Equipment	5 years
Computer Equipment	3 years
Furniture & Fixture	10 years
Vehicles	8-10 years

Depreciation is calculated on pro rata basis from the date on which the asset is ready for use or till the date the asset is sold or disposed. Losses arising from retirement or gains or losses arising from disposal of fixed assets are recognized in the Statement of Profit and Loss.

The estimated useful life of the assets are reviewed at the end of each financial year and the amortisation and depreciation method are revised, if necessary.

- ii) Intangible assets are amortized over their estimated useful lives from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset. Intangible asset is being amortised over a period of 2 years.
- iii) Assets given on lease are depreciated over the lease period and salvage value has been taken into consideration for calculation of depreciation in accordance with the lease agreement.

E IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

F INVESTMENTS

Investments that are readily realizable and are intended to be held for not more than one year from the date on which these investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

G Portfolio loans

Portfolio loans have been classified as short term loans and advances as majority of loans have been realised in next 12 months from the reporting date.



H REVENUE RECOGNITION

- i) The Company follows accrual basis of accounting for its income and expenditure except income on assets classified as non-performing assets, which in accordance with the guidelines issued by the Reserve Bank of India for Non-Banking Financial Companies, is recognised on receipt basis.
- ii) **Income from Loans**
Interest income on loan transactions is accounted for over the period of the contract by applying the interest rate implicit in such contracts. Service charges and stamp and documentation charges are recognised as income at the commencement of the contract.
- iii) **Income from Assignment of receivables At Par Structure**
In case of assignment of receivables "at par", the assets are de-recognised since all the rights, title and future receivable principal are assigned to the purchaser. The interest spread arising on assignment is accounted over the residual tenor of the underlying assets.
- iv) The Reserve Bank of India's prudential norms on income recognition and provisioning for bad and doubtful debts has been followed.
- v) Processing fee collected on loans disbursed are recognized at the inception of the loan.
- vi) Penal interest and charges are accounted as and when realized in respect of SME loans.
- vii) Income from mutual funds recognized on accrual basis.
- viii) All other income is recognized on an accrual basis, when there is no uncertainty in the ultimate realization/collection.

I OTHER INCOME

Interest income on Bank deposits is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

J BORROWING COSTS

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds to the extent not directly related to acquisition of a qualifying asset are charged to the Statement of Profit and Loss over the tenure of the loan.

K EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



L TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the period as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

M CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are shortterm balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

N CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

O LEASES

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value of the leased property and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets.

PROVISIONS AND CONTINGENCIES

- P** A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



Q Asset Classification and Provisioning Norms

i) Assets Classification

Standard assets	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business;
Non-Performing assets	An asset for which, interest/principal payment has remained overdue for a period of 180 days or more

ii) Provisioning Norms for SME Loans

The Holding Company follows prudential norms as provided by the RBI for the same. Refer table below:

<u>Period</u>		<u>Provisioning Policy</u>	
		Unsecured	Secured
Standard Asset	0-6 Months	0.25%	0.25%
Non-Performing Assets:			
Substandard Asset	>6-12 Months	10%	10%
Doubtful Asset	>12 - 24 Months	100%	20%
	>24 - 48 Months	100%	30%
	>48 Months	100%	50%
Loss Assets			Written off/100%

R Employees Retirement Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

i) Short-term employee benefits

Short term benefits including salaries, short term compensated absences (such as a paid annual leave) where the absences are expected to occur within twelve months after the end of the period in which the employees render the related service, profit sharing and bonuses payable within twelve months after the end of the period in which the employees render the related services and non-monetary benefits for current employees are estimated and measured on an undiscounted basis.

ii) Defined Contribution Plan

Group's contributions to Provident Fund, Pension Fund and Employee State Insurance Scheme are charged as expense based on the amount of contribution required to be made and when services are rendered by the employees.

iii) Defined Contribution Plan

Liabilities for gratuity fund are determined by actuarial valuation on Projected Unit Credit Method made at the end of each Balance Sheet date and provision for liabilities pending remittance to the fund is carried in the Balance Sheet.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

S Segment reporting

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of Accounting Standard 17, Segment Reporting specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company operates in a single geographical segment i.e. domestic.



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 3**Share capital****Authorised**

Equity shares of Rs. 10/- each (Refer Note A (i))

25,00,00,000

6,00,00,000

2,50,00,000 (60,00,000 in previous year)

Issued, subscribed and fully paid up

Equity shares of Rs.10/-each (Refer Note A (ii) & (iii))

11,22,09,250

5,68,73,460

1,12,20,925 (56,87,346 in previous year)

Total**11,22,09,250****5,68,73,460****Note (A)**

(i) During the current year, the authorised share capital of the Company was increased vide approval of equity shareholders from ₹ 19,00,00,000 divided into 1,90,00,000 equity shares of ₹ 10 each

(ii) During the year, the Company allotted 39,71,079 equity shares (Dated:February 8,2021 Number of shares- 22,26,894 and Dated: March 22,2021 Number of shares - 17,44,185) of ₹ 10 each at an issue price of ₹ 23.80 per share and ₹ 43 per share respectively including premium of ₹ 13.80 per share and ₹ 33 per share respectively to existing shareholders.Following details are as below:

Name of shareholder	Number of shares	Face value per share	Share premium per share	Issue price per share	Resolution date
Sandeep Jain	1,07,117	10.00	13.80	23.80	08-Feb-21
Neha Agarwal	1,07,117	10.00	13.80	23.80	08-Feb-21
Surabhi Setia	1,50,161.00	10.00	13.80	23.80	08-Feb-21
Ankur Sablok	41,672.00	10.00	13.80	23.80	08-Feb-21
Rajat Goyal	6,55,053.00	10.00	13.80	23.80	08-Feb-21
Kapil Garg	8,49,698.00	10.00	13.80	23.80	08-Feb-21
Luv Khanna	2,10,497.00	10.00	13.80	23.80	08-Feb-21
Deepak Setia	1,05,579.00	10.00	13.80	23.80	08-Feb-21
Total	22,26,894.00				
Rajat Goyal	5,39,931.00	10.00	33.00	43.00	22-Mar-21
Neha Agarwal	88,290.00	10.00	33.00	43.00	22-Mar-21
Kapil Garg	7,05,437.00	10.00	33.00	43.00	22-Mar-21
Saurabh Garg	2.00	10.00	33.00	43.00	22-Mar-21
Deepak Setia	43,103.00	10.00	33.00	43.00	22-Mar-21
Surabhi Setia	1,17,611.00	10.00	33.00	43.00	22-Mar-21
Sandeep Jain	88,290.00	10.00	33.00	43.00	22-Mar-21
Finmen Advisors Pvt. Ltd.	50,088.00	10.00	33.00	43.00	22-Mar-21
Ankur Sablok	55,483.00	10.00	33.00	43.00	22-Mar-21
Luv Khanna	55,950.00	10.00	33.00	43.00	22-Mar-21
Total	17,44,185.00				
Grand Total	39,71,079.00				

(iii) During the year, the Company allotted 15,62,500 equity shares dated March 26,2021 of ₹ 10 each at an issue price of ₹ 48 per share including premium of ₹ 38 per share on preferential basis to Resilient Innovations Private limited



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

(B) Reconciliation of authorized equity shares at the beginning and at the end of the reporting period:

Opening	60,00,000	18,00,000
Additions during the year	1,90,00,000	42,00,000
Closing	2,50,00,000	60,00,000

(C) Reconciliation of Issued, subscribed and fully paid up equity shares outstanding at the beginning and at the end of the reporting period:

Opening	56,87,346	13,50,000
Preferential Allotment	15,62,500	
Issued to Shareholders of Merged Entities		43,37,346
Right Issue	39,71,079	
Closing	1,12,20,925	56,87,346

(D) Details of the shareholders holding more than 5% of shares at the beginning or at the end of the reporting period:

Name of shareholders	As at 31st March 2021		As at 31st March 2020	
	No of shares	% of shares	No of shares	% of shares
Kapil Garg	39,06,358	34.81%	23,51,224	41.34%
Rajat Goyal	29,89,866	26.65%	17,94,882	31.56%
Finmen Advisors Pvt Ltd	2,77,361	2.47%	4,69,527	8.26%
Sandeep Jain	4,88,907	4.36%	2,93,490	5.16%
Neha Agarwal	4,88,907	4.36%	2,93,490	5.16%
Surabhi Setia	6,51,272	5.80%	2,93,490	5.16%
Resilient Innovations Pvt Ltd	15,62,500	13.92%		

(E) Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Any dividend, if proposed by the Board of Directors, is subject to the approval of shareholders. Dividend declared and paid would be in Indian rupees. Dividends are subject to corporate dividend tax. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

Particulars	As at 31st March 2021	As at 31st March 2020
NOTE 4		
Reserve and surplus		
Securities premium reserve		
Opening balance	27,40,000	-
Add: Shared issued during the year (Refer Note A above)	14,76,64,243	
Add: Securities premium from amalgamated company		27,40,000
Total (1)	15,04,04,243	27,40,000
General reserve		
Opening Balance	1,93,22,459	1,74,09,483
Add: Transfer from General Reserve 45IC (Refer Note 1)	63,63,914	19,12,976
Total (2)	2,56,86,374	1,93,22,459
Surplus in statement of profit & loss a/c		
Opening Balance	5,64,00,918	(5,89,003)
Less: Transfer to General Reserve 45IC	(63,63,914)	(19,12,976)
Add: Transfer from Amalgamated Companies	-	5,09,10,516
Less: MAT credit utilization	(80,04,433)	(15,72,500)
Add: Previous year taxes written off		
Add: Additions during the year	3,18,19,572	95,64,880
Total (3)	7,38,52,143	5,64,00,918
Total(1=2+3)	24,99,42,759	7,84,63,376

1. Pursuant to the provision of Section 45(IC) of Reserve Bank of India Act, 1934, the Company has transferred Rs 63,66,043 (Previous year : Rs 19,12,976) towards Statutory Reserve Fund

NOTE 5

LONG TERM BORROWINGS

-Unsecured		
Loans and advances from related parties	-	2,96,27,397
Others (Refer Note A below)		
Tier II capital	18,10,76,005	
Others than tier II	2,81,89,23,995	25,01,23,400
Total	3,00,00,00,000	27,97,50,797

Note A: During the year the company had entered into an inter-corporate deposits agreement with Resilient Innovations Pvt Ltd for Rs 300 crore (being shareholders of the company). In terms of the said agreement the company has taken the loan of Rs 300 crore from above mentioned shareholder which is repayable after five years.

This space has been left blank intentionally



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 6**Deferred TAX Liability**

WDV As per Income Tax	2,97,19,281	54,45,239
WDV As per Companies Act	3,13,79,495	58,17,905
Timing Difference on Account of Depreciable Assets	(16,60,216)	(3,72,666)
Timing Difference on Account of Provision on Standard & Substandard Assets	65,38,519	12,09,161
Timing Difference on Account of Provision for Employee Benefits	(1,05,987)	1,72,788
Timing Difference	47,72,314	10,09,283
Deferred Tax Asset (Net)	15,51,004	(2,88,655)
Deferred Tax liability	-	-
Current year Provision	18,39,659	(2,88,655)

NOTE 7**OTHER NON CURRENT LIABILITIES**

Security Deposits	91,20,491	14,20,000
Total	91,20,491	14,20,000

NOTE 8**Long term provision**

Provision for gratuity	66,362	1,72,287
Total	66,362	1,72,287

NOTE 9**Short term borrowings****Secured loans****Overdraft facility against gold loan**

-From banks

1,99,39,081	76,287
-------------	--------

Unsecured loans

Loans and advances from related parties

Others

42,007	4,92,70,187
14,26,88,578	4,30,600

Total	16,26,69,666	4,97,77,074
--------------	---------------------	--------------------

NOTE 10**Trade payable**

-Payable to micro and small enterprises

- Total outstanding dues to others creditors other than micro enterprises and small enterprises

Total	39,87,835	99,968
	39,87,835	99,968



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 11

Other current liabilities

Interest accrued and due on long term borrowings	6,68,16,211	76,21,347
Employee benefit payables	10,35,020	1,299
Expenses payable	13,52,50,502	1,24,652
Statutory dues payables	1,37,70,187	13,21,958
Total	21,68,71,920	90,69,256

NOTE 12

Short term provision

Provision for Taxes (Net of TDS & Advance taxes)	1,02,37,126	21,08,071
Less: MAT Credit availed	(80,04,433)	(15,72,500)
Net Provision for Taxes (Net of TDS & Advance taxes and MAT credit availed)	22,32,693	5,35,571
Provision for Gratuity	439	501
Contingent provision against standard assets	87,98,891	10,24,374
Provision for Non-Performing Assets (Sub Standard)	21,43,971	8,34,471
	1,31,75,994	23,94,918



This space has been left blank intentionally

Hindon Mercantile Limited
Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034
CIN : U34300DL1985PLC021785

NOTE 13 Property plant and equipment
(All Amount in INR unless otherwise stated)

Gross block	Computers	Furniture & Fixtures	Office Equipments	Vehicles	Total Assets
Opening Balance	-	-	-	-	-
Acquisition through Merger	4,60,454	5,20,446	1,31,650	38,051	11,50,601
Additions	59,688	-	-	50,53,164	51,12,852
Disposals	-	-	-	-	-
Balance as at 31 March 2020	5,20,142	5,20,446	1,31,650	50,91,215	62,63,453
Additions	3,01,921	-	13,71,220	2,57,02,814	2,73,75,955
Disposals	-	-	-	-	-
Balance as at 31 March 2021	8,22,063	5,20,446	15,02,870	3,07,94,029	3,36,39,408
Accumulated depreciation and amortisation					
Balance as at 31 March 2019	-	-	-	-	-
Acquisition through Merger	3,24,584	1,07,071	38,055	4,160	4,73,870
Depreciation charge	65,424	33,052	16,721	43,374	1,58,571
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2020	3,90,008	1,40,123	54,776	47,534	6,32,441
Depreciation charge	61,847	49,442	60,975	14,88,516	16,60,780
Reversal on disposal of assets	-	-	-	-	-
Balance as at 31 March 2021	4,51,855	1,89,565	1,15,751	15,36,050	22,93,221
Net block					
Balance as at 31 March 2020	1,30,134	3,80,323	76,874	50,43,681	56,31,012
Balance as at 31 March 2021	3,70,208	3,30,881	13,87,119	2,92,57,979	3,13,46,187

*No Assets were revalued during the year

NOTE 14 Intangible asset

Gross block	Softwares	Total assets
Balance as at 31 March 2019	-	-
Acquisition through Merger	3,69,750	3,69,750
Additions	40,600	40,600
Disposals	-	-
Balance as at 31 March 2020	4,10,350	4,10,350
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	4,10,350	4,10,350
Accumulated depreciation and amortisation		
Balance as at 31 March 2019	-	-
Acquisition through Merger	1,13,392	1,13,392
Depreciation charge	1,10,064	1,10,064
Reversal on disposal of assets	-	-
Balance as at 31 March 2020	2,23,456	2,23,456
Depreciation charge	1,53,586	1,53,586
Reversal on disposal of assets	-	-
Balance as at 31 March 2021	3,77,042	3,77,042
Net block		
Balance as at 31 March 2020	1,86,894	1,86,894
Balance as at 31 March 2021	33,308	33,308



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 15

Trade receivables

Secured, considered good

-Outstanding for a period exceeding six months from the date they are due	-	-
---	---	---

-Others	30,86,658	-
---------	-----------	---

Unsecured, considered good

-Outstanding for a period exceeding six months from the date they are due for payment	-	-
---	---	---

-Others	-	-
---------	---	---

Total	30,86,658	-
--------------	------------------	----------

NOTE 16

Cash and cash equivalents

Cash on Hand	2,24,711	16,89,947
--------------	----------	-----------

Balance with Banks		
--------------------	--	--

-In Current Accounts	6,86,49,072	1,81,31,492
----------------------	-------------	-------------

-In Deposits with maturity within three months	4,63,31,607	48,43,346
--	-------------	-----------

Total	11,52,05,390	2,46,64,785
--------------	---------------------	--------------------



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 17

Short term loans and advances

(Secured), considered good

Vehicle Loan

Standard (0.25%)

Sub Standard (10%)

Gold Loan

Standard (0.25%)

Sub Standard (10%)

Loan Against Property

Standard (0.25%)

Sub Standard (10%)

(Unsecured), considered good

Business & Personal Loans

Standard (0.25%)

Sub Standard (10%)

Advance to Vendors

Advance to Staff

Security Deposit

Total

58,98,00,184

1,69,70,500

6,82,53,218

1,87,99,981

5,42,500

2,84,27,03,064

39,26,710

1,82,480

2,35,295

3,08,856

3,54,17,22,788

-

9,37,29,196

52,60,419

-

-

-

-

77,26,821

-

-

-

30,26,65,119

30,84,295

18,66,276

4,01,308

98,000

41,48,31,434

NOTE 18

Other current assets

Prepaid insurance

Balance with revenue authorities

Interest accrued but not due on portfolio loans

Insurance receivables

Other receivables

Total

8,28,658

2,26,52,965

2,62,63,955

48,45,136

2,36,10,236

7,82,00,950

1,47,152

2,28,77,657

34,53,133

56,31,898

3,08,517

3,24,18,358



This space has been left blank intentionally

Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 19

Revenue from operations

Interest income	40,33,68,796	3,17,25,953
Loan processing fees	31,67,454	30,40,923
Dividend	-	27,799
Total	40,65,36,250	3,47,94,675

NOTE 20

OTHER INCOME

Rent Income from operating Lease	91,47,088	2,81,931
Profit on sale of Shares	-	9,663
Interest income on fixed deposits	9,44,284	2,38,011
Miscellaneous income	3,24,204	-
Total	1,04,15,576	5,29,605

NOTE 21

Employee benefit expenses

Salaries and wages	83,32,362	42,44,911
Contribution to provident and other funds	3,83,445	-
Provision for gratuity	(1,05,987)	1,72,788
Staff welfare expenses	1,18,006	52,588
Total	87,27,826	44,70,287

NOTE 22

FINANCIAL COSTS

Interest Expenses	15,28,39,490	1,28,68,186
Loan processing expenses		
Bank charges	3,08,426	52,815
Other borrowing cost	94,345	2,202
Total	15,32,42,261	1,29,23,203

NOTE 23

Provision on portfolio loans and other write off

Loss Assets Written Off (Net of Recoveries)	1,31,95,346	1,36,970
Contingent Provision against Standard assets	77,74,517	10,24,374
Provision for Non-Performing Assets (Sub Standard)	13,09,500	8,34,471
Total	2,22,79,363	19,95,816

This space has been left blank intentionally



Hindon Mercantile Limited

Address: 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, Pitampura, New Delhi-110034

CIN : U34300DL1985PLC021785

(Amount in INR)

Particulars	As at 31st March 2021	As at 31st March 2020
-------------	--------------------------	--------------------------

NOTE 24

OTHER EXPENSES

Payment to auditors (refer note 26 below)	1,59,000	1,00,000
Business auxiliary expenses	17,74,44,244	9,39,014
Professional & legal charges	48,41,302	11,24,827
Miscellaneous expenses	3,39,231	60,453
Office Expenses	10,55,961	4,33,602
Loan processing expenses	3,57,986	3,99,621
Printing and stationery	2,16,607	1,99,327
Prior Period Expense	5,84,566	
Rent	10,23,000	8,15,000
ROC Expenses	44,471	80,221
Travelling & conveyance	9,81,755	3,79,420
Share Issue Expenses	20,24,600	
Total	18,90,72,723	45,31,484

This space has been left blank intentionally

