

Director's Report

Dear Members,

The Directors of the Hindon Mercantile Limited ("the Company") are pleased to present their 37th Annual Report together with the annual audited financial statements for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

(In Lakhs)

Particulars	Standalone for financial year ended on 31st March		Consolidated for financial year ended on 31st March	
	2022	2021	2022	2021
Revenue from operations	7,746.95	4,141.98	7,771.63	4,141.98
Other income	382.07	12.68	382.06	12.68
Total revenues	8,129.02	4,154.66	8,153.69	4,154.66
Total expenses	7,451.02	3,736.37	7,677.71	3,736.47
Profit before tax	678	418.29	475.98	418.19
Profit for the year	693.55	238.29	522.49	238.19
Earnings Per Share				
Basic	5.95	3.93	4.48	3.92
Diluted	5.95	3.93	4.48	3.92

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

On Standalone Basis

As at 31st March 2022, the loan book size was Rs. 40,794 Lakhs compared to Rs. 35,592.83 Lakhs as at 31st March 2021. The Revenue has increased by around 87.03% at Rs. 7,746.95 Lakhs for the year ended 31st March 2022 compared to Rs. 4,141.98 Lakhs for the year ended 31st March 2021.

The profit after tax has increased by 191% at Rs. 693.55 Lakhs for the financial year ended March 31, 2022 as against Rs. 238.29 Lakhs for the previous financial year.

On Consolidated Basis

As at 31st March 2022, the Revenue has increased by around 87.63% at Rs. 7,771.63 Lakhs for the year ended 31st March 2022 compared to Rs. 4,141.98 Lakhs for the year ended 31st March 2021.

The profit after tax has increased by 119.35% at Rs. 522.49 Lakhs for the financial year ended March 31, 2022 as against Rs. 238.19 Lakhs for the previous financial year.

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.

CHANGE IN NATURE OF BUSINESS OF THE COMPANY

During the period under review, there was no change in nature of business of the Company. The Company is a Non-systemically important Non Deposit accepting Non-banking Financial Company (NBFC-ND-NSI) registered with the Reserve Bank of India.

SHARE CAPITAL

A. Authorised Share Capital

During the financial year under review, there has been no change in the authorized share capital of the Company. The authorized share capital of the Company as on March 31, 2022 stood at Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) consisting of 2,50,00,000 Equity Shares of Rs. 10/- each.

B. Issued and Paid up Capital

During the year under review, the Company has issued Equity shares as per the details mentioned below:

Sl. No.	Number of Equity Shares Issued	Mode of Issuance
1	4,00,000	Right Basis
2	5,81,046	Sweat Equity
3	4,28,571	Private Placement
4	1,62,092	Conversion of Loan

The paid-up equity share capital of the Company is Rs. 12,79,26,340 (Rupees Twelve Crore Seventy Nine Lakh Twenty Six Thousands Three Hundred Forty only), comprising of 1,27,92,634 fully paid equity shares of face value of Rs. 10/- each.

Other Equity

The reserves and surplus as at March 31, 2022 stood at Rs. 5,703.26 Lakh as against Rs. 2,499.56 Lakh as at March 31, 2021.

SUBSIDIARY COMPANIES, JOINT VENTURE OR ASSOCIATE COMPANIES

During the year under review, the Company has following subsidiaries:

S. No.	Name of Subsidiary	Holding(%)
1.	Hindon Peer to Peer Finance Private Limited	100
2.	Hindon Account Aggregation Services Private Limited	100
3.	Mufin Green Finance Limited*	67.33

*Company has acquired Mufin Green Finance Limited (Formerly Known as APM Finvest Limited) on March 9, 2022 and Mufin Green has become subsidiary of the Company by virtue of its holding of 67.33% Equity Shares.

The Company does not have any Joint Venture or Associate Company. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing the salient features of financial statements of the Company's subsidiary in Form AOC-1 is annexed as Annexure I to this Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company along with the consolidated financial statements in respect of subsidiary company are attached herewith.

During the period under review, there was no company which has become a Joint Venture/ Associate Company of the Company.

PUBLIC DEPOSITS

The Company being a "Non-Systemically Important Non-Deposit taking Non-Banking Financial Company", has not accepted nor invited any deposits from the public during the period under review within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and shall not accept any deposits from the public without obtaining prior approval of the Reserve Bank of India (RBI). Since the Company has not accepted nor invited any deposits, there are no amounts that remained unpaid or unclaimed as at the end of the year under review. As per the Reserve Bank Master Direction issued by the RBI, a resolution in this regard has also been passed by the Board of Directors at its meeting held on May 5, 2022.

DIVIDEND/RESERVES

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and, therefore, do not recommend any dividend for the financial year ended March 31, 2022. As per the requirement of the Reserve Bank of India Guidelines, the Company has transferred an amount of Rs.138.63 lakhs to the Statutory Reserve.

BORROWINGS

The Company has strengthened its relationships with banks /financial institution. During the period under review, the Company met its funding requirements through debts from Banks, Companies and Financial Institutions. The aggregate debt outstanding as on 31st March, 2022 was Rs. 40,272.46 Lakhs. The Company has been regular in servicing all its debt obligations.

BOARD OF DIRECTORS AND KMP

The composition of the Board of Directors of the Company is in accordance with Companies Act, 2013 (hereinafter referred to as "the Act"). The Company has the following seven (7) Directors on its Board, 2 (Two) of them are Independent Directors. The Company has one Company Secretary.

S. No.	Name of Director/KMP	Position
1.	Mr. Kapil Garg	Managing Director
2.	Mrs. Neha Agarwal	Non-Executive Director
3.	Mr. Sandeep Jain	Non-Executive Director

4.	Mr. Luv Khanna	Non-Executive Director
5.	Mr. Pratekk Agarwaal	Non-Executive Director
6.	Mr. Pradip Kumar Kar	Independent Director
7.	Mr. Amol Sinha	Independent Director
8.	Mr. Ajay Chhabra*	Company Secretary

During the period under review, Mr. Kapil Garg, Mr. Pratekk Agarwaal, Mr. Pradip Kumar Kar and Mr. Amol Sinha were appointed as Directors of the Company. Further, Mr. Ajay Chhabra, was appointed as the Company Secretary of the Company.

*Further, Mr. Ajay Chhabra was resigned as Company Secretary with effect from April 11, 2022.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The above confirmations were placed before the Board at its meeting held on May 5, 2022 and duly noted.

It is the opinion of the Board that the Independent Directors possess relevant expertise, qualifications and experience in the fields of strategy, finance, people management, risk advisory, financial services, investment and they hold the highest standards of integrity.

BOARD MEETINGS

The Board meets at regular intervals to inter-alia discuss about the Company's policies and strategy apart from other Board matters. The Board is responsible to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees provide direction and guidance to the Company's leadership and management team and further direct, supervise as well as review the performance of the Company.

During the financial year under review, 11 (Eleven) Board Meetings were convened and held on June 11, 2021, June 18, 2021, June 29, 2021, July 28, 2021, August 18, 2021, September 7, 2021, October 23, 2021, November 25, 2021, December 4, 2021, March 22, 2022 and March 30, 2022 respectively. The required quorum was present for all the Board meetings and the gap between two meetings did not exceed a period of 120 days.

COMMITTEES

The Board committees and other committees play an important role in the governance and focus on specific areas and make informed decisions within the terms of reference and authority delegated. The Board committees and other committees comprising senior officials of the Company as the Members are guided by their respective terms of reference. In terms of the applicable circular(s), notification(s) and direction(s) issued by the Reserve Bank of India, the applicable provisions of the Companies Act,

2013 and the Company's Internal Guidelines on Corporate Governance, the Board of Directors of the Company have constituted/reconstituted the following committees for the effective business operations and governance of the Company:

S. No.	Type of Committee
1.	Audit Committee
2.	Nomination and Remuneration Committee
3.	Corporate Social Responsibility Committee
4.	Risk Management Committee
5.	Internal Complaints Committee

1. AUDIT COMMITTEE

The Audit Committee comprises of well qualified Directors. The composition of the Audit Committee is in accordance with the Act and the rules made thereunder. During the financial year under review, the Audit Committee of the Company comprised of 3 (Three) members, majority of whom are non-executive independent directors in accordance with Section 177 of the Act read with rules thereto. viz., Mr. Kapil Garg and Sandeep Jain and is chaired by Mr. Amol Sinha. The members of the Committee are financially literate and learned, experienced and well known in their respective fields.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Internal Auditors and the Statutory Auditors as invitees. During the financial year under review, 4 (Four) Audit Committee Meetings were convened and held on June 11, 2021, August 16, 2021, October 23, 2021 and February 4, 2022 respectively. The required quorum was present for all the Audit Committee meetings and the gap between two meetings did not exceed a period of 120 days.

2. NOMINATION AND REMUNERATION COMMITTEE

The Board of the Company has constituted a Nomination and Remuneration Committee (the "NRC") in accordance with the provisions of the Section 178 of the Act. During the financial year under review, the NRC consists of 3 (Three) members viz, Mrs. Neha Agarwal and Mr. Luv Khanna and the Committee is chaired by Mr. Sandeep Jain. During the financial year under review, 2 (Two) Nomination and Remuneration Committee Meetings were convened and held on September 7, 2021 and October 23, 2021 and the required quorum was present.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of the Company has constituted a Corporate Social Responsibility (the "CSR") Committee in accordance with Section 135 of the Act and applicable rules thereto. During the financial year under review, the Committee is comprised of 3 (Three) directors viz, Mr. Sandeep Jain, and Mr. Luv Khanna and it is chaired by Mrs. Neha Agarwal.

During the financial period under review, 1 (One) CSR Committee Meeting were convened and held on October 23, 2021 and the required quorum was present.

4. RISK MANAGEMENT COMMITTEE

The Board of the Company has constituted a Risk Management Committee (RMC) in accordance with the RBI Guidelines for NBFCs. During the financial year under review, the Committee is comprised of 4 (Four) Members viz, Mrs. Neha Agarwal, Mr. Parveen Sabharwal, Mr. Kapil Garg and it is chaired by Mr. Rajat Goyal. During the financial year under review, 3 (Three) RMC Committee Meeting was convened and held on June 11, 2021, September 9, 2021 and March 30, 2022 respectively and the required quorum was present.

5. INTERNAL COMPLAINANTS COMMITTEE (ICC)

The Board of the Company has constituted an Internal Complainants Committee (ICC) in accordance with the provisions of Sexual Harassment of Women at Workplace Prevention, Prohibition and Redressal Act, 2013. During the financial year under review, the Committee is comprised of 4 (Four) Members viz, Mrs. Savita Bhogra, Mrs. Lalita, Mr. Ankit Garg and it is chaired by Mrs. Neha Agarwal. During the financial year under review, 1 (One) ICC Committee Meeting was convened and held on June 11, 2021 and the required quorum was present.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors, to the best of their knowledge and belief, and as per the information and explanations obtained by them, hereby confirm that:

- a. in the preparation of the Annual Accounts for the financial year ended March 31, 2022 the applicable accounting standards have been followed;
- b. the Directors have 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 state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year;
- c. the Directors have 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 have prepared the annual accounts on a going concern basis;
- e. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and;
- f. internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and were operating effectively.

COMPLIANCE OF SECRETARIAL STANDARDS

During the financial year under review, the Company has complied with the applicable SS-1 (Secretarial Standard on Meetings of the Board of Directors) and SS-2 (Secretarial Standard on General Meetings) issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

STATUTORY AUDITORS

M/s PGSJ & Co., Chartered Accountants (Firm Registration number:032387N) were appointed as the Statutory Auditors of the Company for the term of five (5) years in the Annual General Meeting held on December 31, 2020. M/s PGSJ & Co., Chartered Accountants had resigned from the office of the Statutory Auditor of the Company, w.e.f. August 21, 2022.

M/s R S D & Co., Chartered Accountants (Firm Registration Number: 012777N) were appointed as the Statutory Auditor of the Company in place of M/s PGSJ & Co. to fill in the casual vacancy and to hold office until the conclusion of the Annual General Meeting (AGM) to be held in FY 2022-23 and subject to the fulfilment of prescribed eligibility norms each year, M/s R S D & Co. shall be further appointed for a period of one year to hold the office from the conclusion of ensuing Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held in FY 2028-29 and shall be considered for reappointment next year, subject to the fulfilment of the eligibility norms at terms with/without modification, if any, and subject to the approval of the Audit and Board of the Directors of the Company from time to time.

M/s R S D & Co. were eligible for the appointment as the Statutory Auditors pursuant to the provisions of Section 139 of the Companies Act, 2013 and the said RBI Guidelines, and had furnished a certificate of their eligibility and consent in accordance with the provisions of the Companies Act, 2013 and relevant Rules framed 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.

FRAUDS REPORTED BY AUDITORS u/s 143 OF THE COMPANIES ACT, 2013

The Statutory Auditors have not reported any incident of fraud to the Board during the financial year 2021-22.

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 AUDITORS

Pursuant to the requirements of Section 138 of the Act and rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors of the Company had at their meeting held on October 23, 2021 appointed M/s. Neeraj Bansal & Co. Chartered Accountants (FRN: 033654N), as the Internal Auditors of the Company for the financial year ended March 31, 2022.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with

the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors.

The Company has its own process driven framework for internal financial controls. The Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company is in the process of strengthening the internal team for this function.

The Company has appointed a reputed firm of Chartered Accountants to carry out internal audit on a regular basis that includes monitoring and evaluation of the efficacy and adequacy of internal financial controls, accounting procedures and policies and statutory compliances of the Company. The reports of the internal auditors are presented to the Audit Committee/Board which oversees the implementation of any corrective actions required. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors with and Internal Control over financial reporting is tested and certified by Statutory Auditors.

During the financial year under review, no material or serious observations have been highlighted for inefficiency or inadequacy of such controls.

NOMINATION AND REMUNERATION POLICY

The Board of the Company has adopted the Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP) including officers / employee appointed for crucial role of Chief Risk Officer (CRO) and the Policy inter alia looks into the criteria for the remuneration for Directors, KMP and other senior management employees of the Company.

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

The provisions Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

RISK MANAGEMENT

Being in the lending business, risk management forms a vital element of our business. The Company has a well-defined risk management framework, approved by the Board of Directors. It provides the mechanism for identifying, assessing and mitigating risks.

RELATED PARTY TRANSACTIONS

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and RBI Master Directions.

All related party transactions are placed before the Audit Committee. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature.

During the financial year under review, the related party transactions that were entered into by the Company were on an arm's length basis and in ordinary course of business. Pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act, as prescribed in Form AOC-2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) of the Companies Act, 2013 (the 'Act') read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by an NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As such, the particulars of loans have not been disclosed in this Report. The details of the Investments of the Company are given in the Notes to the accompanying Financial Statements.

COST RECORDS

The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred from the end of the financial year till the date of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company is engaged in the financial services activities, its operations are not energy intensive nor does it require adoption of specific technology and hence information in terms of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is not applicable to the Company. Nevertheless, the Company is vigilant on the need for conservation of energy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted CSR Committee in accordance with Section 135 of the Companies Act, 2013. The Company has also framed CSR Policy.

During the year under review, Company is not required to spent any amount on account of Corporate Social Responsibility.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has established a vigil mechanism to deal with instances of fraud and mismanagement and to provide appropriate avenues to the directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud and to bring to the attention of the management, their genuine concerns and grievances about the behavior of the employees. Adequate safeguards are provided against victimization of those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases is provided to them.

During the period under review, no cases under this mechanism were reported to the Company.

ANNUAL RETURN

In accordance with the requirements under section 92(3) and section 134(3) of the Act and the applicable rules, the annual return as on March 31, 2022 is available on the website of the Company viz., <https://www.muфинinance.com/>

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The policy against sexual harassment is embodied in the in a specifically written policy in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has adopted zero tolerance for sexual harassment at workplace. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee formed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The committee is responsible for redressal of complaints related to sexual harassment.

During the period under review no cases/complaints in the nature of sexual harassment were reported.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere gratitude to the government and regulatory authorities and the bankers of the Company for the continued support and co-operation provided by them.

The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders/clients and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company across all levels.

For and on behalf of the Board

KAPIL GARG
Managing Director
DIN: 01716987


LUV KHANNA
Director
DIN: 07723426



RSD & CO

CHARTERED ACCOUNTANTS

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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 accompanying Standalone financial statements of **Hindon Mercantile Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone financial statements and Auditor's Report thereon

The Company's Board of Directors are responsible for preparation of the other information. The other information comprises the information included in the Board's Report and its annexures, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 to the Company, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The comparative financial information of the Company for the year ended March 31, 2021 and the opening balance sheet as at April 1, 2020 included in these standalone financial statements, have been prepared by the management after adjusting the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by M/s. PGSJ & Co., Chartered Accountants and their report for the financial year ended March 31, 2020 and March 31, 2021 dated December 09, 2020 and October 23, 2021 respectively expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued financial statements to comply with Ind AS have been audited by us. Our opinion on the standalone financial statements is not modified in respect of the above matters on the comparative financial information.
2. We draw attention to Note 42 to the standalone financial statements in which the Company describes the uncertainties arising from the Covid-19 pandemic. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Company.
2. As required by Section 143(3) of the Act, based on our audit, 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 (Ind AS) specified under Section 133 of the Act, as applicable to the Company;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;



- f) with respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure "B" to this report;
- g) with respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the company has not paid/ provided any managerial remuneration covered under Section 197 of the Act to its directors during the year.
- h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2022 having 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 was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management of the Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any person or entity including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management of the Company has represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Party") with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, performed by us on the Company, nothing has come to our notice that has caused us to believe that the representations under sub-Clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Company has not paid/proposed any dividend during/for the year.

For RSD & Co.

Chartered Accountants

Firm Registration No. 012777N



PURNIMA GOEL

Partner

Membership No. 526051

UDIN - 22526051AYXMK52321

New Delhi

September 30, 2022

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of **Hindon Mercantile Limited** on the Standalone financial statements for the year ended March 31, 2022)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of Right of Use assets. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us, the Property, Plant and Equipment (including Right of Use assets) have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification. Having regard to the size of the Company and the nature and ageing of the assets, in our opinion, the periodicity of the physical verification is reasonable.
- (c) The Company does not have immoveable property (other than immovable property where the Company is the lessee and the lease agreement is duly executed in favour of the Company). Accordingly, the clause 3(i)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not have any inventory. Accordingly, the clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limit in excess of Rs. 5 crore, in aggregate from the banks during the year against pledge of the securities of gold loan assets. The periodical returns/statements filed by the Company with such banks are in agreement with the books of account of the Company.
- (iii) The Company being a Non-Banking Finance Company having principal business to give loans and make investments,
 - (a) the clause 3(iii)(a) of the Order is not applicable to the Company.
 - (b) In our opinion and according to the information and explanations given to us, the investments made and the terms and conditions of the grant of loans/advances in the nature of loans, prima facie, are not prejudicial to the Company's interest. There are no guarantees provided or security given by the Company during the year.
 - (c) In respect of the loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts have been regular as per stipulations except in case of 3005 loan accounts having outstanding balances aggregating to Rs. 3255.09 lakhs as at March 31, 2022 wherein the repayments of principal and payments of interest are not regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of the irregular cases.
 - (d) In respect of the loans and advances in the nature of loans granted by the Company, the amount outstanding in the accounts overdue for more than 90 days as at March 31, 2022 aggregate to Rs. 389.09 lakhs. In our opinion and according to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of

the overdue principal and interest amount.

- (e) The clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company has not granted during the year any loans or advances in the nature of loans repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion and according to the information and explanations given to us, during the year the Company has not accepted any deposits or amounts which are deemed to be deposits from the public on which the directives issued by the Reserve Bank of India or the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules made thereunder are applicable.
- (vi) According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the Company.
- (vii) In our opinion and according to the information and explanations given to us and on the basis of the records examined by us:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and service tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other statutory dues applicable to the Company with the appropriate authorities. There were no undisputed amounts payable in respect of statutory dues outstanding as at March 31, 2022 for a period of more than six months from the date they became payable.
 - (b) There are no statutory dues referred to in sub-clause (a) above, which have not been deposited by the Company on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of the records examined by us, the Company does not have any transactions not recorded in the books of account but surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us and on the basis of the records of the Company examined by us,
 - (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
 - (b) the Company has not been declared willful defaulter by any bank or financial institution or other lender;
 - (c) the term loans were applied by the Company during the year for the purposes for which the loans were obtained;
 - (d) there are no transactions of funds raised by the Company on short term basis and utilized, prima facie, for long term purposes during the year;
 - (e) the Company does not have any associate or joint venture during the year. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries during the year.
 - (f) the Company does not have any joint venture or associate company during the year. The Company has not raised any loan during the year on the pledge of the securities held in its subsidiaries.

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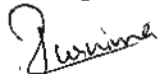
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the clause 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 42 and Section 62 of the Companies Act, 2013 in respect of the preferential allotment/private placement of shares during the year and the funds raised have been used for the purposes for which the funds were raised.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under Section 143(12) of the Act has been filed by the auditors in form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us, no whistleblower complaint has been received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us and on the basis of the records examined by us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) During the course of our audit, we have considered the reports of the Internal Auditor issued for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us and on the basis of the records examined by us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year.
- (xvi) (a) According to the information and explanations given to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company.
- (b) According to the information and explanations given to us, the Company has a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934 to conduct the Non-Banking financial activities.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us, there is no Core Investment Company within the Group.
- (xvii) The Company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditor during the year and as informed and explained to us, the outgoing auditor has not raised any issue, objection or concern.

- (xix) According to the information and explanations given to us and on the basis of examination of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within the period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, the Company was not required to spend any amount on Corporate Social Responsibility (CSR) related activities during the year under review in terms of the provisions of Section 135 of the Act. Accordingly, the clause 3(xx) of the Order is not applicable to the Company.
- (xxi) Reporting under the clause 3(xxi) of the Order is not applicable to the standalone financial statements.

For RSD & CO.

Chartered Accountants

Firm Registration No. 012777N



PURNIMA GOEL

Partner

Membership No. 526051

UDIN - 22526051AYXMKS2321

New Delhi

September 30, 2022

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of **Hindon Mercantile Limited** on the Standalone financial statements for the year ended March 31, 2022)

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

We have audited the internal financial controls Over financial reporting of **Hindon Mercantile Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

8

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For RSD & CO.

Chartered Accountants
Firm Registration No. 012777N



PURNIMA GOEL

Partner
Membership No. 526051
UDIN - 22526051AYXMKS2321

New Delhi
September 30, 2022

HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

S.No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
ASSETS					
I	Financial Assets				
a)	Cash and cash equivalents	4	179.44	1,142.17	246.66
b)	Bank balances other than cash & cash equivalents	5	100.00	-	-
c)	Receivables				
	-Trade Receivables	6	117.77	30.87	-
d)	Loans	7	40,794.31	35,592.83	4,156.16
e)	Investments	8	7,132.49	10.00	-
f)	Other financial assets	9	609.51	552.63	116.46
	Total Financial assets		48,933.52	37,328.50	4,519.28
II	Non-Financial Assets				
a)	Deferred tax assets (net)	10	90.14	-	2.88
b)	Property, plant & equipment	11	24.14	21.17	6.18
c)	Right of use assets	11	83.06	-	-
d)	Intangible assets under development	12	147.15	-	-
e)	Other Intangible assets	11	4.05	0.33	1.87
f)	Other non-financial assets	13	409.30	236.64	231.41
	Total Non-financial assets		757.84	258.14	242.34
	Total Assets		49,691.36	37,586.64	4,761.62
LIABILITIES AND EQUITY					
LIABILITIES					
III	Financial Liabilities				
a)	Payables				
	-Trade payables				
i)	Total outstanding dues of micro enterprises and small enterprises		-	-	-
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
b)	Borrowings (other than Debt Securities)	14	10,272.46	1,626.70	3,295.28
c)	Subordinated Debts	15	30,000.00	30,000.00	-
d)	Other financial liabilities	16	2,424.85	2,162.08	92.67
	Total Financial Liabilities		42,697.31	33,788.78	3,387.95
IV	Non-Financial Liabilities				
a)	Current tax liabilities (net)	17	-	22.33	5.36
b)	Provisions	18	1.19	0.67	1.73
c)	Deferred tax liabilities (net)	10	-	15.51	-
d)	Other non-financial liabilities	19	10.34	137.70	13.22
	Total Non-financial liabilities		11.53	176.21	20.31
EQUITY					
V	Equity				
a)	Equity share capital	20	1,279.26	1,122.09	568.73
b)	Other equity	21	5,703.26	2,499.56	784.63
	Total Equity		6,982.52	3,621.65	1,353.36
	Total Liabilities and Equity		49,691.36	37,586.64	4,761.62

Significant Accounting Policies and Notes forming part of the Financial Statements 1-47

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012777N


PURNIMA GOEL
Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Mayank Pratap Singh
Company Secretary
M. No. A46666


Kapil Sarg
Managing Director
CIN: 01716987


Luv Khanna
Director
DIN: 07723426



HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

			(Rs. in Lakhs)	
S.No.	Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
	Revenue from operations			
	(i) Interest income	22	7,552.25	4,110.31
	(ii) Fee and commission income	23	194.70	31.67
I	Total Revenue from operations		7,746.95	4,141.98
II	Other income	24	382.07	12.68
III	Total Income (I+II)		8,129.02	4,154.66
	Expenses			
	(i) Finance costs	25	4,799.60	1,532.41
	(ii) Impairment of financial instruments	26	232.93	222.79
	(iii) Employee benefits expenses	27	531.37	87.26
	(iv) Depreciation and amortization	11	28.90	3.29
	(v) Other expenses	28	1,858.22	1,890.62
IV	Total Expenses		7,451.02	3,736.37
V	Profit before exceptional items and tax (III-IV)		678.00	418.29
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		678.00	418.29
VIII	Tax expense	32		
	1) Current tax		113.17	161.60
	2) Tax related to earlier year		(22.52)	-
	3) Deferred tax		(105.79)	18.40
IX	Profit for the year (VII-VIII)		693.14	238.29
X	Other Comprehensive Income			
	A) i) Items that will not be reclassified to profit or loss		0.55	-
	ii) Income tax relating to items that will not be reclassified to profit or loss	32	(0.14)	-
	Sub Total A)		0.41	-
	B) i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total B)		-	-
	Total Other Comprehensive Income (A+B)		0.41	-
XI	Total Comprehensive Income for the year (IX+X)		693.55	238.29
XII	Earnings per Equity Share (Face value Rs. 10)			
	Basic (Rs.)	38	5.95	3.93
	Diluted (Rs.)	38	5.95	3.93
Significant Accounting Policies and Notes forming part of the Financial Statements		1-47		

As per our report of even date attached

For RSD & Co.

Chartered Accountants

Firm Registration No.012777N



PURNIMA GOEL

Partner

Membership No.526051

Place : Delhi

Date : September 30, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Mayank Pratap Singh
Company Secretary
M. No. A46666



Kapil Garg
Managing Director
DIN: 01716987



Luv Khanna
Director
DIN: 07723426


(Rs. in Lakhs)

A. EQUITY SHARE CAPITAL

Equity shares of Rs. 10 each issued, subscribed and fully paid-up

Particulars	Number	Amount
As at April 01, 2020	56,87,346	568.73
Add : Issued during the year	55,33,579	553.36
As at March 31, 2021	1,12,20,925	1,122.09
Add : Issued during the year	15,71,709	157.17
As at March 31, 2022	1,27,92,634	1,279.26

B. OTHER EQUITY

Particulars	Reserves and Surplus			Impairment Reserve	Other Items of Other Comprehensive Income	Total
	Reserve Fund u/s 45-IC of RBI Act, 1934	Securities Premium	Retained Earnings			
Balance as at April 01, 2020	193.22	27.40	564.01	-	-	784.63
Equity Shares issued during the year	-	1,476.64	-	-	-	1,476.64
Profit for the year	-	-	238.29	-	-	238.29
Transfer from Retained Earnings	63.66	-	-	0.73	-	64.39
Transfer to Impairment Reserve	-	-	(0.73)	-	-	(0.73)
Transfer to Reserve Fund	-	-	(63.66)	-	-	(63.66)
Balance as at March 31, 2021	256.88	1,504.04	737.91	0.73	-	2,499.56
Equity Shares issued during the year	-	2,510.15	-	-	-	2,510.15
Profit for the year	-	-	693.14	-	-	693.14
Transfer from Retained Earnings	138.63	-	-	-	-	138.63
Transfer to Reserve Fund	-	-	(138.63)	-	-	(138.63)
Remeasurement of the defined benefits plan (net)	-	-	-	-	0.41	0.41
Balance as at March 31, 2022	395.51	4,014.19	1,292.42	0.73	0.41	5,703.26

Significant Accounting Policies and Notes forming part of the Financial Statements

1-47

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012777N



PURNIMA GOEL
Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Mayank Pratap Singh
Company Secretary
M. No. A46666


Kapil Garg
Managing Director
DIN: 01716987


Luv Khanna
Director
DIN: 07723426


HINDON MERCANTILE LIMITED
CIN U34300DL1985PLC021785
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	678.00	418.29
Adjustment for :		
Interest expenses on lease liabilities	4.16	-
Depreciation and amortization	28.90	3.29
Impairment on financial instruments	232.93	222.79
Operating profit before working capital changes	943.99	644.37
(Increase)/decrease in trade receivables	(86.91)	(30.87)
(Increase)/decrease in Bank balances other than cash & cash equivalents	(100.00)	-
(Increase)/decrease in loans (net)	(5,434.40)	(31,659.46)
Increase/(decrease) in financial liabilities	176.27	2,069.41
Increase/(decrease) in provisions	1.07	(1.06)
Increase/(decrease) in other non-financial liabilities	(127.36)	124.48
(Increase)/decrease in other non-financial assets	(172.66)	(5.23)
(Increase)/decrease in other financial assets	(56.88)	(436.17)
Cash generated from/(used in) operations	(4,856.88)	(29,294.53)
Direct tax paid (net)	(112.98)	(144.63)
Net cash generated from/(used in) operating activities (A)	(4,969.86)	(29,439.16)
Cash flow from investing activities		
Purchase of investments in subsidiaries	(7,122.49)	(10.00)
Purchase of property, plant & equipment	(14.87)	(16.75)
Purchase of intangible assets under development	(147.15)	-
Purchase of intangible assets	(4.10)	-
Net cash generated from/(used in) investing activities (B)	(7,288.61)	(26.75)
Cash flow from financing activities		
Proceeds from Borrowings (other than debt securities)	18,423.11	198.63
Repayment of Borrowings (other than debt securities)	(9,210.02)	(1,867.21)
Proceeds from Subordinated Debts	-	30,000.00
Proceeds from equity share capital	2,099.99	2,030.00
Payment of lease liabilities	(17.34)	-
Net cash generated from/(used in) financing activities (C)	11,295.74	30,361.42
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(962.73)	895.51
Cash and cash equivalents at the beginning of the year	1,142.17	246.66
Cash and cash equivalents at the end of the year	179.44	1,142.17
Components of cash and cash equivalents:		
Cash on hand	95.73	2.25
Balances with banks		
- on current accounts	83.71	1,139.92
Total cash and cash equivalents	179.44	1,142.17

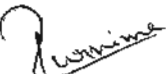
Note: Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 - "Statement of Cash Flows".

Significant Accounting Policies and Notes forming part of the Financial Statements

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As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012777N


PURNIMA GOEL

Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Mayank Pratap Singh
Company Secretary
M. No. A46666


Kapil Garg
Managing Director
DIN: 01716987


Luv Khanna
Director
DIN: 07723426



HINDON MERCANTILE LIMITED

CIN U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**1. Corporate information**

Hindon Mercantile Limited ('the Company') is a Public Limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office in Delhi to carry on the business of a Non-Public Deposit Accepting Non-Banking Finance Company in India. The Company is registered under Section 45-IA of Reserve Bank of India Act, 1934. The Company holds a valid Certificate of Registration (CoR) from the Reserve Bank of India. The registered office of the company is located at 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, North West Delhi-110034. The Company is engaged in the business of Financing activities.

2. Basis of Preparation and Significant accounting policies**2.1 Statement of Compliance and Basis of Preparation and Presentation**

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Balance Sheet, Statement of Profit and Loss, Statement of Cash Flows and Statement of Changes in Equity are together referred as the financial statements of the Company.

The financial statements of the Company are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of Act and relevant amendment rules issued thereafter ("Ind AS").

The financial statements for the year ended March 31, 2022 are the first financials with comparatives, prepared under Ind AS. Effective April 1, 2021, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards, with April 1, 2020 as the transition date. The transition was carried out from the Indian Accounting Principle generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Refer Note 43 for an explanation of how the transition from previous GAAP to Ind AS has affected the Financial Position, Financial Performance and Cash Flows of the Company.

The financial statements are prepared and presented on going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) or any other authority, to the extent applicable.

Amounts in the financial statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act. Per share data is presented in Indian Rupee to two decimal places. The Company presents its Balance Sheet in the order of liquidity.

Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

2.2 Functional and Presentation Currency

The financial statements are presented in Indian Rupees (Rs.) which is the functional and the presentation currency of the Company and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

2.3 Basis of Measurement

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the Company.

Fair value is the price that likely to be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases.

Fair value measurements under Ind AS are categorised into fair value hierarchy based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:



- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

2.4 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognised prospectively. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Some of the areas involving significant estimation / judgement are determination of Expected Credit Loss, fair valuation of Investments, Income taxes and employee benefits.

2.5 Significant Accounting Policies

2.5.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

2.5.1.1 Interest

Interest income on financial instruments is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognised in the statement of profit and loss at initial recognition.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

2.5.1.2 Dividend Income

Dividend income is recognised when the Company's right to receive dividend is established.

2.5.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Company recognises the fee and commission income in accordance with the terms of the relevant contracts / agreement and when it is probable that the Company will collect the consideration.

2.5.1.4 Other Income

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

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HINDON MERCANTILE LIMITED

CIN U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**2.5.2 Financial Instruments****2.5.2.1 Fair Valuation of Investments**

Some of the Company's Investments are measured at fair value. In determining the fair value of such Investments, the Company uses quoted prices (unadjusted) in active markets for identical assets or based on inputs which are observable either directly or indirectly. However in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

2.5.2.2 Recognition and Initial Measurement

All financial assets and liabilities, with the exception of loans and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument.

Loans are recognised when fund transfer is initiated or disbursement cheque is issued to the customer. The Company recognises borrowings (other than debt securities) when funds are received by the Company.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognised immediately in the statement of profit and loss.

2.5.2.3 Classification and Subsequent Measurement of Financial Assets and Liabilities**2.5.2.3.1 Financial Assets**

The Company classifies and measures all its financial assets based on the business model for managing the assets and the asset's contractual terms, either at:

- Amortised cost
- Fair Value through other comprehensive income
- Fair Value through Profit and Loss

2.5.2.3.1.1 Amortised Cost

The Company classifies and measures cash and bank balances, Loans, Trade receivable, certain debt investments and other financial assets at amortised cost if the following condition is met:

Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI;

2.5.2.3.1.2 Fair Value through Other Comprehensive Income ("FVOCI")

The Company classifies and measures certain debt instruments at FVOCI when the investments are held within a business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments meet the Solely Payment of Principal and Interest on principal amount outstanding ('SPPI') test.

The Company measures all equity investments at fair value through profit or loss, unless the investments are not for trading and the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

2.5.2.3.1.3 Fair Value through Profit and Loss ("FVTPL")

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; and/or
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement is recognised in the statement of profit and loss.

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2.5.2.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the Solely Payments of Principal and Interest on the principal amount outstanding ("SPPI") and the business model test (refer note 2.5.2.4.1). The Company determines the business model at a level that reflects how the Company's financial instruments are managed together to achieve a particular business objective.

The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

2.5.2.4.1 Business Model Test

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company considers all relevant information and evidence available when making the business model assessment such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect a new business model. The Company reassesses its business model at each reporting period to determine whether the business model has changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business model.

Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

For an asset to be classified and measured at amortised cost or at FVOCI, its contractual terms should give rise to cash flows that meet SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI, such financial assets are either classified as fair value through profit & loss account or fair value through other comprehensive income.

2.5.2.4.1.1 Subsequent Measurement and Gain and Losses**Financial Assets at Amortised Cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Debt Instrument at FVOCI

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These assets are subsequently measured at fair value. Interest income and impairment loss are recognised in statement of profit and loss. Any gain or loss on subsequent measurement is recognised in OCI and on derecognition the cumulative gain or loss recognised in OCI will be recycled to statement of profit and loss.

Equity Instrument at FVOCI

Gains and losses on equity instruments measured at FVOCI are recognised in other comprehensive income and never recycled to the statement of profit and loss. Dividends are recognised in profit or loss as dividend income when the right to receive payment has been established, except when the Company benefits from such proceeds as a recovery of whole or part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are fair valued at each reporting date and not subject to an impairment assessment.

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gain or losses, including any interest or dividend income, are recognised in the statement of profit and loss.

2.5.2.4.1.2 Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets.

2.5.2.4.2 Financial Liabilities and Equity Instruments

2.5.2.4.2.1 Classification as Debt or Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

2.5.2.4.2.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the face value and proceeds received in excess of the face value are recognised as Securities Premium.

2.5.2.4.2.3 Subsequent Measurement and Gain and Losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

2.5.2.5 Impairment and Write-off

The Company recognises loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Other financial assets;
- Loan commitments

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or

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- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Company has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans are considered credit-impaired, the Company records an allowance for the life time expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

2.5.2.6 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement.

In particular, the estimation of the amount and timing of future cash flows based on Company's historical experience and collateral values when determining impairment losses along with the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on a collective basis.
- Company's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and the process followed by the Company in measurement of ECL has been detailed below.

2.5.2.6.1 Measurement of Expected Credit Losses

The Company calculates ECL based on probability-weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the portfolio. A cash shortfall is a difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

When estimating ECL for undrawn loan commitments, the Company estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the Interest rate on the loan.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Exposure at Default (EAD) is based on the amounts the Company expects to be owed at the time of default. For a revolving commitment, the Company includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

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Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired") either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Company's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

2.5.2.6.2 Significant Increase in Credit Risk

The Company monitors all financial assets, including loan commitments contracts issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company measures the loss allowance based on lifetime rather than 12-month ECL. The Company monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort.

The quantitative factors that indicate a significant increase in credit risk are reflected in PD models on a timely basis. However, the Company still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is a particular focus on assets that are included on a 'watchlist'. Given an exposure is on a watch list once, there is a concern that the credit worthiness of the specific counterparty has deteriorated. ECL assessment for watch list accounts is done on a case by case approach after considering the probability of weighted average in a different recovery scenario. For individual loans the Company considers the expectation of forbearance, payment holidays, and events such as unemployment, bankruptcy, divorce, or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD is more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when a financial asset becomes past due but not Stage 3; the Company considers that a significant increase in credit risk has occurred and the asset is classified in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

2.5.2.6.3 Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impaired includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for more than 90 days.

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2.5.2.6.4 Definition of Default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days + Accounts Identified by the Company as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Company.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not as relevant for individual lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

2.5.2.6.5 Write-off

Loans are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Recoveries resulting from the Company's enforcement activities could result in impairment gains.

2.5.2.7 Modification and Derecognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy, a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

Qualitative factors, such as contractual cash flows after modification, are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If there is a significant difference in present value, the Company deems the arrangement substantially different, leading to derecognition.

In the case where the financial asset is derecognised the loss allowances for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the revised terms may lead to a gain or loss on derecognition. The new financial asset may have a loss allowance measured based on 12-month ECL except where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Company monitors the credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

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HINDON MERCANTILE LIMITED

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification does not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance is continued to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans is generally measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognised in the statement of profit and loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in the statement of profit and loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to the statement of profit and loss.

2.5.2.8 Derecognition of Financial Liabilities

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

2.5.3 Investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.5.4 Property, Plant and Equipment ("PPE")

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

PPE is recognised when it is probable that future economic benefits associated with the item is expected to flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Administrative and other general overhead expenses that are specifically attributable to acquisition of PPE are allocated and capitalised as a part of the cost of the PPE.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

2.5.5 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognised in the statement of profit and loss when the asset is derecognised.

2.5.6 Capital work-in-progress

Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

2.5.7 Depreciation and Amortisation

Depreciation is recognised using written down value method so as to write off the cost of the assets less their residual values over their estimated useful lives specified in Schedule II to the Act. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is recognised on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use.

The useful life of the property, plant, equipment and Intangible Assets held by the Company is as follows:

Class of Assets	Useful Life
Computer	3 years
Vehicles	10 years
Office Equipments	5 years
Furniture & Fixtures	10 years
Website	3 years
Computer Software	2 years

Intangible assets with finite useful lives are amortised on written down value basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired.

2.5.8 Impairment of Assets other than Financial Instruments

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

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2.5.9 Employee Benefits**Short term Employee Benefits:**

Employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined Contribution Plans:

Contributions to defined contribution schemes such as employees' state insurance, employee provident fund and employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Post-employment Benefits:

The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability. The interest expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other items of other comprehensive income. They are included in Other Equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

2.5.10 Leases**The Company as Lessee**

The Company's lease asset classes primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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2.5.11 Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.5.12 Dividends on Equity Shares

The Company recognises a liability to make cash distributions to equity shareholders of the Company when the dividend is authorised and the distribution is no longer at the discretion of the Company and a corresponding amount is recognised directly in equity. As per the corporate laws in India, an interim dividend is authorised when it is approved by the Board of Directors and final dividend is authorised when it is approved by the shareholders.

2.5.13 Securities Premium Account

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.

2.5.14 Finance Costs

Finance costs include interest expense calculated using the EIR on respective financial instruments and borrowings is measured at amortised cost, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

2.5.15 Foreign Currencies

- (i) Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- (ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

2.5.16 Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation. Operating Segment are reported in a manner consistent with the internal reporting provided to accounting policies are in line with the internal reporting provided to the Chief Operating Decision maker.

2.5.17 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.5.18 Taxes on Income

The Company's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for certain tax positions.

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except when they relate to items that are recognized outside statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside statement of profit and loss.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-

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forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and depreciation carry-forwards could be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date, and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company provides for current tax liabilities at the best estimate that is expected to be paid to the tax authorities where an outflow is probable.

2.5.19 Goods and Services Tax Input Credit

Goods and Services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

2.5.20 Provisions, Contingent Liabilities and Contingent Assets

(a) Provisions are recognised only when:

- (i) The Company has a present obligation (legal or constructive) as a result of a past event; and
- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

(b) Contingent Liability is disclosed in case of:

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- (ii) A present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

(c) Contingent Assets:

- (i) Contingent assets are not recognised in the financial statements.
- (ii) Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.5.21 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.5.22 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses; and

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- iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3. Recent Accounting Developments

3.1 Law enacted but not effective

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

3.2 Amendments in Ind AS

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective from April 01, 2022:

(a) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees are to be included by an entity when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

(c) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its financial statements.

(d) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Company does not expect the amendment to have any significant impact in its financial statements.



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(Rs. in Lakhs)

4 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Cash on Hand	95.73	2.25	16.90
Balances with banks:			
– In current accounts	83.71	676.60	181.33
– Deposits with Bank having original maturity of less than 3 months	-	463.32	48.43
Total	179.44	1,142.17	246.66

5 Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Deposits with Bank having original maturity of more than 3 months	100.00	-	-
Total	100.00	-	-

6 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Receivables considered good-Secured	-	-	-
Receivables considered good-Unsecured	117.77	30.87	-
Receivables which have significant increase in Credit Risk	-	-	-
Receivable Credit Impaired	-	-	-
Receivables from sale of Investment	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	-
Total	117.77	30.87	-

Trade Receivables ageing Schedule as on March 31, 2022

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Receivables considered good-Unsecured	117.77	-	-	-	117.77
Total	117.77	-	-	-	117.77

Trade Receivables ageing Schedule as on March 31, 2021

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Receivables considered good-Unsecured	12.33	18.54	-	-	30.87
Total	12.33	18.54	-	-	30.87

No debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies in which any director is a partner or a director or a member.

7 Loans

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
At Amortised Cost			
(A) Term Loans			
Secured			
Loans against Vehicles	4,555.61	6,360.01	1,039.99
Loans against Gold/Gold Jewellery* (Refer note 7.2)	2,135.90	682.53	-
Loans against Land/Properties	236.67	193.42	77.27
Unsecured			
Loans to Others	34,208.49	28,466.30	3,057.49
Total Gross (A) (I)	41,136.67	35,702.26	4,174.75
Less: Impairment Loss Allowance	342.36	109.43	18.59
Total Net (A) (I)	40,794.31	35,592.83	4,156.16
(B) (i) Secured by Tangible Assets	6,928.18	7,235.96	1,117.26
(ii) Secured by In-tangible Assets	-	-	-
(iii) Unsecured	34,208.49	28,466.30	3,057.49
Total Gross (B) (I)	41,136.67	35,702.26	4,174.75
Less: Impairment Loss Allowance	342.36	109.43	18.59
Total Net (B) (I)	40,794.31	35,592.83	4,156.16
(C) (i) Loans in India			
(a) Public Sector	-	-	-
(b) Others	41,136.67	35,702.26	4,174.75
Total Gross (C) (I)	41,136.67	35,702.26	4,174.75
Less: Impairment Loss Allowance	342.36	109.43	18.59
Total Net (C) (I)	40,794.31	35,592.83	4,156.16
(II) Loan Outside India	-	-	-
Less: Impairment Loss Allowance	-	-	-
Total Net (C) (II)	-	-	-
Total Net (C) (I) & (II)	40,794.31	35,592.83	4,156.16

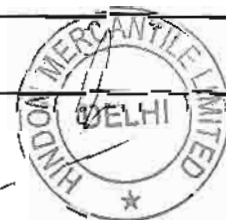
7.1 Loans granted to promoters, Directors, Key Management Personnels and related parties

a. repayable on demand	-	-	-
b. without specifying any terms or period of repayment	-	-	-
c. Others	-	-	-

Note:

Refer Note 30 for reconciliation of gross carrying amount of loans and expected credit loss thereon.

7.2 Gold/Gold Jewellery are pledged as security for overdraft taken from bank (Refer note 14)



(Rs. In Lakhs)

8 Investments

Particulars	Face value per share	Nos.	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Non-trade investments (at cost)					
Investment in Wholly owned subsidiary					
Investment in Equity Instruments (unquoted shares)					
Hindon Account Aggregation Services Private Limited	10	1,00,000	10.00	-	-
Hindon Peer to Peer Finance Private Limited	10	21,00,000	210.00	10.00	-
Trade investments (at cost)					
Investment in Subsidiary					
Investment in Equity Instruments (quoted shares)					
Mufin Green Finance Limited (Formerly APM Finvest Limited)	2	1,45,52,602	6,912.49	-	-
Total			7,132.49	10.00	-
Aggregate amount of quoted investments			6,912.49	-	-
Market value of quoted investments			8,949.85	-	-
Aggregate amount of unquoted investments			220.00	10.00	-
Impairment Loss Allowance (Expected Credit Loss)			-	-	-

9 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Interest accrued but not due	4.60	262.64	34.53
Security Deposits*	89.38	3.09	0.98
Advances to Staff	-	2.35	4.01
Insurance claim receivables	42.90	48.45	56.32
Other receivables	472.63	236.10	20.62
Total	609.51	552.63	116.46

*Includes Rs. 75 lakhs given as cash collateral against loan from Non-Banking Financial Institutions.

10 Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Deferred tax liability (A)	0.14	15.51	1.07
Deferred tax asset (B)	90.28	-	3.95
Deferred tax assets/(liabilities) (net) (refer note 32) (B-A)	90.14	(15.51)	2.88

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11. Property, Plant and Equipment, Right to use Assets & Other Intangible Assets as at March 31, 2022

Particulars	Gross Block			Depreciation/Amortisation			Net Block		
	As at April 01, 2021	Addition	Deduction/ Sale	As at March 31, 2022	As at April 01, 2021	For the Year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
A. Property, Plant and Equipment									
Furniture and fixtures	5.20	3.66	-	8.86	1.89	1.48	3.37	5.49	3.31
Vehicles	0.38	-	-	0.38	0.11	0.06	0.17	0.21	0.27
Office Equipments	15.04	1.07	-	16.11	1.15	6.34	7.49	8.61	13.89
Computers	8.22	10.15	-	18.37	4.52	4.02	8.54	9.83	3.70
Sub Total	28.84	14.87	-	43.71	7.67	11.91	19.57	24.14	21.17
Previous Year	12.10	16.74	-	28.84	5.92	1.75	7.67	21.17	6.18
B. Right to use Assets									
Office Premises	-	99.67	-	99.67	-	16.61	16.61	83.06	-
Sub Total	-	99.67	-	99.67	-	16.61	16.61	83.06	-
Previous Year	-	-	-	-	-	-	-	-	-
C. Other Intangible Assets									
Softwares	4.10	4.10	-	8.20	3.77	0.38	4.15	4.05	0.33
Sub Total	4.10	4.10	-	8.20	3.77	0.38	4.15	4.05	0.33
Previous Year	4.10	-	-	4.10	2.23	1.54	3.77	0.33	1.87

Property, Plant and Equipment & Other Intangible Assets as at March 31, 2021

Particulars	Gross Block			Depreciation/Amortisation			Net Block		
	As at April 01, 2020	Addition	Deduction/ Sale	As at March 31, 2021	As at April 01, 2020	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. Property, Plant and Equipment									
Furniture and fixtures	5.20	-	-	5.20	1.40	0.49	1.89	3.31	3.80
Vehicles	0.38	-	-	0.38	0.07	0.04	0.11	0.27	0.31
Office Equipments	1.32	13.72	-	15.04	0.55	0.60	1.15	13.89	0.77
Computers	5.20	3.02	-	8.22	3.90	0.62	4.52	3.70	1.30
Sub Total	12.10	16.74	-	28.84	5.92	1.75	7.67	21.17	6.18
Previous Year	4.74	-	-	4.74	1.59	-	1.59	3.15	-
B. Other Intangible Assets									
Softwares	4.10	-	-	4.10	2.23	1.54	3.77	0.33	1.87
Sub Total	4.10	-	-	4.10	2.23	1.54	3.77	0.33	1.87
Previous Year	-	4.10	-	4.10	-	2.23	2.23	1.87	-

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12 Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Softwares under development	147.15	-	-
Total	147.15	-	-

12.1 The development of the software commenced during the year, is scheduled for completion at the end of the financial year 2022-23.

13 Other Non-Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Balances with Government Authorities	126.65	89.59	2.74
Tax Credits/ Refund	182.18	136.94	226.04
Advances to Others	100.47	1.82	1.16
Prepaid Expenses	-	8.29	1.47
Total	409.30	236.64	231.41

14 Borrowings (other than Debt Securities)

At Amortised Cost

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Secured			
Term Loan			
- From Non-Banking Financial Institutions	1,657.33	-	-
Overdraft			
- From banks	993.04	199.39	0.76
Unsecured			
Term Loan			
- Loans from Others	92.27	-	-
Repayable on Demand			
- Loans from related parties	0.23	0.42	788.98
- Loans from Corporates	7,529.59	1,426.89	2,505.54
Total	10,272.46	1,626.70	3,295.28
Out of Above			
- In India	10,272.46	1,626.70	3,295.28
- Outside India	-	-	-
Total	10,272.46	1,626.70	3,295.28

14.1 Nature of Security

- Term Loans from Non-Banking Financial Institutions are secured against hypothecation of present and future receivables, cash collateral of Rs. 75 lakhs and personal guarantee of Directors. The same are repayable in equal instalments from 12 to 18 months.
- Overdraft facilities from Banks are against by pledge of gold loan security.
- Periodical Returns filed with the Banks in respect of overdraft facilities are in agreement with the books of account.
- The Company has duly filed Registration of charges and satisfaction of charges with the Registrar of Companies, as applicable.

14.2 Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2022

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Secured					
Term Loans					
- From Non-Banking Financial Institutions	1,588.14	89.88	-	-	1,678.02
Rate of Interest (ROI): 14-15.75%					
Overdraft					
- From banks	993.04	-	-	-	993.04
ROI: 9-11%					
Unsecured					
Term Loans					
- Loans from Others	92.27	-	-	-	92.27
ROI: 15-18%					
Repayable on Demand					
- Loans from Related Parties	0.23	-	-	-	0.23
ROI: 12-13%					
- Loans from Corporates	7,529.59	-	-	-	7,529.59
ROI: 10-18%					
Total	10,203.27	89.88	-	-	10,293.15
Processing Fee (Ind AS Adjustment)					(20.70)
Total					10,272.46

Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Secured					
Overdraft					
- From banks	199.39	-	-	-	199.39
ROI: 9-11%					



Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Repayable on Demand					
- Loans from related parties ROI: 12%	0.42	-	-	-	0.42
- Loans from Corporates ROI: 12%	1,426.89	-	-	-	1,426.89
Total	1,626.70	-	-	-	1,626.70
Processing Fee (Ind AS Adjustment)					-
Total					1,626.70

Terms of Repayment of Borrowings (other than Debt Securities) as at April 01, 2020

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Secured					
Overdraft					
- From banks ROI: 6.50%	0.76	-	-	-	0.76
Unsecured					
Repayable on Demand					
- Loans from related parties ROI: 12-13%	492.70	296.27	-	-	788.98
- Loans from Corporates ROI: 15%	4.30	2,501.23	-	-	2,505.54
Total	497.77	2,797.51	-	-	3,295.28
Loan Processing Adjustment					-
Total					3,295.28

15 Subordinated Debts

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Unsecured			
At Amortised Cost			
Term Loan			
- Loans from Corporates	30,000.00	30,000.00	-
Total	30,000.00	30,000.00	-

Terms of Repayment of of Subordinated Liabilities as at March 31, 2022

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Term Loan					
- Loans from Corporates ROI: 15% (presently 10% w.e.f November 2021)	-	-	30,000.00	-	30,000.00
Total	-	-	30,000.00	-	30,000.00

Terms of Repayment of of Subordinated Liabilities as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Term Loan					
- Loans from Corporates ROI: 15%	-	-	30,000.00	-	30,000.00
Total	-	-	30,000.00	-	30,000.00

16 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Interest accrued but not due on borrowing	406.23	668.16	76.21
Lease Liabilities	84.62	-	-
Salary and Other benefits payable	-	10.35	0.01
Liability for Expenses	81.04	1,392.37	2.25
Security Deposits	212.64	91.20	14.20
Advances from related party*	1,638.86	-	-
Advances from others	1.46	-	-
Total	2,424.85	2,162.08	92.67

* Represents advance received from subsidiary, Mufin Green Finance Limited towards transfer of loan portfolio (excluding interest accrued of Rs. 20.02 lakhs)

17 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Provision for Income-tax (net of advance tax)	-	22.33	5.36
Total	-	22.33	5.36



(Rs. in Lakhs)

18 Provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Provisions for Employee Benefits			
- Gratuity Payable (Refer note 31)	1.19	0.67	1.73
Total	1.19	0.67	1.73

19 Other Non-Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Statutory dues payable	10.34	137.70	13.22
Total	10.34	137.70	13.22

20 Equity Share capital

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Authorised share capital			
2,50,00,000 (March 31, 2021: 2,50,00,000, April 01, 2020: 60,00,000) equity shares of Rs. 10 each	2,500.00	2,500.00	600.00
Issued, subscribed and fully paid-up shares			
1,27,92,634 (March 31, 2021: 1,12,20,925, April 01, 2020: 56,87,346) equity shares of Rs. 10 each	1,279.26	1,122.09	568.73

20.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
At the beginning of the year	1,12,20,925	56,87,346	56,87,346
Issued during the year	15,71,709	55,33,579	-
Outstanding at the end of the year	1,27,92,634	1,12,20,925	56,87,346

20.2 Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share (March 31, 2021: Rs. 10 per share, April 01, 2020: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. All equity shareholders have right to get dividend in proportion to paid up value of each equity share as and when. 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.

20.3 Details of shareholders holding more than 5 percent shares in the Company

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		As at April 01, 2020	
	Nos.	% of holding	Nos.	% of holding	Nos.	% of holding
Mr. Kapil Garg	43,41,848	33.94%	39,06,358	34.81%	23,51,224	41.34%
Mr. Rajat Goyal	30,96,448	24.20%	29,89,866	26.65%	17,94,882	31.56%
Resilient Innovations Pvt. Ltd.	16,18,200	12.65%	15,62,500	13.92%	-	0.00%
Ms. Surabhi Setia	6,74,488	5.27%	6,51,272	5.80%	2,93,490	5.16%
Mr. Sandeep Jain	5,06,335	3.96%	4,88,907	4.36%	2,93,490	5.16%
Ms. Neha Agarwal	7,96,858	6.23%	4,88,907	4.36%	2,93,490	5.16%
Finmen Advisors Pvt. Ltd.	2,87,248	2.25%	2,77,361	2.47%	4,69,527	8.26%

20.4 Details of the shares held by Promoters in the Company

Name of the Promoter	As at March 31, 2022		As at March 31, 2021		% change in
	Nos.	% of holding	Nos.	% of holding	shareholding
Mr. Kapil Garg	43,41,848	33.94%	39,06,358	34.81%	11.15%
Mr. Rajat Goyal	30,96,448	24.20%	29,89,866	26.65%	3.56%

Details of the shares held by Promoters in the Company

Name of the Promoter	As at March 31, 2021		As at April 01, 2020		% change in
	Nos.	% of holding	Nos.	% of holding	shareholding
Mr. Kapil Garg	39,06,358	34.81%	23,51,224	41.34%	66.14%
Mr. Rajat Goyal	29,89,866	26.65%	17,94,882	31.56%	66.58%

20.5 The Funds raised by the company from preferential allotment/private placement of shares have been used for the purposes for which the funds were raised.

20.6 Shares allotted for a consideration other than cash:

The Company has allotted 5,25,82,946 and 17,54,400 no of fully paid up equity shares allotted on November 13, 2020 to the shareholders of Mufin Finance Limited and QTP Financial Services Private Limited respectively, under a scheme of arrangement (merger and amalgamation)(Refer note 40)

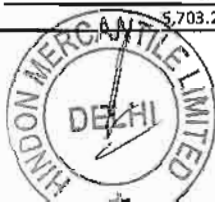
20.7 The Company has allotted 1,62,092 fully paid up equity shares on March 30, 2022 to the lenders of convertible loans amounting to Rs. 567.32 lakhs.

21 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Reserve Fund u/s 45-IC of RBI Act, 1934	395.51	256.88	193.22
Securities Premium	4,014.19	1,504.04	27.40
Impairment Reserve	0.73	0.73	-
Retained Earnings	1,292.42	737.91	564.01
Other Items of Other Comprehensive Income	0.41	-	-
Total Other Equity	5,703.26	2,499.56	784.63

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HINDON MERCANTILE LIMITED

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

21.1 Nature and Purposes of Reserves:

a. Reserve Fund u/s 45-IC of RBI Act, 1934:

The Company created a reserve fund pursuant to section 45 IC of the Reserve Bank of India Act, 1934 by transferring amount not less than 20% of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend declared. Withdrawal from this reserve is allowed only after obtaining permission from the RBI.

b. Securities Premium:

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

c. Retained Earnings:

Retained earnings comprise of the profits of the Company earned till date net of distributions and other adjustments.

d. Other Items of Other Comprehensive Income:

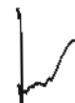
Other Comprehensive Income includes Remeasurement of the defined benefits plan (net)

e. Impairment Reserve:

Impairment Reserve comprise the amount of difference between the loss allowance on loan assets as required under Ind AS-109 and the provision required as per prudential norms of Reserve Bank of India on Income Recognition, Asset Classification and Provisioning (IRACP) appropriated from the net profit in terms of RBI notification. No withdrawals are permitted from this reserve without prior permission of the RBI.

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(Rs. in Lakhs)

22	Interest income			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Interest income on loans	7,552.25	4,110.31	
	Total	7,552.25	4,110.31	
23	Fee and Commission Income			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Loan Processing Fees	194.70	31.67	
	Total	194.70	31.67	
24	Other income			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Interest income on deposits with Banks	8.92	9.44	
	Interest on Income Tax Refund	0.09	-	
	Interest on Security Deposit	0.28	-	
	Business Auxiliary Service Charges	372.43	-	
	Miscellaneous Income	0.34	3.24	
	Total	382.07	12.68	
25	Finance Cost			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Interest on borrowings (other than debt securities)	916.13	70.87	
	Interest on Subordinated Debts	3,875.00	1,457.52	
	Interest on lease liabilities	4.16	-	
	Interest on others	-	0.94	
	Bank charges	4.31	3.08	
	Total	4,799.60	1,532.41	
26	Impairment of financial instruments			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	On financial instruments measured at amortised cost			
	- On loans	232.93	90.84	
	- Loan Assets Written Off (Net of Recoveries)	-	131.95	
	Total	232.93	222.79	
27	Employee benefits expenses			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Salaries and wages	507.11	82.26	
	Contribution to provident and other funds	19.37	3.83	
	Staff welfare expenses	4.89	1.17	
	Total	531.37	87.26	
28	Other expenses			
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
	Auditor's remuneration (Statutory Audit Fee)	2.52	1.59	
	Business auxiliary charges	1,575.77	1,778.02	
	Professional & legal charges	177.63	48.41	
	Miscellaneous expenses	18.58	29.48	
	Office Expenses	12.43	10.56	
	Printing and stationery	15.30	2.17	
	Rent	21.20	10.23	
	ROC Filing Fees	0.58	0.34	
	Travelling and conveyance	34.21	9.82	
	Total	1,858.22	1,890.62	

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HINDON MERCANTILE LIMITED

CIN U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**29. Contingent Liabilities and Commitments**

(a) Contingent Liabilities – Nil (March 31, 2021 – Nil, April 01, 2020 – Nil).

(b) Commitments – Nil (March 31, 2021 – Nil, April 01, 2020 – Nil).

30. Reconciliation of Gross Carrying Amount of Loans and Expected Credit Loss on Loans**A. Reconciliation of Gross Carrying Amount of Loans**

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Gross Carrying Amount at the beginning of the year	35702.26	4180.93
New Assets originated or purchased	141467.00	76471.00
Transfers to/ (from) Stage 1	(2276.68)	(108.94)
Transfers to/ (from) Stage 2	2102.00	(22.03)
Transfers to/ (from) Stage 3	174.68	130.97
Assets written off	-	(131.95)
Net Recovery	(136033.00)	(44817.72)
Gross Carrying amount at the end of the year	41136.26	35702.26

B. Reconciliation of Expected Credit Loss on Loans

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Expected Credit Loss at the beginning of the year	109.43	18.59
On Amount written off	-	131.95
On New Assets originated or purchased	707.33	191.18
Impact on Expected Credit Loss of Exposure transferred between stages during the year	117.43	13.04
Increase/(decrease) in provision on financial assets (net of recovery)	(591.84)	(245.33)
Increase/(Decrease) in Expected Credit Loss during the year	232.93	90.84
Expected Credit Loss at the end of the year*	342.36	109.43

*excluding amount of Rs. 0.73 lakhs of Impairment Reserve (Refer Note 44.6).

31. Details of Employees Benefits as required by the Ind AS 12 "Employee Benefits"**a) Defined Contribution Plans**

The company has recognized the following amounts in the Statement of Profit and Loss:

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to provident fund	14.61	2.80
Contribution to ESI	3.55	0.80
Contribution to EDLI	0.61	0.12
Administration Charges	0.60	0.11
Total	19.37	3.83

b) Post Retirement Benefit Plan**(i) Amount recognized in the Balance Sheet**

(Rs. in lakhs)				
Particulars	As at March 31, 2022		As at March 31, 2021	
	Gratuity	Compensated Absence	Gratuity	Compensated Absence
Present value of plan liabilities	0.67	-	-	-
Fair value of plan assets	-	-	-	-



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Deficit/(Surplus) of funded plans	0.52	-	0.67	-
Unfunded plans	-	-	-	-
Net plan liabilities/(assets)	1.19	-	0.67	-

(ii) Amount recognized in the Statement of Profit and Loss as Employee Benefit Expenses
(Rs. in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Gratuity	Compensated Absence	Gratuity	Compensated Absence
Current service cost	1.03	-	0.43	-
Past service cost	-	-	0.24	-
Interest cost	0.05	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial (Gains)/Losses	(0.56)	-	-	-
Total expenses	0.52	-	0.67	-

(iii) Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assumption		
Discount rate	7.26	6.76
Salary Escalation Rate #	10.00	10.00
Demographic Assumptions		
Retirement age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages		
- Up to 30 years	44.00	44.00
- From 31 to 44 years	44.00	44.00
- Above 44 years	44.00	44.00

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(iv) Sensitivity Analysis
(Rs. in lakhs)

	As at March 31, 2022			As at March 31, 2021		
	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities
Gratuity						
Discount rate	0.50%	(0.02)	0.02	0.50%	(0.02)	0.02
Salary Escalation Rate	0.50%	0.02	(0.02)	0.50%	0.02	(0.02)
Compensated Absence						
Discount rate	0.50%	-	-	0.50%	-	-
Salary Escalation Rate	0.50%	-	-	0.50%	-	-

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

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HINDON MERCANTILE LIMITED

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

(v) The defined benefit obligations maturing after year ended March 31, 2022

(Rs. in lakhs)

Maturing within	As at March 31, 2022	
	Gratuity	Compensated Absence
0 – 1 year	.*	-
1 – 2 years	.*	-
2 – 3 years	.*	-
3 – 4 years	.*	-
4 – 5 years	.*	-
5 – 6 years	.*	-
6 year onwards	.*	-

* Amount less than one thousand

32. Income Tax Expense

a) Tax expense recognized in the Statement of Profit and Loss

(Rs. in lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31, 2021
Current tax		
Current tax on taxable income for the year	113.17	161.60
Total Current tax expense	113.17	161.60
Deferred tax		
Deferred tax charge/(credit)	(105.79)	18.40
Total deferred tax expense/(credit)	(105.79)	18.40
Tax expense for the year	7.38	180.00
Tax related to earlier year	(22.52)	-
Total tax expense recognized for the year	(15.14)	180.00

b) A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

(Rs. in lakhs)

Particulars	For the year ended March 31,2022	For the year ended March 31, 2021
Effective Tax Rate	27.82%	27.82%
Profit before tax	678.00	418.29
Current tax expense on profit before tax expense at the enacted income tax rate in India	188.62	116.37
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income	(181.24)	63.63
Tax Expense for the year	7.38	180.00
Effect of earlier year tax adjustment	(22.52)	-
Tax Expense recognised in the Statement of Profit and Loss	(15.14)	180.00

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HINDON MERCANTILE LIMITED
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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
c) Deferred Tax Assets and Liabilities

(Rs. in lakhs)							
Particulars	As at April 1, 2020 -Deferred tax Asset/ (Liabilities)	(Credit)/ charge in statement of profit and loss	Credit/ (charge) in other compre hensive Income	As at March 31, 2021 -Deferred tax Assets/ (Liabilities)	(Credit)/ charge in statement of profit and loss	Credit/(ch arge) in other compre hensive Income	As at March 31, 2022 -Deferred tax Asset/ (Liabilities)
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(1.07)	4.33	-	(5.40)	(95.68)	-	90.28
Deferred Tax Assets	(1.07)	4.33	-	(5.40)	(95.68)	-	90.28
Impact of Provisions of Income Tax Act, 1961 and others	3.95	14.06	-	10.11	(10.11)	(0.14)	(0.14)
Deferred tax Assets	3.95	14.06	-	10.11	(10.11)	(0.14)	(0.14)
Deferred tax (Liabilities) / Assets (Net)	2.88	18.39	-	(15.51)	(105.79)	(0.14)	90.14

33. Capital Management

The primary objective of the Company's capital management is to maximize the shareholder value, safeguard the business continuity and to maintain strong capital base for investor, creditors and market confidence. For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, future plans and the requirements of the financial covenants. The funding requirements are met through loans and operating cash flows generated. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio as given below:

(Rs. in lakhs)			
Particulars	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
Borrowings (other than Debt Securities)	10,272.46	1,626.70	3,295.28
Subordinated Debts	30,000.00	30,000.00	-
Other financial liabilities	2,424.85	2,162.08	92.67
Less: Cash and cash equivalents	(179.44)	(1,142.17)	(246.66)
Net Debt (A)	42,517.87	32,646.61	3,141.29
Total Equity (B)	6,982.52	3,621.65	1,353.36
Capital and Net debt (C)=(A+B)	49,500.39	36,268.26	4,494.65
Gearing ratio (%) (A/C)	85.89%	90.01%	69.89%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021

34. Financial Risk Management

The Company is mainly engaged in Financing Activities. The Company's principal financial liabilities comprise borrowings and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include loans, cash and cash equivalents and receivables.

The risk management policies of the Company are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

The Company is exposed to credit risk, market risk and liquidity risk. The Company's management oversees the management of these risks to ensure the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk objectives. The major risks are summarized below:

34.1 Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to financial loss. The Company is exposed to credit risk from its financing activities towards Loans to various clients. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk has always been managed by the company through credit approvals, establish credit limits and continuous monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business.

Financial assets are written off when there is no reasonable expectation of recovery, such as a borrower failing to engage in a repayment plan with the Company. Where loans/interest have been written off, the Company continues to engage in enforcement activity to attempt to recover the loans/receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables/loans based on historical trend, available external and internal credit risk factors such as financial condition, ageing of accounts receivable etc., industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

As at March 31, 2022, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

34.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and market price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, investments, borrowings and fixed deposits.

34.2.1 Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rates are disclosed in the respective notes to the financial statements of the Company. The breakup of the financial assets and liabilities on the basis of interest and non-interest nature is as under:

Particulars	(Rs. in lakhs)		
	As at March 31,2022	As at March 31, 2021	As at April 01, 2020
Financial assets			
Non-interest bearing			
Cash and cash equivalents	179.44	678.85	198.23
Trade receivables	117.77	30.87	-
Investments	7,132.49	10.00	-
Others Financial Assets	609.51	552.63	116.46
Loans			
Interest bearing			
Deposits with Bank	100.00	463.32	48.43
Loans*	41,136.67	35,702.26	4,174.75
Financial liabilities			
Non-interest bearing			
Trade Payable	-	-	-
Other Financial Liability	2,424.85	2,162.08	92.67
Interest bearing			
Borrowings (other than Debt Securities)	10,272.46	1,626.70	3,295.28
Subordinated Debts	30,000.00	30,000.00	-

* Gross Portfolio

Sensitivity Analysis

The table below summaries the impact of increase and decrease in rate of interest on the Company's Equity/ other assets and profit for the year. The analysis is based on the assumption that the interest rate has increased/decreased by 50 base point.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**(a) Interest rate sensitivity - Borrowings**

	(Rs. in lakhs)	
	F.Y. 2021-22	F.Y. 2020-21
50 bp increase would decrease the profit before tax by	(201.36)	(158.13)
50 bp decrease would Increase the profit before tax by	201.36	158.13

(b) Interest rate sensitivity - Loans

	(Rs. in lakhs)	
	F.Y. 2021-22	F.Y. 2020-21
50 bp increase would increase the profit before tax by	205.68	178.51
50 bp decrease would decrease the profit before tax by	(205.68)	(178.51)

(c) Interest rate sensitivity – Fixed Deposits with Bank

	(Rs. in lakhs)	
	F.Y. 2021-22	F.Y. 2020-21
50 bp increase would increase the profit before tax by	0.50	2.32
50 bp decrease would decrease the profit before tax by	(0.50)	(2.32)

34.2.2 Currency Risk

The company does not have any currency risk exposure as there is no foreign currency obligation/receivable.

34.2.3 Market Price Risk

Market price risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices of equity shares. In the case of the Company, market risk primarily impacts financial instruments such as Investment in Equity Shares etc.

The Company exposure to market price risk arising from Investments held by the Company and is classified in the financial statements at Cost as the Investments are made in Subsidiaries.

The market value of the investment (quoted equity shares) is Rs. 8949.85 lakhs as at March 31, 2022 (As at March 31, 2021 – Nil)

Sensitivity Analysis

The table below summaries the impact of increase and decrease of the index on the Company's Equity/ other assets and profit for the year. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

	(Rs. in lakhs)	
Particulars	March 31, 2022	March 31, 2021
5% increase would increase the profit before tax by	447.49	-
5% decrease would decrease the profit before tax by	(447.49)	-

34.3 Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Liquidity risk are managed through combination of strategies like managing tenors in line with asset liability management policy and adequate liquidity cover is maintained. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior management. Management monitors the Company liquidity position through rolling forecasts on the basis of expected cash flows.

The analysis of financial liabilities by remaining contractual maturities:

	(Rs. in lakhs)			
Particulars	Less than 1 year/ On demand	1 to 5 years	> 5 years	Total
As at March 31, 2022				
Borrowings other than Debt Securities	10,203.27*	89.88	-	10,293.15
Subordinated Debts	-	30,000.00	-	30,000.00
Other financial liabilities	2371.23	53.62	-	2424.85
As at March 31 2021				



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Borrowings other than Debt Securities	1626.70		-	1626.70
Subordinated Debts	-	30,000.00	-	30,000.00
Other financial liabilities	2070.88	91.20	-	2162.08
As at April 01,2020				
Borrowings other than Debt Securities	497.77	2797.51	-	3,295.28
Other financial liabilities	78.47	14.20	-	92.67

*Gross of processing fee of Rs. 20.69 lakhs

35. Other Financial Instruments Disclosures
35.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 are as follows:

(Rs. in lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (Quoted)	6,912.49	-	-	6,912.49	6,912.49
(b) Investment in equity shares (unquoted)	220.00	-	-	220.00	220.00
(c) Trade receivables	117.77	-	-	117.77	117.77
(d) Loans	40,794.31	-	-	40,794.31	40,794.31
(e) Other financial assets	609.51	-	-	609.51	609.51
(f) Cash and cash Equivalents	179.44	-	-	179.44	179.44
(g) Bank balance other than cash and cash equivalents	100.00	-	-	100.00	100.00
Liabilities:					
(a) Borrowings other than Debt Securities	10,272.46	-	-	10,272.46	10,272.46
(b) Subordinated Debts	30,000.00	-	-	30,000.00	30,000.00
(c) Other financial liabilities	2,424.85	-	-	2,424.85	2,424.85

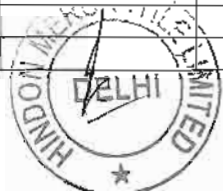
The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows:

(Rs. in lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (Quoted)	-	-	-	-	-
(b) Investment in equity shares (unquoted)	10.00	-	-	10.00	10.00
(c) Trade receivables	30.87	-	-	30.87	30.87
(d) Loans	35,592.83	-	-	35,592.83	35,592.83
(e) Other financial assets	552.63	-	-	552.63	552.63
(f) Cash and cash Equivalents	1,142.17	-	-	1,142.17	1,142.17
Liabilities:					
(a) Borrowings other than Debt Securities	1,626.70	-	-	1,626.70	1,626.70
(b) Subordinated Debts	30,000.00	-	-	30,000.00	30,000.00
(c) Other financial Liabilities	2,162.08	-	-	2,162.08	2,162.08

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The carrying value and fair value of financial instruments by categories as at April 01, 2020 are as follows:

(Rs. in lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (Quoted)	-	-	-	-	-
(b) Investment in equity shares (unquoted)	-	-	-	-	-
(c) Trade receivables	-	-	-	-	-
(d) Loans	4,156.16	-	-	4,156.16	4,156.16
(e) Other financial assets	116.46	-	-	116.46	116.46
(f) Cash and cash Equivalents	246.66	-	-	246.66	246.66
Liabilities:					
(a) Borrowings other than Debt Securities	3,295.28	-	-	3,295.28	3,295.28
(b) Subordinated Debts	-	-	-	-	-
(c) Other financial Liabilities	92.67	-	-	92.67	92.67

35.2 Fair Value Hierarchy

35.2.1 This section explains the judgments and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. It does not include fair value information for financial assets and liabilities if the carrying amount is a reasonable approximation of fair value.

(Rs. in lakhs)

Particulars	March 31, 2022			March 31, 2021			April 01, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets and Liabilities which are measured at fair value : recurring fair value measurement									
Assets:									
(a) Investment in equity shares (Quoted)	6,912.49	-	-	-	-	-	-	-	-
(b) Investment in equity shares (Unquoted)	-	-	220.00	-	-	10.00	-	-	-
Financial Assets and Liabilities which are measured at amortised cost for which fair values are disclosed									
Assets:									
	-	-	-	-	-	-	-	-	-
Liabilities:									
(a) Lease Liabilities	-	-	84.62	-	-	-	-	-	-

35.2.2 Measurement of fair values

The above table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Input other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- Inputs for the assets or the liabilities that are not based on observable market data (unobservable Inputs)

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Valuation Methodologies of financial instruments measured at fair value

- Listed Equity shares are measured on the basis of closing rate of the stock exchange where equity shares are listed.
- Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as Level 1.
- Alternative Investments Funds and Fixed Maturity Plan are measured on the latest NAV provided by the fund house and are classified as level 3.

(i) Fair value of financial assets and liabilities measured at amortised cost :-

(Rs. in lakhs)

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
Lease liabilities	84.62	-	-

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

(ii) The following methods and assumptions are used to estimate the fair value:

- Fair value of cash and cash equivalents, trade and other receivables, other payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

36. Maturity profile of Assets and Liabilities on undiscounted basis

(Rs. in lakhs)

Particulars	March 31, 2022		March 31, 2021		April 01, 2020	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial Assets						
Cash and cash equivalents	179.44	-	1,142.17	-	246.66	-
Bank balance other than cash and cash equivalents	100.00	-	-	-	-	-
Trade receivable	117.77	-	12.33	18.54	-	-
Loans	39350.39	1443.92	20313.76	15279.07	4156.16	-
Investments	-	7,132.49	-	10.00	-	-
Others Financial Assets	534.51	75.00	503.93	48.70	116.46	-
Non-Financial Assets						
Current tax assets (Net)	-	-	-	-	-	-
Deferred Tax Assets (Net)	-	90.14	-	-	-	2.89
Tangible Assets	-	24.14	-	21.17	-	6.18
Right of use assets	-	83.06	-	-	-	-
Intangible assets under development	147.15	-	-	-	-	-
Other Intangible assets	-	4.05	-	0.33	-	1.87
Other non-financial assets	100.47	308.83	10.11	226.53	231.41	-
Financial Liabilities						
Borrowing other than Debt Securities	10203.27*	89.88	1626.70	-	497.77	2797.51
Subordinated debts	-	30000.00	-	30000.00	-	-
Other financial liabilities	2371.23	53.62	2070.88	91.20	78.47	14.20
Non-Financial Liabilities						
Current tax liabilities (net)	-	-	22.33	-	5.36	-
Provisions	-	1.19	-	0.67	-	1.73
Deferred tax liabilities (net)	-	-	-	15.51	-	-
Other Non-Financial Liabilities	10.34	-	137.70	-	13.22	-

*Gross of processing fee of Rs. 20.69 lakhs.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**37. Disclosures as required by Ind AS-24 'Related Party'****37.1 List of Related parties and their relationship:**

S.No	Relation	Name	Particulars of Relationship
1	Subsidiary Company	Mufin Green Finance Limited Hindon Account Aggregation Services Private Limited Hindon Peer to Peer Finance Private Limited	w.e.f. March 09,2022 w.e.f October 15,2021
2	Key Management Personnel	Shri Kapil Garg Shri Ajay Kumar Chhabra	Managing Director w.e.f. September 07,2021 Company Secretary
3	Subsidiary of Subsidiary	Fintelligence Data Science Private Limited	w.e.f. June 16,2021
4	Relatives of Key Management Personnel	Shri Rajat Goyal Smt. Shelly Garg	Husband of Smt. Neha Aggarwal, Director Wife of Shri Kapil Garg, Managing Director
5	Non-Executive Directors	Smt. Neha Agarwal Shri Sandeep Jain Shri Luv Khanna Shri Pradip Kumar Kar Shri Amol Sinha	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director w.e.f October 23,2021 Non-Executive Director w.e.f November 25,2021

37.2 The following transactions were carried out with Related parties in the ordinary course of business:

(Rs. in lakhs)

Name of the Related party	Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
Shri Rajat Goyal	Shares issued	159.87	563.97
Shri Ghanshyam Das Goyal	Shares issued	-	3.59
Smt Geeta Devi Garg	Shares issued	-	235.12
Shri Luv Khanna	Shares issued	16.57	75.28
Shri Amol Sinha	Director Sitting fees	0.30	-
Shri Kapil Garg	Director's Remuneration	150.00	-
	Loan repaid	372.00	-
	Loan received	372.00	-
	Shares issued	228.88	505.57
	Interest Paid on Loan	4.92	2.13
Hindon Account Aggregation Services Private Limited	Interest paid on loan	0.25	-
	Loan repaid	9.78	-
	Purchase of Shares	10.00	-
	Loan received	10.00	-
Hindon Peer to Peer Finance Private Limited	Purchase of Shares	200.00	10.00
Shri Pradip Kumar Kar	Director	1.00	-
Shri Sandeep Jain	Shares issued	26.14	63.45
Smt Neha Agarwal	Interest paid on loan	-	0.19
	Shares issued	26.14	63.45
Smt Shelly Garg	Interest paid on loan	6.29	0.40
	Loan repaid	665.00	-
	Shares issued	20.00	-
	Loan received	665.00	-
Hindon Peer to Peer Finance Private Limited	Loan received	105.00	-
	Loan repaid	105.00	-
	Advance given	75.00	-
Mufin Green Finance Limited	Advances taken	7346.57	-
	Interest paid on loan	22.23	-
	Loan Portfolio transferred	2828.28	-
	Loan accounts transferred*	1479.42	-
	Advance repaid	1400.00	-
	Refunds of payments made on their behalf	161.93	-

*transferred as requested by the concerned borrowers.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**37.3 Outstanding balances with Related parties**

(Rs. in lakhs)

Name of the related party	Nature of transaction	As at March 31, 2022	As at March 31, 2021
Hindon Account Aggregation Services Private Limited	Loan outstanding (liability)	0.22	-
Hindon Peer to Peer Finance Private Limited	Advance outstanding (asset)	75.00	-
Mufin Green Finance Limited	Advance received (liability)	1658.88	-

37.4 Particulars of Remuneration to Key Management Personnel

(Rs. in lakhs)

Particulars	Shri Kapil Garg, Managing Director		Shri Ajay Chhabra, Company Secretary	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Salary and Allowances	150.00	-	8.26	-
Contribution to PF	-	-	0.20	-
Gratuity	-	-	-	-
Value of perquisites *	-	-	-	-

* calculated as per Income Tax Rules

37.5 No amount pertaining to related parties has been provided for as doubtful debts or written off.

37.6 Related party relationship is as identified by the Company.

38 Earnings per Share (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit for the year (before OCI) (Rs. in Lakhs)	693.14	238.29
Weighted average no. of Equity Shares	1,16,44,805	60,68,677
Diluted average no. of Equity Shares	1,16,44,805	60,68,677
Basic earnings per share (Rs.)	5.95	3.93
Diluted earnings per share (Rs.)	5.95	3.93
Face value of each share (Rs.)	10	10

39 Disclosures of Leases pursuant to Ind AS 116

39.1 The Company has taken building on operating lease for office use.

39.2 Amounts recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation Expenses	16.61	-
Interest Expenses	4.16	-
Total	20.77	-

39.3 The changes in the carrying value of right of use assets (ROU)

(Rs. in lakhs)

Particulars	Building	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	-	-
Additions	99.67	-
Deletion/Adjustment	-	-
Depreciation	(16.61)	-
Balance at the end of the year	83.06	-

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

39.4 The break-up of current and non-current lease liabilities

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current lease liabilities	29.84	-
Non-current lease liabilities	54.78	-
Total	84.62	-

39.5 The movement in lease liabilities

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	-	-
Additions	97.80	-
Interest Expenses	4.16	-
Deletions	-	-
Payment of lease liabilities	(17.34)	-
Balance at the end of the year	84.62	-

39.6 The details regarding the contractual maturities of lease liabilities on an undiscounted basis

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	36.30	-
One to five years	58.79	-
More than five years	-	-
Total	95.09	-

40 Pursuant to the order dated September 14, 2020 of the National Company Law Tribunal, New Delhi Bench IV, in the matter of amalgamation of Mufin Finance Limited and QTP Financial Services Private Limited with Hindon Mercantile Limited in a scheme of amalgamation under section 230 to 232 of the Companies Act, 2013 (the 'Scheme') w.e.f ' 31st July, 2019' (appointed date), in accordance with the scheme of amalgamation, with effect from the appointed date, the company has accounted for amalgamation of Mufin Finance Limited & QTP Financial Services Private Limited in its books of accounts as per "The Pooling of Interest Method" as described in Accounting Standard(AS)-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. In accordance with Para 10 of Accounting Standard (AS) 14, 'Accounting for Amalgamation', the company has effected said amalgamation recognizing the identifiable assets at their existing carrying amounts. In accordance with Paragraph 35 of aforesaid Accounting Standard-14, the difference between the amount recorded as share capital issued and the amount of share capital of the transferor company have been adjusted in reserves.

41 The Company's main business is Financing activities. All activities are carried out within India. As such there are no reportable segments as per Ind AS 108 - 'Operating Segments'.

42 The company does not see any challenge in the recoverability of the carrying values of its assets and to its liquidity position. The eventual outcome of impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to monitor any material changes to the future economic conditions.

43 Notes on Transition of financial statement to Ind AS**Transition to Ind AS**

The Company has prepared financial statement for the year ended March 31, 2022, in accordance with Ind AS for the first time. For the periods upto and including the year ended March 31, 2021, the company prepared financial statement in accordance with accounting standards notified under section 133 of the companies Act 2013, read together with the companies (Accounting Standard) Rules 2006, as amended (Previous GAAP). Accordingly, the company has prepared its financial statements to comply with Ind AS for the year ended March 31, 2022, together with comparative information as at and for the year ended March 31, 2021 as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening Balance Sheet was prepared as at April 1, 2020 i.e. the transaction date to Ind

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AS for the company. Previous GAAP financials statement as on April 1, 2020 being transition date and for previous year ended March 31, 2021 have been related as per Ind AS.

This note explains the principal adjustments made by the company in restating its Previous GAAP financial statements, including the Balance Sheet as at April 1, 2020, and the financial statements as at and for the year ended March 31, 2021.

43.1 Exemptions availed.**(i) Deemed Cost for Property, Plant and Equipment-**

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2018 (the transition date). Measured as per the Previous GAAP and use that carrying value its deemed cost as of the transition date under Ind AS.

(ii) Classification and Measurement of Financial Asset

The company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iii) Estimates-

On assessment of the estimates made under the previous GAAP financial statements, the company has concluded that there is no necessity to revise the estimate under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the company for the relevant reporting dates reflecting conditions existing as at that date. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Impairment of financial assets based on expected credit loss model.

(iii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstance that existed on the date of transition to Ind AS.

(iv) Exemption for business combination

The company has adopted not to apply Ind AS 103 Business Combinations retrospectively to pass business combination (business combination that occurred before transition to Ind AS).

43.2.1 Reconciliation of net profit for the year ended March 31, 2021 between the Previous GAAP and Ind AS is as under:

		(Rs. In Lakhs)
		Period ended March 31, 2021
Particulars		
Net profit as per Previous GAAP		318.33
<i>Adjustments:</i>		
Interest income on Finance Lease (Refer note 1)		76.62
Rental income on Finance Lease (Refer note 1)		(91.47)
Depreciation on assets of Finance Lease (Refer note 1)		14.85
MAT credit entitlement adjustment (Refer note 2)		(80.04)
Net Profit as per Ind AS		238.29
Re-measurement of the defined benefits plan		-
Total Comprehensive Income as per Ind AS		238.29

43.2.2 Reconciliation of Equity reported in Previous GAAP and Ind AS is as under:

			(Rs. In Lakhs)
Particulars	As at March 31, 2021	As at April 01, 2020	
Balance as per previous GAAP	3,621.65	1,353.36	
<i>Adjustments</i>	-	-	
Balances as per Ind AS	3,621.65	1,353.36	

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
43.2.3 Reconciliation of Equity as at April 01, 2020 and March 31, 2021 and Total Comprehensive Income for the year ended March 31, 2021
a. Reconciliation of Equity as at March 31, 2021
(Rs. In Lakhs)

S.No.	Particulars		Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS					
I	Financial Assets				
	a)	Cash and cash equivalents	1,142.17	-	1,142.17
	b)	Bank balances other than cash & cash equivalents	-	-	-
	c)	Receivables			
		-Trade Receivables	30.87	-	30.87
	d)	Loans	35,300.54	292.29	35,592.83
	e)	Investments	10.00	-	10.00
	f)	Other financial assets	552.63	-	552.63
	Total Financial assets		37,036.21	292.29	37,328.50
II	Non-Financial Assets				
	a)	Deferred tax assets (net)	-	-	-
	b)	Property, plant & equipment	313.46	(292.29)	21.17
	c)	Right of use assets	-	-	-
	d)	Intangible assets under development	-	-	-
	e)	Other Intangible assets	0.33	-	0.33
	f)	Other non-financial assets	236.64	-	236.64
	Total Non-financial assets		550.43	(292.29)	258.14
	Total Assets		37,586.64	-	37,586.64
LIABILITIES AND EQUITY					
LIABILITIES					
III	Financial Liabilities				
	a)	Payables			
		-Trade payables			
		i) Total outstanding dues of micro enterprises and small enterprises	-		-
		ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-		-
	b)	Borrowings (other than Debt Securities)	1,626.70	-	1,626.70
	c)	Subordinated Debts	30,000.00	-	30,000.00
	d)	Other financial liabilities	2,162.08	-	2,162.08
	Total Financial Liabilities		33,788.78	-	33,788.78
IV	Non-Financial Liabilities				
	a)	Current tax liabilities (net)	22.33	-	22.33

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

	b)	Provisions	0.67	-	0.67
	c)	Deferred tax liabilities (net)	15.51	-	15.51
	d)	Other non-financial liabilities	137.70	-	137.70
	Total Non-financial liabilities		176.21	-	176.21
EQUITY					
V	Equity				
	a)	Equity share capital	1,122.09	-	1,122.09
	b)	Other equity	2,499.56	-	2,499.56
	Total		3,621.65	-	3,621.65
	Total Liabilities and Equity		37,586.64	-	37,586.64

b. Reconciliation of Equity as at March 31, 2020

S. No	Particulars		Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS					
I	Financial Assets				
	a)	Cash and cash equivalents	246.66	-	246.66
	b)	Bank balances other than cash & cash equivalents	-	-	-
	c)	Receivables			
		-Trade Receivables	-	-	-
	d)	Loans	4,106.04	50.12	4,156.16
	e)	Investments	-	-	-
	f)	Other financial assets	116.46	-	116.46
	Total Financial assets		4,469.16	50.12	4,519.28
II	Non-Financial Assets				
	a)	Deferred tax assets (net)	2.88	-	2.88
	b)	Property, plant & equipment	56.30	(50.12)	6.18
	c)	Right of use assets	-	-	-
	d)	Intangible assets under development	-	-	-
	e)	Other Intangible assets	1.87	-	1.87
	f)	Other non-financial assets	231.41	-	231.41
	Total Non-financial assets		292.46	(50.12)	242.34
	Total Assets		4,761.62	-	4,761.62
LIABILITIES AND EQUITY					
LIABILITIES					
III	Financial Liabilities				

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

	a)	Payables			
		-Trade payables			
		i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
		ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	b)	Borrowings (other than Debt Securities)	3,295.28	-	3,295.28
	c)	Subordinated Debts	-	-	-
	d)	Other financial liabilities	92.67	-	92.67
		Total Financial Liabilities	3,387.95	-	3,387.95
IV		Non-Financial Liabilities			
	a)	Current tax liabilities (net)	5.36	-	5.36
	b)	Provisions	1.73	-	1.73
	c)	Deferred tax liabilities (net)	-	-	-
	d)	Other non-financial liabilities	13.22	-	13.22
		Total Non-financial liabilities	20.31	-	20.31
		EQUITY			
V		Equity			
	a)	Equity share capital	568.73	-	568.73
	b)	Other equity	784.63	-	784.63
		Total Equity	1,353.36	-	1,353.36
		Total Liabilities and Equity	4,761.62	-	4,761.62

c. Total Comprehensive income for the year ended March 31, 2021
(Rs. In Lakhs)

S.No.	Particulars	Previous GAAP	Ind AS Adjustments	Ind AS
	Revenue from operations			
	(i) Interest income	4,033.69	76.62	4,110.31
	(ii) Fee and commission income	31.67	-	31.67
I	Total Revenue from operations	4,065.36	76.62	4,141.98
II	Other income	104.15	(91.47)	12.68
III	Total Income (I+II)	4,169.51	(14.85)	4,154.66
	Expenses			
	(i) Finance costs	1,532.41	-	1,532.41
	(ii) Impairment of financial instruments	222.79	-	222.79

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

	(iii) Employee benefits expenses	87.26	-	87.26
	(iv) Depreciation and amortization	18.14	(14.85)	3.29
	(v) Other expenses	1,890.62	-	1,890.62
IV	Total Expenses	3,751.22	(14.85)	3,736.37
V	Profit before exceptional items and tax (III-IV)	418.29	-	418.29
VI	Exceptional items	-	-	-
VII	Profit before tax (V-VI)	418.29	-	418.29
VIII	Tax expense			
	1) Current tax	161.60	-	161.60
	2) MAT credit	(80.04)	80.04	-
	3) Tax related to earlier year	-	-	-
	4) Deferred tax	18.40	-	18.40
IX	Profit for the year (VII-VIII)	318.33	-	238.29
X	Other Comprehensive Income			
	A) i) Items that will not be reclassified to profit or loss	-	-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
	Sub Total A)	-	-	-
	B) i) Items that will be reclassified to profit or loss	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
	Sub Total B)	-	-	-
	Total Other Comprehensive Income (A+B)	-	-	-
XI	Total Comprehensive Income for the year (IX+X)	318.33	-	238.29

43.2.4 The Transition from Previous GAAP to Ind AS has no material adjustments on the Statement of Cash Flow except reclassification of certain items to confirm Ind AS presentation.

Notes:-**a. Leases**

The asset given on finance leases by the Company accounted as property, plant and equipment under previous GAAP has been restated as loan. Accordingly, Lease rent and depreciation accounted under previous GAAP reversed and Interest using EIR is accounted as Interest Income.

b. MAT credit entitlement adjusted from other equity.**c. Classification of financial instruments.**

The company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets/financial liabilities. Accordingly bifurcation of assets/liabilities as financial/Non- financial is identified and reclassified. However this reclassification is not presented as transition adjustments.

d. Effective Interest Rate (EIR).

Under Previous GAAP, Transaction costs charged to customers incurred by the company was recognized upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset/financial liability and recognized as interest income/interest expenses using the effective interest method.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**e. Fair valuation for financial Assets and Liabilities.**

The company has values financial assets and liabilities, at fair value and changes are recognized in statement of Profit and Loss.

f. Retained Earnings.

Retained Earnings as at April 01, 2020 have been adjusted consequent to the above Ind AS transition adjustments.

g. Expected Credit Loss.

The company made estimate of impairment of Financial Assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

44. Disclosure as per RBI Notifications / Circulars

44.1. Pursuant to RBI Circular RBI/2021-22/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021, on "Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications" the Company has taken necessary steps to revise its process of NPA classification to flag the borrower as overdue as part of the day-end process for the due date.

Further to this, on February 15, 2022, RBI allowed deferment of para 10 of the aforesaid circular till September 30, 2022 pertaining to upgrade of non performing accounts. However, the Company has opted for the deferment.

44.2. There are no write-offs/ technical write-offs of non-performing assets of loans during the year ended March 31, 2022. Therefore, no disclosures are required in terms of circular RBI/2021-2022/104/DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021.

44.3. Additional disclosures, to the extent applicable, in terms of Master Direction DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 (as amended):

(a) Investments:**(Rs. in lakhs)**

Particulars		As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
(1)	Value of Investments :			
	(i) Gross Value of Investments			
	(a) In India	7132.49	10.00	-
	(b) Outside India	-	-	-
	(ii) Provision for Depreciation			
	(a) In India	-	-	-
	(b) Outside India	-	-	-
	(iii) Value of Investments			
	(a) In India	7132.49	10.00	-
	(b) Outside India	-	-	-
(2)	Movement of provisions held towards depreciation on investments :			
	(i) Opening Balance	-	-	-
	(ii) Add : Provisions made during the year	-	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-	-
	(iv) Closing balance	-	-	-

(b) Exposure to Real Estate Sector:**(Rs. in lakhs)**

Particulars		As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
(A)	Direct Exposure			
(i)	Residential Mortgages:-			

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	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	236.67	193.42	77.27
(ii)	Commercial Real Estate:-			
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits;	-	-	-
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:-			
	(a) Residential	-	-	-
	(b) Commercial Real Estate	-	-	-
(B)	Indirect Exposure			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-	-
	Total Exposure to Real Estate Sector	236.67	193.42	77.27

(c) Exposure to Capital Market:
(Rs. in lakhs)

Particulars		As at March 31,2022	As at March 31,2021	As at April 01,2020
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	6912.49	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stock brokers and market makers;	-	-	-
(vi)	Bridge loans to companies against expected equity flows / issues;	-	-	-
(vii)	All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-
	Total Exposure to Capital Market	6912.49	-	-



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- 44.4.1 Details of loans not in default transferred during the year ended March 31, 2022 under the Master Direction – RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021:

(Rs. in lakhs)

Particulars	From lenders listed in Clause 3
Aggregate amount of loans transferred (Rs. in lakhs)	1,839.42
Weighted average maturity (in months)	11.76
Weighted average holding period (in months)	6.15
Retention of beneficial economic interest by the originator	Nil
Tangible security coverage	100%
Rating-wise distribution of rated loans	Not applicable

- 44.4.2 Details of stressed loans (Special Mention Accounts 'SMA') transferred during the year ended March 31, 2022 under the Master Direction – RBI (Transfer of Loan Exposures) Directions, 2021 dated September 24, 2021

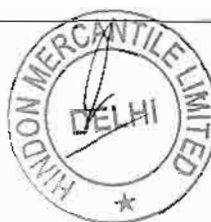
Particulars	From lenders listed in Clause 3
No. of accounts	1,206
Aggregate principal outstanding of loans transferred (Rs. in lakhs)	988.86
Weighted average residual tenor of the loans transferred (in months)	10.76
Net book value of loans transferred (at the time of transfer)	988.86
Aggregate consideration (Rs. in lakhs)	988.86
Additional consideration realized in respect of accounts transferred in earlier years	Nil

- 44.5 Details of Gross Advances, Gross NPAs, Net Advances and Net NPAs during the year ended March 31, 2022 pursuant to the Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated October 1, 2021:

(Rs. in lakhs)

Particulars	Amount
Part A	
1. Standard Advances	40,747.58
2. Gross Non-performing assets (NPAs)	389.09
3. Gross Advances (1+2)	41,136.67
4. Gross NPAs as a percentage of Gross Advances (2/3) (in %)	0.95%
5. Deductions	
(i) Provisions held in the case of NPA Accounts as per asset classification (including additional Provisions for NPAs at higher than prescribed rates).	126.45
(ii) DICGC / ECGC claims received and held pending adjustment	Nil
(iii) Part payment received and kept in Suspense Account or any other similar	Nil
(iv) Balance in Sundries Account (Interest Capitalization – Restructured Accounts), in respect of NPA Accounts	Nil
(v) Floating Provisions	Nil
(vi) Provisions in lieu of diminution in the fair value of restructured accounts classified as	Nil

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	(vii)	Provisions in lieu of diminution in the fair value of restructured accounts classified as standard assets	Nil
6.	Net Advances {3-5}		41,010.22
7.	Net NPAs {2-5(i + ii + iii + iv + v + vi)}		262.64
8.	Net NPAs as percentage of Net Advances (7/6) (in %)		0.64%
Part B			
1.	Provisions on Standard Assets excluding 5(vi) in Part A		215.91
2.	Interest recorded as Memorandum Item		Nil
3.	Amount of cumulative Technical Write - Off in respect of NPA accounts reported in Part A above		Nil

44.6 Disclosures pursuant to RBI Circular no. RBI/2019-20/170 DOR/NBFC.CC.PD NO.109/22.10.106/2019-20 dated March 13, 2020

As at March 31, 2022

(Rs. in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	37881.58	201.58	37680.00	151.53	50.05
	Stage 2	2866.00	14.33	2851.67	11.46	2.87
Subtotal		40747.58	215.91	40531.67	162.99	52.92
Non-Performing Assets (NPA)						
Sub standard	Stage 3	389.09	126.45	262.64	38.91	87.54
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	37881.58	201.58	37680.00	151.53	50.05
	Stage 2	2866.00	14.33	2851.67	11.46	2.87
	Stage 3	389.09	126.45	262.64	38.91	87.54
	Total	41136.67	342.36	40794.31	201.90	140.46



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As at March 31, 2021
(Rs. in lakhs)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5)= (3)-(4)	(6)	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	34723.85	86.08	34637.77	86.81	(0.73)
	Stage 2	764.00	1.91	762.09	1.91	-
Subtotal		35487.85	87.99	35399.86	88.72	(0.73)
Non-Performing Assets (NPA)						
Sub standard	Stage 3	214.41	21.44	192.97	21.44	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		-	-	-	-	-
Total	Stage 1	34723.85	86.08	34637.77	86.81	(0.73)
	Stage 2	764.00	1.91	762.09	1.91	-
	Stage 3	214.41	21.44	192.97	21.44	-
	Total	35702.26	109.43	35592.83	110.16	(0.73)

Note: The Company has transferred Rs. 0.73 Lakhs representing the amount of difference between the loss allowance as required under Ind AS-109 and the provision required as per prudential norms on Income Recognition, Asset Classification and Provisioning to Impairment Reserve in terms of RBI notification RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020.

44.7 Disclosures on Liquidity Risk Management, to the extent applicable required by Master Direction of RBI-DNBR.PD.008/03.10.119/2016-17 dated September 01,2016 (as amended):

44.7.1 Funding concentration based on significant counter party

(Rs. in lakhs)

S. No.	As at March 31, 2022				As at March 31, 2021			
	Number Of significant counterparties	Amount	% of total deposits	% of total liabilities	Number of significant counterparties	Amount	% of total deposits	% of total liabilities
1	20	40272.46	N.A.	94.30%	7	31626.70	N.A.	93.12%

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022
44.7.2 Top 10 Borrowings
(Rs. in lakhs)

S.No.	Name	As at March 31, 2022			As at March 31, 2021		
		Borrowings from party	Total borrowings	% Of total borrowings	Borrowings from party	Total borrowings	% Of total borrowings
1	Federal Bank	455.52	40272.46	1.13%	182.20	31626.70	0.58%
2	South Indian Bank	341.94	40272.46	0.85%	1.62	31626.70	0.01%
3	CSB Bank	0.00	40272.46	0.00%	15.58	31626.70	0.05%
4	Finmen Advisors Pvt. Ltd.	411.96	40272.46	1.02%	410.65	31626.70	1.30%
5	Resilient Innovations Pvt. Ltd.	36794.34	40272.46	91.36%	31016.24	31626.70	98.07%
6	City Union Bank	195.59	40272.46	0.49%	0.00	31626.70	0.00
7	Agility Ventures Pvt. Ltd.	90.74	40272.46	0.23%	0.00	31626.70	0.00
8	CKERS Finance Pvt. Ltd.	423.97	40272.46	1.05%	0.00	31626.70	0.00
9	Eclear Leasing & Finance Pvt. Ltd.	463.45	40272.46	1.15%	0.00	31626.70	0.00
10	Mas Financial Services Ltd.	790.61	40272.46	1.96%	0.00	31626.70	0.00
11	Ideas2IT Technology Services Pvt. Ltd.	200.00	40272.46	0.50%	0.00	31626.70	0.00

44.7.3 Funding concentration based on instrument/product
(Rs. in lakhs)

S. No.	Name of the instrument	As at March 31, 2022		As at March 31, 2021	
		Amount	% Of total liabilities	Amount	% Of total liabilities
1	Loan repayable on demand	7529.82	17.63%	1427.31	4.20%
2	Term loan	1749.60	4.10%	0.00	0.00%
3	Overdraft	993.04	2.33%	199.39	0.59%
4	Subordinated debts	30000.00	70.24%	30000.00	88.33%

44.7.4 Stock Ratios - Other Short Term Liabilities
(Rs. in lakhs)

S. No	As at March 31, 2022				As at March 31, 2021			
	Other Short term liabilities	% of total public fund	% of total liabilities	% of total assets	Other Short term liabilities	% of total public fund	% of total liabilities	% of total assets
1	2381.58	5.91%	5.58%	4.75%	2230.91	7.05%	6.57%	5.94%

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

44.8 Disclosures on Asset Liability Management (ALM) required by Master Direction of RBI- DNBR.PD.008/03.10.119/2016-17 dated September 01,2016 (as amended):

44.9 RBI

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HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

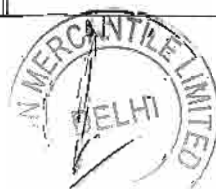
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

44.9 Schedule in terms of Paragraph 19 of "Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016" as amended.

(Rs. in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities				
(1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid :				
(a) Debentures : Secured	-	-	-	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	1,761.62	-	-	-
(d) Inter-corporate loans and borrowing	37,901.32	-	32,095.81	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (specify nature)	993.04	-	199.39	-
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
Assets	Amount outstanding		Amount outstanding	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :				
(a) Secured		6,928.18		6,977.50
(b) Unsecured		34,208.49		28,466.30
(4) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(i) Lease assets including lease rentals under sundry debtors :				
(a) Financial lease		116.64		289.34
(b) Operating lease		-		-
(ii) Stock on hire including hire charges under sundry debtors :				
(a) Assets on hire		-		-
(b) Repossessed Assets		-		-
(iii) Other loans counting towards AFC activities				
(a) Loans where assets have been repossessed		-		-
(b) Loans other than (a) above		-		-
(5) Break-up of Investments				
<u>Long Term investments</u>				
1. Quoted				
(i) Shares				
(a) Equity		6,912.49		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted				
(i) Shares				
(a) Equity		220.00		10.00
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
- Investment in AIF and Others		-		-
<u>Current investments</u>				
1. Quoted				
(i) Shares				
(a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-

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HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Rs. in lakhs)

Assets	Amount outstanding		Amount outstanding	
2. Unquoted				
(i) Shares				
(a) Equity	-		-	
(b) Preference	-		-	
(ii) Debentures and Bonds	-		-	
(iii) Units of mutual funds	-		-	
(iv) Government Securities	-		-	
(6) Borrower group-wise classification of assets financed as in (3) and (4) above :				
Category	Amount (net of provisions)		Amount (net of provisions)	
	Secured	Unsecured	Secured	Unsecured
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other Related parties	-	-	-	-
2. Other than Related parties	6,943.44	33,967.51	7,232.40	28,391.30
	6,943.44	33,967.51	7,232.40	28,391.30
(7) Investor group-wise classification of all investments in shares and securities:				
Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)	
1. Related Parties				
(a) Subsidiaries	9,166.22	7,132.49	9.89	10.00
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-
	9,166.22	7,132.49	9.89	10.00
(8) Other information				
Particulars	Amount		Amount	
(i) Gross Non-Performing Assets				
(a) Related parties	-		-	
(b) Other than related parties	389.09		214.40	
(ii) Net Non-Performing Assets				
(a) Related parties	-		-	
(b) Other than related parties	262.64		192.96	
(iii) Assets acquired in satisfaction of debt	-		-	



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HINDON MERCANTILE LIMITED

CIN U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022

45 Other disclosures/information

45.1 Additional information required as per Schedule III of the Companies Act, 2013 :

(i) Details of benami property held

No proceedings have been initiated or are pending against the Company as at March 31,2022 for holding benami property under the Benami Transactions (Prohibition) Act (45 of 1988), as amended and rules made thereunder.

(ii) Borrowing secured against current assets

The Company has taken overdraft facilities from the banks against pledge of the securities of gold loan assets. The periodical returns/statements filed by the Company with these banks are in agreement with the books of accounts.

(iii) Wilful defaulter

The company is not declared wilful defaulter by any bank, financial institution or lender as at March 31,2022.

(iv) Relationship with struck off companies

There are no transactions made by the Company during the year with struck off companies as at March 31,2022.

(v) Compliance with number of layers of companies

The Company had complied the provisions of section 186 of the Companies Act,2013 in respect of number of layers of Companies.

(vi) Compliance with approved scheme(s) of arrangements

During the year, no scheme of arrangements in relation to the Company has been approved by the competent authority in terms of Section 232 to 237 of the Companies Act,2013. Accordingly, this clause is not applicable to the company.

(vii) Utilisation of borrowed funds and share premium

As a part of normal lending business, the company grants loans and advances on the basis of security/guarantee provided by the Borrower/Co-borrower. These transactions are conducted after exercising proper due diligence.

Other than transactions described above, during the year the Company has not advanced or lend or invested funds (either from the borrowed funds or share premium or any other sources or kind of funds) to any person or entity, including foreign entity (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(viii) Undisclosed income

The Company does not have any unrecorded transactions in the books of account which have been surrendered or disclosed as Income during the year in the tax assessment under the Income Tax Act, 1961.

(ix) Transactions in crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2022.

(x) Revaluation of property, plant & equipment and intangible asset

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2022.

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HINDON MERCANTILE LIMITED

CIN U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31,2022**(xi) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are pending to be registered with the Registrar of Companies as on March 31,2022.

45.2 Other Statutory Information

- (i) During the year, provisions of Section 135 of the Companies Act,2013 is not applicable to the Company.
- (ii) There was no amount outstanding and due for transfer to the Investor Education and Protection Fund during the year ended March 31,2022.
- (iii) The Company has no long term contracts including derivative contracts having material foreseeable losses as at March 31,2022.
- (iv) The Company has not received any whistleblower complaint during the year ended March 31, 2022.
- (v) There are no pending litigations as at March 31,2022 having impact on the financial position of the Company.
- (vi) There are no outstanding dues (including interest) of 'Micro' and 'Small' Enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at March 31,2022 (March 31, 2021 – Nil, April 01, 2020 - Nil). Accordingly, no disclosures are required to be given under 'MSMED Act'.
- (vii) There is no Core Investment Company within the group as defined in the regulations made by the Reserve Bank of India.

46 Ratios Analysis

Ratio	Numerator	Denominator	For the Year 31.03.2022*	For the Year 31.03.2021	% Variance	Reason for Variance
Capital to risk-weighted assets ratio (CRAR)	Tier I+ Tier II Capital	Assets Ratio Tier I+ Tier II Capital Adjusted value of funded risk assets i.e. On Balance Sheet Item and Adjusted value of non funded risk assets i.e. Off Balance Sheet Item	0.98	14.98	(93.46)	Due to investment of Rs. 6,912.49 lakhs in a subsidiary, Mufin Green Finance Limited in March 9 th , 2022. The management has planned to infuse the fund in near future, which will improve the ratio.
Tier I CRAR	Tier I CRAR		0.49	9.83	(95.02)	
Tier II CRAR	Tier II CRAR		0.49	5.15	(90.49)	
Liquidity Coverage Ratio	High Quality Liquid Assets	Next 30 days Net Cash Outflow	Applicable	Applicable	Applicable	Applicable

*The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with Circular dt. 04.11.2019 RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/ 2019-20 issued by RBI.

47 Previous year figures have been regrouped / rearranged to confirm current year presentation wherever necessary.

As per our report of even date attached

For RSD & Co.

Chartered Accountants

Firm Registration No. 012777N

FOR AND ON BEHALF OF THE BOARD



Purnima Goel

Partner

Membership No. 526051



Mayank Pratap Singh

Company Secretary

Membership No.A46666



Luv Khanna

Director

DIN: 07723426



Kapi Garg

Managing Director

DIN: 01716987

Place: Delhi

Date: September 30, 2022





RSD & CO

CHARTERED ACCOUNTANTS

106A, Apra Plaza 'A', Plot No. 29, Community Centre, Road No. 44, Pitampura, Delhi - 110034
Ph No: 011-42644475, (M.) +91-9811141755 E-Mail: mail2rsd@gmail.com

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Hindon Mercantile Limited**

Opinion

We have audited the accompanying Consolidated Financial Statements of **Hindon Mercantile Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended on that date and a summary of significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

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

Information other than the financial statements and Auditor's report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and its Annexure but does not include the consolidated financial statements and our auditor's report thereon.

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 and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act read with the Companies (Indian Accounting Standards) rules 2015 as amended.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the respective Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate their respective Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies which are companies incorporated in India have adequate internal financial controls with reference to the consolidated financial statements 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 ability of the Group 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 consolidated 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 Group to cease to

continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

1. We draw attention to Note 45 to the consolidated financial statements in which the Holding Company and its subsidiaries namely Mufin Green Finance Limited (formerly APM Finvest Limited) and Fintelligence Data Science Private Limited, describe the uncertainties arising from the Covid-19 pandemic.
2. We did not audit financial statements of 2 subsidiary companies whose financial statements/financial information reflect total assets of Rs. 10,300.71 lakhs as at March 31, 2022, total revenue of Rs. 1,525.69 lakhs and net cash inflow of Rs. 889.08 lakhs for the year ended on that date before consolidation adjustments, as considered in the consolidated financial statements which have been audited by their respective independent auditors. The independent auditor's reports on the financial statement of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report.
3. We did not audit Intermediate consolidated financial statements of 1 subsidiary company comprising 1 subsidiary whose financial statements/financial information reflect total assets of Rs.328.92 as at March 31, 2022, total revenue of Rs.45.39 lakhs and net cash outflow of Rs.54.50 lakhs for the year ended on that date before consolidation adjustments, as considered in the consolidated financial statements which have been audited by its independent auditors. The independent auditor's reports on the consolidated financial statement of this subsidiary company have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, is based solely on the report of its auditors and the procedures performed by us as described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report.
4. The comparative financial information of the Group for the year ended March 31, 2021 included in these consolidated financial statements, have been prepared by the management after adjusting the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued financial statements were audited by M/s. PGSJ & Co., Chartered Accountants and their report for the financial year ended March 31, 2021 dated October 23, 2021 expressed an unmodified opinion on those financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us. Our opinion on the consolidated financial statements is not modified in respect of the above matters on the comparative financial information.

Our opinion is not modified in respect of these matters.

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Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports on separate financial statements of its subsidiaries, 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2022, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on March 31, 2022, from being appointed as a Director in terms of section 164 (2) of the Act.
 - f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure "A".
 - g) In our opinion and according to the information and explanations given to us and based on audit reports of the respective independent auditors on separate financial statements of such subsidiary, the remuneration paid/payable by the Holding Company to its director is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act. No managerial remuneration has been paid by any subsidiary company to its director during the year.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Group does not have any pending litigations as at March 31, 2022 having impact on its consolidated 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 was no amount which are required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
 - iv) (i) The respective Managements of the Holding Company and its subsidiary companies which are companies incorporated in India, have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (ii) The respective Managements of the Holding Company and its subsidiary companies which are companies incorporated in India, have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or its subsidiary companies shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on reasonable audit procedures adopted by us and those performed by the auditors of the subsidiaries incorporated in India, nothing has come to our notice or other auditors notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the Rule 11(e) as provided under (iv)(i) and (iv)(ii) above, contain any material mis-statement.
- vi) In our opinion and according to the information and explanation given to us, no dividend declared or paid during the year by the Group Companies except by a Subsidiary, Mufin Green Finance Limited (formerly APM Finvest Limited) whose Board of Directors have proposed dividend for the year ended March 31, 2022 which is subject to approval by the members of the respective subsidiary at its ensuing Annual General Meeting. The Dividend declared is in accordance with section 123 of the Act and RBI Regulation to the extent applicable.
- vii) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "CARO") issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and based on our consideration of CARO reports of the Company's subsidiaries issued by their respective independent auditors, we report that there are no qualifications or adverse remarks in these CARO reports.

For RSD & CO.
Chartered Accountants
Firm Registration No. 012777N


PURNIMA GOEL
Partner
Membership No. 526051
UDIN - 22526051BEIDHM5311

New Delhi
September 30, 2022

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the members of **Hindon Mercantile Limited** on the Consolidated Financial Statements for the year ended March 31, 2022)

Report on the Internal Financial Controls Over Financial Reporting 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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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


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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included 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 respective independent 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 these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its one of Subsidiary Company which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Other Matter:

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to 1 subsidiary company forming part of the Group, which is company incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

The Group include 2 subsidiary companies incorporated in India which are exempted under section 143(i) of the Act and therefore, auditors have not expressed their opinion on Internal Financial Controls Over Financial Reporting with reference to financial statements of those Companies.

For RSD & CO.

Chartered Accountants
Firm Registration No. 012777N

PURNIMA GOEL

Partner
Membership No. 526051
UDIN -22526051BEIDHM5311

New Delhi
September 30, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

(Rs. in Lakhs)

S.No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS				
I Financial Assets				
a)	Cash and cash equivalents	4	1,121.08	1,152.06
b)	Bank balances other than cash & cash equivalents	5	590.00	-
c)	Receivables			
	-Trade Receivables	6	122.37	30.87
d)	Loans	7	45,780.99	35,592.83
e)	Investments	8	999.95	-
f)	Other financial assets	9	819.32	552.63
Total Financial assets			49,433.71	37,328.39
II Non-Financial Assets				
a)	Deferred tax assets (net)	10	90.14	-
b)	Property, plant & equipment	11	93.30	21.17
c)	Right of use assets	11	83.06	-
d)	Intangible assets under development	12	147.15	-
e)	Goodwill	42	49.15	-
f)	Other Intangible assets	11	77.50	0.33
g)	Other non-financial assets	13	1,399.58	236.65
Total Non-financial assets			1,939.88	258.15
Total Assets			51,373.59	37,586.54
LIABILITIES AND EQUITY				
LIABILITIES				
III Financial Liabilities				
a)	Payables			
	-Trade payables			
	i) Total outstanding dues of micro enterprises and small enterprises		-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			
b)	Borrowings (other than Debt Securities)	14	10,251.93	1,626.70
c)	Subordinated Debts	15	30,000.00	30,000.00
d)	Other financial liabilities	16	802.71	2,162.08
Total Financial Liabilities			41,054.64	33,788.78
IV Non-Financial Liabilities				
a)	Current tax liabilities (net)	17	86.64	22.33
b)	Provisions	18	1.36	0.67
c)	Deferred tax liabilities (net)	10	6.55	15.51
d)	Other non-financial liabilities	19	25.41	137.70
Total Non-financial liabilities			119.96	176.21
EQUITY				
V Equity				
a)	Equity share capital	20	1,279.26	1,122.09
b)	Other equity	21	5,600.99	2,499.46
c)	Non-controlling interest		3,318.74	-
Total Equity			10,198.99	3,621.55
Total Liabilities and Equity			51,373.59	37,586.54

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

1-52

As per our report of even date attached

For RSD & Co.

Chartered Accountants

Firm Registration No.012777N

PURNIMA GOEL

Partner

Membership No.526051

Place : Delhi

Date : September 30, 2022

UIN-22526051BEIDHM5311

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mayank Pratap Singh

Company Secretary

M. No. A46666

Kapil Garg

Managing Director

DIN: 01715987

Luv Khanna

Director

DIN: 07723426



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022


(Rs. in Lakhs)				
S.No.	Particulars	Note No.	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Revenue from operations			
	(i) Interest income	22	7,561.54	4,110.31
	(ii) Fee and commission income	23	201.42	31.67
	(iii) Other operating revenue	24	8.67	-
I	Total Revenue from operations		7,771.63	4,141.98
II	Other income	25	382.06	12.68
III	Total Income (I+II)		8,153.69	4,154.66
	Expenses			
	(i) Finance costs	26	4,788.58	1,532.41
	(ii) Net loss on fair value changes		-	-
	(iii) Impairment of financial instruments	27	231.15	222.79
	(iv) Employee benefits expenses	28	587.89	87.26
	(v) Depreciation and amortization	11	37.66	3.29
	(vi) Other expenses	29	2,032.43	1,890.72
IV	Total Expenses		7,677.71	3,736.47
V	Profit before exceptional items and tax (III-IV)		475.98	418.19
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		475.98	418.19
VIII	Tax expense	33		
	1) Current tax		65.13	161.60
	2) Tax related to earlier year		(14.39)	-
	3) Deferred tax		(96.65)	18.40
IX	Profit for the year (VII-VIII)		521.89	238.19
X	Other Comprehensive Income			
	A) i) Items that will not be reclassified to profit or loss		0.81	-
	ii) Income tax relating to items that will not be reclassified to profit or loss	33	(0.21)	-
	Sub Total A)		0.60	-
	B) i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Sub Total B)		-	-
	Total Other Comprehensive Income (A+B)		0.60	-
XI	Total Comprehensive Income for the year (IX+X)		522.49	238.19
	Profit for the year attributable to: -			
	a) Owners of the Company		567.46	238.19
	b) Non controlling interest		(45.57)	-
	Other comprehensive income attributable to: -			
	a) Owners of the Company		0.54	-
	b) Non controlling interest		0.06	-
	Total comprehensive income attributable to: -			
	a) Owners of the Company		568.00	238.19
	b) Non controlling interest		(45.51)	-
XII	Earnings per Equity Share (Face value Rs. 10)			
	Basic (Rs.)	39	4.87	3.92
	Diluted (Rs.)	39	4.87	3.92

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

1-52

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012777N


PURNIMA GOEL
Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

UDIN: 22526051BEIDHM 5311

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Mayank Pratap Singh
Company Secretary
M. No. A46666


Kapil Garg
Managing Director
DIN: 01716987


Luv Khanna
Director
DIN: 07723426



	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Period ended March 31, 2021
Cash flow from operating activities		
Profit before tax	475.98	418.19
Adjustment for :		
Interest expenses on lease liabilities	4.16	-
Depreciation and amortization	37.66	3.29
Impairment on financial instruments	231.15	222.79
Operating profit before working capital changes	748.95	644.27
(Increase)/decrease in trade receivables	(91.50)	(30.87)
(Increase)/decrease in Bank balances other than cash & cash equivalents	(590.00)	-
(Increase)/decrease in loans (net)	(4,691.06)	(31,659.46)
Increase/(decrease) in financial liabilities	(1,466.42)	2,069.41
Increase/(decrease) in provisions	1.51	(1.06)
Increase/(decrease) in other non-financial liabilities	(113.10)	124.48
(Increase)/decrease in other non-financial assets	(1,072.52)	(5.24)
(Increase)/decrease in other financial assets	(262.47)	(436.17)
Cash generated from/(used in) operations	(7,536.61)	(29,294.64)
Direct tax paid (net)	(260.31)	(144.63)
Net cash generated from/(used in) operating activities (A)	(7,796.92)	(29,439.27)
Cash flow from investing activities		
Purchase of investments	(999.95)	-
Purchase of investments in subsidiaries	(7,062.49)	-
Loan given	(160.00)	-
Purchase of property, plant & equipment	(85.13)	(16.75)
Purchase of intangible assets under development	(147.15)	-
Purchase of intangible assets	(120.16)	-
Net cash generated from/(used in) investing activities (B)	(8,574.88)	(16.75)
Cash flow from financing activities		
Proceeds from Borrowings (other than debt securities)	18,402.58	198.63
Repayment of Borrowings (other than debt securities)	(9,210.02)	(1,867.21)
Proceeds from Subordinated Debts	-	30,000.00
Proceeds from equity share capital	2,099.99	2,030.00
Payment of lease liabilities	(17.34)	-
Net cash generated from/(used in) financing activities (C)	11,275.21	30,361.42
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,096.59)	905.40
Cash and cash equivalents at the beginning of the year	1,152.06	246.66
Cash and Cash Equivalents of subsidiaries at the time of acquisition	5,065.61	-
Cash and cash equivalents at the end of the year	1,121.08	1,152.06
Components of cash and cash equivalents:		
Cash on hand	95.73	2.25
Balances with banks		
- on current accounts	1,025.35	686.49
- Deposits with Bank having original maturity of less than 3 months	-	463.32
Total cash and cash equivalents	1,121.08	1,152.06

Note:

1. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 - "Statement of Cash Flows".
2. The Cash Flow from operating, investing and financing activities after considering the impact of acquisition of subsidiaries.

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

1-52

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012/77N

PURNIMA GOEL
Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

UDIN: 22526051BEEDHM5311

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mayank Pratap Singh
Company Secretary
M. No. A46666

Manoj Garg
Managing Director
DIN: 01716987

Luv Khanna
Director
DIN: 07723426



(Rs. in Lakhs)

A. EQUITY SHARE CAPITAL

Equity shares of Rs. 10 each issued, subscribed and fully paid-up

Particulars	Number	Amount
As at April 01, 2020	56,87,346	568.73
Add : Issued during the year	55,33,579	553.36
As at March 31, 2021	1,12,20,925	1,122.09
Add : Issued during the year	15,71,709	157.17
As at March 31, 2022	1,27,92,634	1,279.26

B. OTHER EQUITY

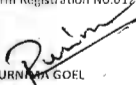
Particulars	Reserves and Surplus					Other Items of Other Comprehensive Income	Total other equity attributable to the owner of the Company	Other equity attributable to Non controlling interest
	Capital Reserve	Reserve Fund u/s 45-IC of RBI Act, 1934	Securities Premium	Retained Earnings	Impairment Reserve			
Balance as at April 01, 2020	-	193.22	27.40	564.01	-	-	784.63	-
Equity Shares issued during the year	-	-	1,476.64	-	-	-	1,476.64	-
Profit for the year	-	-	-	238.19	-	-	238.19	-
Transfer from Retained Earnings	-	63.65	-	-	0.73	-	64.38	-
Transfer to Impairment Reserve	-	-	-	(0.73)	-	-	(0.73)	-
Transfer to Reserve Fund	-	-	-	(63.65)	-	-	(63.65)	-
Balance as at March 31, 2021	-	256.87	1,504.04	737.82	0.73	-	2,499.46	-
Non -Controlling Interest on Acquisition	-	-	-	-	-	-	-	3,364.25
Equity Shares issued during the year	-	-	2,510.15	-	-	-	2,510.15	-
Profit for the year	-	-	-	567.46	-	-	567.46	(45.57)
Capital Reserve on Acquisition	23.38	-	-	-	-	-	23.38	-
Transfer from Retained Earnings(Note 21.1(a))	-	138.77	-	-	5.38	-	144.15	2.37
Transfer to Impairment Reserve	-	-	-	(5.38)	-	-	(5.38)	(2.37)
Transfer to Reserve Fund	-	-	-	(138.77)	-	-	(138.77)	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	0.54	0.54	0.06
Balance as at March 31, 2022	23.38	395.64	4,014.19	1,161.13	6.11	0.54	5,600.99	3,318.74

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

1-52

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No.012777N


PURNIMA GOEL
Partner
Membership No.526051
Place : Delhi
Date : September 30, 2022

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


Mayank Pratap Sin
Company Secretary
M. No. A46666

Rajul Gang
Managing Director
DIN: 01716987

Luv Khanna
Director
DIN: 07723476



UDIN 2526051BEIDHM5311

1. Corporate information

Hindon Mercantile Limited ('the Company' or 'the holding Company') is a Public Limited Company incorporated under the provisions of the Companies Act, 1956 with its registered office in Delhi to carry on the business of a Non-Public Deposit Accepting Non-Banking Finance Company in India. The Company is registered under Section 45-IA of Reserve Bank of India Act, 1934. The Company holds a valid Certificate of Registration (CoR) from the Reserve Bank of India. The registered office of the company is located at 201, 2nd Floor, Best Sky Tower, Plot No. F-5, Netaji Subhash Place, North West Delhi-110034. The Company is engaged in the business of Investment and financing activities. The company is also engaged in providing an online market place to the participants involved in Peer to Peer Lending and also act as a distributor of financial products and intended to engage in business of Account aggregation services

The consolidated financial statements comprise financial statements of Hindon Mercantile Limited ('the company' or 'the holding Company') and its subsidiaries (collectively "the group") for the year ended March 31, 2022.

The consolidated financial statements include the financial statements of the subsidiaries of Hindon Mercantile Limited ("the company" or 'the holding Company' or 'the parent'), consolidated in accordance with Indian Accounting Standard 110 'Consolidated Financial Statements.

Name of the company	Country of incorporation	% shareholding as at March 31, 2022	% shareholding as at March 31, 2021	Consolidated as	Date on which Company became subsidiary
Hindon Peer to Peer Finance Private Limited*	India	100	100	Subsidiary	w.e.f October 09, 2020
Mufin Green Finance Limited (Formerly known as APM Finvest Limited)	India	67.34	Not applicable	Subsidiary	w.e.f March 09, 2022
Hindon Account Aggregation Services Private Limited	India	100	Not applicable	Subsidiary	w.e.f. October 15, 2021

*The Consolidated financial statements of Hindon Peer to Peer Finance Private Limited include the financial statements of the following subsidiary company:

Name of the company	Country of incorporation	% shareholding as at March 31, 2022	% shareholding as at March 31, 2021	Consolidated as	Date on which Company became subsidiary
Fintelligence Data Science Private Limited	India	100	Not applicable	Subsidiary	w.e.f. June 17, 2021

2. Basis of Preparation and Significant accounting policies

2.1 Statement of Compliance and Basis of Preparation and Presentation

The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III to the Companies Act, 2013 (the "Act"). The Consolidated Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7



[Signature]

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"Statement of Cash Flows". The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity are together referred as the Consolidated Financial Statements of the Group.

The Consolidated Financial Statements of the Group are prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of Act and relevant amendment rules issued thereafter ("Ind AS").

The Consolidated Financial Statements for the year ended March 31, 2022 are the first financials with comparatives, prepared under Ind AS. Effective April 1, 2021, the Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards, with April 1, 2020 as the transition date. The transition was carried out from the Indian Accounting Principle generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). Refer Note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the Financial Position, Financial Performance and Cash Flows of the Group.

The Consolidated Financial Statements are prepared and presented on going concern basis and the relevant provisions of Act and the guidelines and directives issued by the Reserve Bank of India (RBI) or any other authority, to the extent applicable.

Amounts in the Consolidated Financial Statements are presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III to the Act. Per share data is presented in Indian Rupee to two decimal places. The Group presents its Balance Sheet in the order of liquidity.

Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing Ind AS requires a change in the accounting policy.

Basis of consolidation:

The consolidated financial statements incorporate the financial statements of the holding Group and its Subsidiaries being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing that give the ability to direct relevant activities which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the apparent Group where necessary adjustments are made to the financial statements of subsidiary to align the accounting policies in line with accounting policies of the group. For Non-wholly owned subsidiary a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of Profit and Loss and consolidated Balance Sheet. For acquisitions of additional interests in subsidiary where there is no change in control the group recognizes a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees being recognized in equity. The financial statements of subsidiary acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal as appropriate. Intragroup balances and transactions and any unrealized income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements unrealized losses are eliminated unless costs cannot be recovered.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income expense and cash flow of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- (b) Offset(eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

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- (c) The excess of cost to the Group of its investment, on the acquisition dates over and above the Group's share of equity in the Companies Consolidated, is recognized as Goodwill on Consolidation being an asset in the consolidated financial statements. The said Goodwill is not amortized, however, it is tested for impairment as at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in Companies consolidated as on the date of investment is in excess of cost of investments of the Group, it is recognized as Capital Reserve and shown under the head Other Equity in the Consolidated Financial Statements.
- (d) Eliminate in full intragroup assets and liabilities equity income expenses and cash flow relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets such as inventory and fixed assets are eliminated in full.

Profit or loss and each component of other comprehensive income (OCI) are attribute to the equity holders of the parent of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit valance when necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the group's accounting policies.

Non-controlling interests in the net assets of Companies consolidated is identified and presented in the Consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of Consolidated companies consists of:

- (a) The amount of equity attributable to non-controlling interests at the date on which investment is made; and
- (b) The non- controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The Profit /(loss) and other comprehensive income attributable to non-controlling interests are shown separately in the Consolidated Statement of Profit and Loss.

2.2 Functional and Presentation Currency

The Consolidated Financial Statements are presented in Indian Rupees (Rs.) which is the functional and the presentation currency of the Group and all values are rounded to the nearest lakhs with two decimals, except when otherwise indicated.

2.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values.

A historical cost is a measure of value used for accounting in which the price of an asset on the balance sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired by the Group.

Fair value is the price that likely to be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Consolidated Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116 Leases.

Fair value measurements under Ind AS are categorized into fair value hierarchy based on the degree

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to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access on measurement date;
- Level 2 inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 where unobservable inputs are used for the valuation of assets or liabilities.

2.4 Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements in conformity with Indian Accounting Standards ("Ind AS") requires the management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Revisions to accounting estimates are recognized prospectively. The Management believes that the estimates used in preparation of the Consolidated Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Some of the areas involving significant estimation / judgement are determination of Expected Credit Loss, fair valuation of Investments, Income taxes and employee benefits.

2.5 Significant Accounting Policies

2.5.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

2.5.1.1 Interest

Interest income on financial instruments is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets measured at fair value through profit and loss ("FVTPL"), transaction costs are recognized in the Consolidated Statement of Profit and Loss at initial recognition.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets/liabilities (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

2.5.1.2 Dividend Income

Dividend income is recognized when the Company's right to receive dividend is established.

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2.5.1.3 Fee and Commission Income

Fee and commission income include fees other than those that are an integral part of EIR. The Group recognizes the fee and commission income in accordance with the terms of the relevant contracts /agreement and when it is probable that the Group will collect the consideration.

2.5.1.4 Other Income

Other Income represents income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

2.5.2 Financial Instruments

2.5.2.1 Fair Valuation of Investments

Some of the Group's Investments are measured at fair value. In determining the fair value of such Investments, the Group uses quoted prices (unadjusted) in active markets for identical assets or based on inputs which are observable either directly or indirectly. However, in certain cases, the Group adopts valuation techniques and inputs which are not based on market data. When Market observable information is not available, the Group has applied appropriate valuation techniques and inputs to the valuation model.

2.5.2.2 Recognition and Initial Measurement

All financial assets and liabilities, with the exception of loans and borrowings are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument.

Loans are recognized when fund transfer is initiated or disbursement cheque is issued to the customer. The Group recognizes borrowings (other than debt securities) when funds are received by the Group.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities measured at FVTPL are recognized immediately in the Consolidated Statement of Profit and Loss.

2.5.2.3 Classification and Subsequent Measurement of Financial Assets and Liabilities

2.5.2.3.1 Financial Assets

The Group classifies and measures all its financial assets based on the business model for managing the assets and the asset's contractual terms, either at:

- Amortized cost
- Fair Value through other comprehensive income
- Fair Value through Profit and Loss

2.5.2.3.1.1 Amortized Cost

The Group classifies and measures cash and bank balances, Loans, Trade receivable, certain debt investments and other financial assets at amortized cost if the following condition is met:

Financial Assets that are held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows, and that have contractual cash flows that are SPPI;

2.5.2.3.1.2 Fair Value through Other Comprehensive Income ("FVOCI")

The Group classifies and measures certain debt instruments at FVOCI when the investments are held within a business model, the objective of which is achieved by both, collecting contractual cash flows and selling the financial instruments and the contractual terms of the financial instruments

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meet the Solely Payment of Principal and Interest on principal amount outstanding ('SPPI') test.

The Group measures all equity investments at fair value through profit or loss, unless the investments is not for trading and the Group's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

2.5.2.3.1.3 Fair Value through Profit and Loss ("FVTPL")

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; and/or
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement is recognized in the Consolidated Statement of Profit and Loss.

2.5.2.4 Evaluation of Business Model

Classification and measurement of financial instruments depends on the results of the Solely Payments of Principal and Interest on the principal amount outstanding ("SPPI") and the business model test (refer note 2.5.2.4.1). The Group determines the business model at a level that reflects how the Group's financial instruments are managed together to achieve a particular business objective.

The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those instruments.

2.5.2.4.1 Business Model Test

An assessment of business model for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business model at a level that reflects how financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group considers all relevant information and evidence available when making the business model assessment such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassesses its business model at each reporting period to determine whether the business model has changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business model.

Solely Payments of Principal and Interest ("SPPI") on the principal amount outstanding

For an asset to be classified and measured at amortized cost or at FVOCI, its contractual terms



should give rise to cash flows that meet SPPI test.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI, such financial assets are either classified as fair value through profit & loss account or fair value through other comprehensive income.

2.5.2.4.1.1 Subsequent Measurement and Gain and Losses

Financial Assets at Amortized Cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income and impairment loss are recognized in Consolidated Statement of Profit and Loss. Any gain or loss on DE recognition is recognized in Consolidated Statement of Profit and Loss.

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income and impairment loss are recognized in Consolidated Statement of Profit and Loss. Any gain or loss on subsequent measurement is recognized in OCI and on DE recognition the cumulative gain or loss recognized in OCI will be recycled to Consolidated Statement of Profit and Loss.

Equity Instrument at FVOCI

Gains and losses on equity instruments measured at FVOCI are recognized in other comprehensive income and never recycled to the Consolidated Statement of Profit and Loss. Dividends are recognized in profit or loss as dividend income when the right to receive payment has been established, except when the Group benefits from such proceeds as a recovery of whole or part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are fair valued at each reporting date and not subject to an impairment assessment.

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gain or losses, including any interest or dividend income, are recognized in the Consolidated Statement of Profit and Loss.

2.5.2.4.1.2 Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets.

2.5.2.4.2 Financial Liabilities and Equity Instruments

2.5.2.4.2.1 Classification as Debt or Equity

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

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2.5.2.4.2.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the face value and proceeds received in excess of the face value are recognized as Securities Premium.

2.5.2.4.2.3 Subsequent Measurement and Gain and Losses

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized in Consolidated Statement of Profit and Loss. Any gain or loss on DE recognition is recognized in Consolidated Statement of Profit and Loss.

2.5.2.5 Impairment and Write-off

The Group recognizes loss allowances for Expected Credit Losses on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Other financial assets;
- Loan commitments

Equity instruments are measured at fair value and not subject to an impairment loss.

ECL is required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e., loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL is measured at an amount equal to the 12-month ECL.

The Group has established a policy to perform an assessment at the end of each reporting period whether a financial instrument's credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instruments.

Based on the above process, the Group categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognized, the Group recognizes an allowance based on 12 months ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 to Stage 1.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Group records an allowance for the life time expected credit losses. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 to Stage 2.

Stage 3: When loans are considered credit-impaired, the Group records an allowance for the life time expected credit losses.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) DE recognition of the financial asset.

2.5.2.6 Determination of Expected Credit Loss ("ECL")

The measurement of impairment losses (ECL) across all categories of financial assets requires judgement.

In particular, the estimation of the amount and timing of future cash flows based on Group's historical experience and collateral values when determining impairment losses along with the



assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

Elements of the ECL models that are considered accounting judgments and estimates include:

- Bifurcation of the financial assets into different portfolios when ECL is assessed on a collective basis.
- Group's criteria for assessing if there has been a significant increase in credit risk.
- Development of ECL models, including choice of inputs / assumptions used.

The various inputs used and the process followed by the Group in measurement of ECL has been detailed below.

2.5.2.6.1 Measurement of Expected Credit Losses

The Group calculates ECL based on probability-weighted scenarios to measure expected cash shortfalls, discounted at an approximation to the portfolio. A cash shortfall is a difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

When estimating ECL for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down. The expected cash shortfalls are discounted at an approximation to the Interest rate on the loan.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Exposure at Default (EAD) is based on the amounts the Group expects to be owed at the time of default. For a revolving commitment, the Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

Probability of Default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired") either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.

Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and preference of claim and availability of collateral or other credit support.

Forward-looking economic information (including management overlay) is included in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the expected credit loss are monitored and reviewed on an ongoing basis.

2.5.2.6.2 Significant Increase in Credit Risk

The Group monitors all financial assets, including loan commitments contracts issued that are subject to impairment requirements, to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group measures the loss allowance based on lifetime rather than 12-month ECL. The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for a significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical



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experience that is available without undue cost or effort.

The quantitative factors that indicate a significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For corporate lending, there is a particular focus on assets that are included on a 'watchlist'. Given an exposure is on a watch list once, there is a concern that the credit worthiness of the specific counterparty has deteriorated. ECL assessment for watch list accounts is done on a case by case approach after considering the probability of weighted average in a different recovery scenario. For individual loans the Group considers the expectation of forbearance, payment holidays, and events such as unemployment, bankruptcy, divorce, or death.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the PD is more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when a financial asset becomes past due but not Stage 3; the Group considers that a significant increase in credit risk has occurred and the asset is classified in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

2.5.2.6.3 Credit-Impaired Financial Assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- restructuring of loans due to financial difficulty of the borrowers;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event. Instead the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortized cost are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funds.

A loan is considered credit-impaired when a concession is granted to the borrower due to deterioration in the borrower's financial condition. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for more than 90 days.

2.5.2.6.4 Definition of Default

The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL.



The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days + Accounts Identified by the Group as NPA as per regulatory guidelines + Objective Evidence for impairment (Qualitative Overlay); or
- the borrower is unlikely to pay its credit obligations to the Group.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not as relevant for individual lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

2.5.2.6.5 Write-off

Loans are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the

borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a DE recognition event. The Group may apply enforcement activities to financial assets written off/ may assign / sell loan exposure to ARC / Bank / a financial institution for a negotiated consideration. Recoveries resulting from the Group's enforcement activities could result in impairment gains.

2.5.2.7 Modification and DE recognition of Financial Assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximize collection and minimize the risk of default. Loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in DE recognition. In accordance with the Group's policy, a modification results in DE recognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:



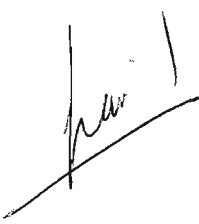


Qualitative factors, such as contractual cash flows after modification, are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, both amounts discounted at the original EIR. If there is a significant difference in present value, the Group deems the arrangement substantially different, leading to DE recognition.

In the case where the financial asset is derecognized the loss allowances for ECL is remeasured at the date of DE recognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the revised terms may lead to a gain or loss on DE recognition. The new financial asset may have a loss allowance measured based on 12-month ECL except where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognized at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors the credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in DE recognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- The remaining lifetime PD estimated based on data at initial recognition and the original contractual terms;
- The remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification does not result in DE recognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioral indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition, the loss allowance is continued to be measured at an amount equal to lifetime ECL. The loss allowance on forbore loans

is generally measured based on 12-month ECL when there is evidence of the borrower's improved repayment behavior following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to DE recognition, the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Group derecognizes a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in the Consolidated Statement of Profit and Loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Consolidated Statement of Profit and Loss.

On DE recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain/loss allocated to it that had been recognized in OCI is recognized in the Consolidated Statement of Profit and Loss. A cumulative gain/loss that had been recognized in OCI is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVOCI, as the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to the Consolidated Statement of Profit and Loss.

2.5.2.8 DE recognition of Financial Liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the Consolidated Statement of Profit and Loss.

2.5.3 Investment in subsidiaries

Investments representing equity interest in subsidiaries are carried at cost less any provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.5.4 Property, Plant and Equipment ("PPE")

PPE held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

PPE is recognized when it is probable that future economic benefits associated with the item is expected to flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Administrative and other general overhead expenses that are specifically attributable

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to acquisition of PPE are allocated and capitalized as a part of the cost of the PPE.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Profit and Loss.

2.5.5 Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from DE recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

2.5.6 Capital work-in-progress

Capital work in progress includes assets not ready for the intended use and is carried at cost, comprising direct cost and related incidental expenses.

2.5.7 Depreciation and Amortization

Depreciation is recognized using written down value method so as to write off the cost of the assets less their residual values over their estimated useful lives specified in Schedule II to the Act. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is recognized on prospective basis.

Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use.

The useful life of the property, plant, equipment and Intangible Assets held by the Group is as follows:

Class of Assets	Useful Life
Computer	3 years
Vehicles	10 years
Office Equipment's	5 years
Furniture & Fixtures	10 years
Website	3 years
Computer Software	2 years

Intangible assets with finite useful lives are amortized on written down value basis over the estimated useful life. The method of amortization and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are tested for impairment by comparing its recoverable amount with its carrying amount annually and whenever there is an indication that the intangible asset may be impaired.

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2.5.8 Impairment of Assets other than Financial Instruments

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of such reporting period.

2.5.9 Employee Benefits

Short term Employee Benefits

Employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Defined Contribution Plans

Contributions to defined contribution schemes such as employees' state insurance, employee provident fund and employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Group's provident fund contribution is made to a government administered fund and charged as an expense to the Consolidated Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Post-employment Benefits

The Group operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognized in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability. The interest expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognized in the Consolidated Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other items of other comprehensive income. They are included in Other Equity in the Statement of Changes in Equity and in the Balance Sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

2.5.10 Leases

The Group as Lessee

The Group's lease asset classes primarily consist of leases for office premises. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.5.11 Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.5.12 Dividends on Equity Shares

The Group recognizes a liability to make cash distributions to equity shareholders of the Group when the dividend is authorized and the distribution is no longer at the discretion of the Group and a corresponding amount is recognized directly in equity. As per the corporate laws in India, an interim dividend is authorized when it is approved by the Board of Directors and final dividend is authorized when it is approved by the shareholders.

2.5.13 Securities Premium Account

Securities premium is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares and issue expenses of securities which qualify as equity instruments.






2.5.14 Finance Costs

Finance costs include interest expense calculated using the EIR on respective financial instruments and borrowings is measured at amortized cost, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

2.5.15 Foreign Currencies

- (i) Functional currency of the Group and foreign operations has been determined based on the primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.
- (ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year-end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognized in the Consolidated Statement of Profit and Loss in the period in which they arise.

2.5.16 Business Combination

Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Group. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed.

Transaction costs are expensed as incurred, other than those incurred in relation to the issue of debt or equity securities. Any contingent consideration payable is measured at fair value at the acquisition date. Subsequent changes in the fair value of contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

2.5.17 Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Group to make decisions for performance assessment and resource allocation. Operating Segment are reported in a manner consistent with the internal reporting provided to accounting policies are in line with the internal reporting provided to the Chief Operating Decision maker.

2.5.18 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.5.19 Taxes on Income

The Group's tax jurisdiction is in India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for certain tax positions.

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Consolidated Statement of Profit and Loss except when they relate to items that are recognized outside Consolidated Statement of Profit and Loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside Consolidated Statement of Profit and Loss.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and depreciation carry-forwards could be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date, and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.



The Group provides for current tax liabilities at the best estimate that is expected to be paid to the tax authorities where an outflow is probable.

2.5.20 Goods and Services Tax Input Credit

Goods and Services tax input credit is recognized in the books of account in the period in which the supply of goods or service received is recognized and when there is no uncertainty in availing/utilizing the credits.

2.5.21 Provisions, Contingent Liabilities and Contingent Assets

(a) Provisions are recognized only when:

- (i) The Group has a present obligation (legal or constructive) as a result of a past event; and
- (ii) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows.

(b) Contingent Liability is disclosed in case of:

- (i) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or
- (ii) A present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognized and measured as a provision.

(c) Contingent Assets:

- (i) Contingent assets are not recognized in the Consolidated Financial Statements.
- (ii) Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.5.22 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:



- a) Estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) Uncalled liability on shares and other investments partly paid;
- c) Funding related commitment to associate and joint venture companies; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.5.23 Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows is prepared segregating the cash flows into operating, investing and investment and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses; and
- iii. All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Consolidated Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3. Recent Accounting Developments

3.1 Law enacted but not effective

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

3.2 Amendments in Ind AS

Ministry of Corporate Affairs (MCA), vide notification dated March 23, 2022, has made the following amendments to Ind AS which are effective from April 01, 2022:

(a) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees are to be included by an entity when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

(b) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract






The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

(c) Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its Consolidated Financial Statements.

(d) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. The Group does not expect the amendment to have any significant impact in its Consolidated Financial Statements.

(Rs. in Lakhs)

4 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on Hand	95.73	2.25
Balances with banks:		
– In current accounts	1,025.35	686.49
– Deposits with Bank having original maturity of less than 3 months	-	463.32
Total	1,121.08	1,152.06

5 Bank Balances other than Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with Bank having original maturity of more than 3 months	590.00	-
Total	590.00	-

6 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good-Secured	-	-
Receivables considered good-Unsecured	122.37	30.87
Receivables which have significant increase in Credit Risk	-	-
Receivable Credit Impaired	-	-
Receivables from sale of Investment	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total	122.37	30.87

Trade Receivables ageing Schedule as on March 31, 2022

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Receivables considered good-Unsecured	122.37	-	-	-	122.37
Total	122.37	-	-	-	122.37

Trade Receivables ageing Schedule as on March 31, 2021

Particulars	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	Total
Receivables considered good-Unsecured	12.33	18.54	-	-	30.87
Total	12.33	18.54	-	-	30.87

No debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms including limited liability partnerships (LLPs), private companies in which any director is a partner or a director or a member.

7 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
At Amortised Cost		
(A) Term Loans		
Secured		
Loans against Vehicles#	8,568.72	6,360.01
Loans against Gold/Gold Jewellery (Refer note 7.2)	2,135.90	682.53
Loans against Land/Properties	236.67	193.42
Loans to Corporates#	447.41	-
Unsecured		
Loans to Staff	5.11	-
Other Loans*	34,741.64	28,466.30
Total Gross (A) (I)	46,135.45	35,702.26
Less: Impairment Loss Allowance	354.46	109.43
Total Net (A) (I)	45,780.99	35,592.83
(B) (i) Secured by Tangible Assets	11,388.70	7,235.96
(ii) Secured by In-tangible Assets	-	-
(iii) Unsecured	34,746.75	28,466.30
Total Gross (B) (I)	46,135.45	35,702.26
Less: Impairment Loss Allowance	354.46	109.43
Total Net (B) (I)	45,780.99	35,592.83
(C) (I) Loans in India		
(a) Public Sector	-	-
(b) Others	46,135.45	35,702.26
Total Gross (C) (I)	46,135.45	35,702.26
Less: Impairment Loss Allowance	354.46	109.43
Total Net (C) (I)	45,780.99	35,592.83
(II) Loan Outside India	-	-
Less: Impairment Loss Allowance	-	-
Total Net (C) (II)	-	-
Total Net (C) (I) & (II)	45,780.99	35,592.83

*including loans repayable on demand

#Secured by hypothecation of vehicles/Immovable property of the borrower. Mortgage deeds are yet to be executed by Mufin Green Finance Ltd. (formerly APM Finvest Ltd.)

7.1 Loans granted to promoters, Directors, Key Management Personnels and related parties

a. repayable on demand	-	-	-
b. without specifying any terms or period of repayment	-	-	-
c. Others	-	-	-

7.2 Gold/Gold Jewellery are pledged as security for overdraft taken from bank (Refer note 14)

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(Rs. in Lakhs)

8 Investments

Particulars	Face value per share	Nos.	As at March 31, 2022	As at March 31, 2021
- Investments in Mutual Fund				
SBI Magnum Low Duration Fund	1,000	35,121	999.95	-
Total			999.95	-
Aggregate amount of quoted investments			999.95	-
Market value of quoted investments			999.95	-
Aggregate amount of unquoted investments			-	-
Impairment Loss Allowance (Expected Credit Loss)			-	-

9 Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	4.60	262.64
Security Deposits*	101.58	3.09
Advances to Staff/others	0.04	2.35
Insurance claim receivables	42.90	48.45
Other receivables	670.20	236.10
Total	819.32	552.63

Note: Other Receivables include Rs. 200 lakhs paid for allotment of units of SBI Mutual Fund - Magnum Low Duration Fund on March 31,2022 which were allotted on April 04,2022 to subsidiary, Mufin Green Finance Limited (formerly APM Finvest Limited)

*includes Rs. 75 lakhs given as cash collateral against loan from Non-Banking Financial Institutions.

10 Deferred tax assets/(liabilities) (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liability (A)	0.14	15.51
Deferred tax asset (B)	90.28	-
Deferred tax assts/(liabilities) (net) (refer note 33) C= (B-A)	90.14	(15.51)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liability (A)	9.63	-
Deferred tax asset (B)	3.08	-
Deferred tax assts/(liabilities) (net) (refer note 33) D= (B-A)	(6.55)	-
Deferred tax assts/(liabilities) (net) (refer note 33) (C+D)	83.59	(15.51)

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11. Property, Plant and Equipment, Right to use Assets & Other Intangible Assets as at March 31, 2022

Property, Plant and Equipment, Right to use Assets & Other Intangible Assets As at March 31, 2022												
Particulars	Gross Block (At cost)				Accumulated Depreciation/Amortisation					Net Block		
	As at April 01, 2021	Addition on consolidation	Addition	Disposals/Adj ustments	As at March 31, 2022	As at April 01, 2021	Addition on consolidation	For the Year	Disposals/Adj ustments	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
A. Property, Plant and Equipment												
Furniture and fixtures	5.70		3.66	-	8.86	1.89		1.48		3.37	5.49	3.11
Vehicles	0.38		-	-	0.38	0.11		-		0.11	0.27	0.27
Office Equipments	15.04	0.14	1.13	-	16.31	1.15	0.14	6.39		7.68	8.63	13.89
Computers	8.22	5.72	80.34	-	94.28	4.52	5.38	5.47		15.37	78.91	3.70
Sub Total	28.84	5.86	85.13	-	119.83	7.67	5.52	13.34		26.53	93.30	21.17
Previous Year	12.10		16.74	-	28.84	5.92		1.75		7.67	21.17	6.18
B. Right to use Assets												
Office Premises	-		99.67	-	99.67	-		16.61	-	16.61	83.06	-
Sub Total	-	-	99.67	-	99.67	-	-	16.61	-	16.61	83.06	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-
C. Other Intangible Assets												
Softwares	4.10	52.98	170.16	94.18	83.06	3.77	15.67	7.71	21.59	5.56	77.50	0.33
Sub Total	4.10	52.98	170.16	94.18	83.06	3.77	15.67	7.71	21.59	5.56	77.50	0.33
Previous Year	4.10		-	-	4.10	2.23		1.54		3.77	0.33	1.87

Property, Plant and Equipment & Other Intangible Assets as at March 31, 2021

Particulars	Gross Block				Depreciation/Amortisation				Net Block		
	As at April 01, 2020	Addition on consolidation	Addition	Deduction/Sale	As at March 31, 2021	As at April 01, 2020	Addition on consolidation	For the Year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. Property, Plant and Equipment											
Furniture and fixtures	5.20		-	-	5.20	1.40		0.49	1.89	3.31	3.80
Vehicles	0.38		-	-	0.38	0.07		0.04	0.11	0.77	0.71
Office Equipments	1.32		13.72	-	15.04	0.55		0.60	1.25	13.89	0.77
Computers	5.20		3.02	-	8.22	4.90		9.62	4.52	1.70	1.83
Sub Total	12.10	-	16.74	-	28.84	5.92	-	1.75	7.67	21.17	6.18
B. Other Intangible Assets											
Softwares	4.10		-	-	4.10	2.23		1.54	3.77	0.33	1.87
Sub Total	4.10	-	-	-	4.10	2.23	-	1.54	3.77	0.33	1.87

- a No proceedings have been initiated or are pending against the Group as at March 31, 2022 for holding benami property under the Benami Transactions (Prohibition) Act (45 of 1988), as amended and rules made thereunder.
- b The Group have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2022.

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12. Intangible assets under development

Particulars	As at March 31, 2022	As at March 31, 2021
Softwares under development	147.15	-
Total	147.15	-

12.1 The development of the software commenced during the year, is scheduled for completion at the end of the financial year 2022-23.

13. Other Non-Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Government Authorities	160.27	89.59
Tax Credits/ Refund	182.18	136.95
Advances to Others	1,056.05	1.82
Prepaid Expenses	1.08	8.29
Total	1,399.58	236.65

14. Borrowings (other than Debt Securities)
At Amortised Cost

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loan		
- From Non-Banking Financial Institutions	1,657.33	-
Overdraft		
- From banks	993.04	199.39
Unsecured		
Term Loan		
- Loans from Others	92.27	-
Repayable on Demand		
- Loans from related parties	1.00	0.42
- Loans from Corporates	7,508.29	1,426.89
Total	10,251.93	1,626.70
Out of Above		
- In India	10,251.93	1,626.70
- Outside India	-	-
Total	10,251.93	1,626.70

14.1 Nature of Security

- Term Loans from Non-Banking Financial Institutions are secured against hypothecation of present and future receivables, cash collateral of Rs. 75 lakhs and personal guarantee of Directors. The same are repayable in equal instalments from 12 to 18 months.
- Overdraft facilities from Banks are against by pledge of gold loan security.
- Periodical Returns filed with the Banks in respect of overdraft facilities are in agreement with the books of account.
- The Group has duly filed Registration of charges and satisfaction of charges with the Registrar of Companies, as applicable. Further, there are no charges or satisfaction which are pending to be registered with the Registrar of Companies as on March 31, 2022.
- The Group is not declared wilful defaulter by any bank, financial institution or lender as at March 31, 2022.
- The Group have utilised the borrowings taken from the banks/financial institution for the purpose for which loan was taken.

14.2 Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2022

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Secured					
Term Loans					
- From Non-Banking Financial Institutions	1,588.14	89.88	-	-	1,678.02
Rate of Interest (ROI): 14-15.75%					
Overdraft					
- From banks	993.04	-	-	-	993.04
ROI: 9-11%					
Unsecured					
Term Loans					
- Loans from Others	92.27	-	-	-	92.27
ROI: 15-18%					
Repayable on Demand					
- Loans from Related Parties	1.00	-	-	-	1.00
ROI: 12-13%					
- Loans from Corporates	7,508.29	-	-	-	7,508.29
ROI: 10-18%					
Total	10,182.74	89.88	-	-	10,272.62
Processing Fee (Ind AS Adjustment)					(20.69)
Total					10,251.93

Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Secured					
Overdraft					
- From banks	199.39	-	-	-	199.39
ROI: 9-11%					



(Rs. in Lakhs)

Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Repayable on Demand					
- Loans from related parties	0.42	-	-	-	0.42
ROI: 12%					
- Loans from Corporates	1,426.89	-	-	-	1,426.89
ROI: 12%					
Total	1,626.70	-	-	-	1,626.70
Processing Fee (Ind AS Adjustment)					
Total					1,626.70

15 Subordinated Debts

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
At Amortised Cost		
Term Loan		
- Loans from Corporates	30,000.00	30,000.00
Total	30,000.00	30,000.00

Terms of Repayment of of Subordinated Liabilities as at March 31, 2022

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Term Loan					
- Loans from Corporates	-	-	30,000.00	-	30,000.00
ROI: 15% (presently 10% w.e.f November 01, 2021)					
Total	-	-	30,000.00	-	30,000.00

Terms of Repayment of of Subordinated Liabilities as at March 31, 2021

Particulars	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	Total
Unsecured					
Term Loan					
- Loans from Corporates	-	-	30,000.00	-	30,000.00
ROI: 15%					
Total	-	-	30,000.00	-	30,000.00

16 Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowing	386.22	668.16
Lease Liabilities	84.62	-
Salary and Other benefits payable	3.20	10.35
Liability for Expenses	109.42	1,392.37
Security Deposits	217.79	91.20
Advances from others	1.46	-
Total	802.71	2,162.08

There was no amount outstanding and due for transfer to the Investor Education and Protection Fund during the year ended March 31, 2022.

17 Current Tax Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Income-tax (net of advance tax)	86.64	22.33
Total	86.64	22.33

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(Rs. in Lakhs)

18	Provisions			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Provisions for Employee Benefits			
	- Gratuity Payable (Refer note 32)	1.36	0.67	
	Total	1.36	0.67	
19	Other Non-Financial Liabilities			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Statutory dues payable	25.41	137.70	
	Total	25.41	137.70	
20	Equity Share capital			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Authorised share capital			
	2,50,00,000 (March 31, 2021: 2,50,00,000) equity shares of Rs. 10 each	2,500.00	2,500.00	
	Issued, subscribed and fully paid-up shares			
	1,27,92,634 (March 31, 2021: 1,12,20,925) equity shares of Rs. 10 each	1,279.26	1,122.09	
20.1	Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	At the beginning of the year	1,12,20,925	56,87,346	
	Issued during the year	15,71,709	55,33,579	
	Outstanding at the end of the year	1,27,92,634	1,12,20,925	
20.2	Terms/ rights attached to equity shares			
	The Company has only one class of equity shares having par value of Rs.10 per share (March 31, 2021: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. All equity shareholders are have right to get dividend in proportion to paid up value of each equity share as and when declared.			
	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.			
20.3	Details of shareholders holding more than 5 percent shares in the Company			
	Name of the Shareholder	As at March 31, 2022	As at March 31, 2021	
		Nos. % of holding	Nos. % of holding	
	Mr. Kapil Garg	43,41,848 33.94%	39,06,358 34.81%	
	Mr. Rajat Goyal	30,96,448 24.20%	29,89,866 26.65%	
	Resilient Innovations Pvt. Ltd.	16,18,200 12.65%	15,62,500 13.92%	
	Ms. Surabhi Setia	6,74,488 5.27%	6,51,272 5.80%	
	Mr. Sandeep Jain	5,06,335 3.96%	4,88,907 4.36%	
	Ms. Neha Agarwal	7,96,858 6.23%	4,88,907 4.36%	
	Finmen Advisors Pvt. Ltd.	2,87,248 2.25%	2,77,361 2.47%	
20.4	Details of the shares held by Promoters in the Company			
	Name of the Promoter	As at March 31, 2022	As at March 31, 2021	% change in
		Nos. % of holding	Nos. % of holding	shareholding
	Mr. Kapil Garg	43,41,848 33.94%	39,06,358 34.81%	11.15%
	Mr. Rajat Goyal	30,96,448 24.20%	29,89,866 26.65%	3.56%
20.5	The Funds raised by the company from preferential allotment/private placement of shares have been used for the purposes for which the funds were raised.			
20.6	Shares allotted for a consideration other than cash:			
	The Company has allotted 5,25,82,946 and 17,54,400 number of fully paid up equity shares allotted on November 13, 2020 to the shareholders of Mufin Finance Limited and QTP Financial Services Private Limited respectively, under a scheme of arrangement (merger and amalgamation)(Refer note 41)			
20.7	The Company has allotted 1,62,092 fully paid up equity shares on March 30, 2022 to the lenders of convertible loans amounting to Rs. 567.32 lakhs.			
21	Other Equity			
	Particulars	As at March 31, 2022	As at March 31, 2021	
	Reserve Fund u/s 45-IC of RBI Act, 1934	395.64	256.87	
	Securities Premium	4,014.19	1,504.04	
	Impairment Reserve	6.11	0.73	
	Retained Earnings	1,161.13	137.82	
	Capital Reserve	23.38		
	Other Items of Other Comprehensive Income	0.54		
	Total Other Equity	5,600.99	2,499.46	

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21.1 Nature and Purposes of Reserves:**a. Reserve Fund u/s 45-IC of RBI Act, 1934:**

The Group Companies created a reserve fund pursuant to section 45 IC of the Reserve Bank of India Act, 1934 by transferring amount not less than 20% of its net profit every year as disclosed in the Consolidated Statement of Profit and Loss and before any dividend declared wherever applicable. Withdrawal from this reserve is allowed only after obtaining permission from the RBI. Reserve fund related to subsidiaries are disclosed on post acquisition profit in proportion of the shareholding of the Holding Company amount is disclosed post acquisition.

b. Securities Premium:

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

c. Retained Earnings:

Retained earnings comprise of the profits of the Group earned till date net of distributions and other adjustments.

d. Other Items of Other Comprehensive Income:

Other Comprehensive Income includes Remeasurement of the defined benefits plan (net)

e. Impairment Reserve:

Impairment Reserve comprise the amount of difference between the loss allowance on loan assets as required under Ind AS-109 and the provision required as per prudential norms of Reserve Bank of India on Income Recognition, Asset Classification and Provisioning (IRACP) appropriated from the net profit in terms of RBI notification. No withdrawals are permitted from this reserve without prior permission of the RBI.

f. Capital Reserve:

Capital Reserve represents fair value of net assets acquired exceeds purchase cost .

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(Rs. in Lakhs)

22	Interest income		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Interest income on loans	7,561.54	4,110.31
	Total	7,561.54	4,110.31
23	Fee and Commission Income		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Loan Processing Fees	201.42	31.67
	Total	201.42	31.67
24	Other operating revenue		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Document Handling and Other Income	8.67	-
	Total	8.67	-
25	Other income		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Interest income on deposits with Banks	8.92	9.44
	Interest on Income Tax Refund	0.09	-
	Interest on Security Deposit	0.28	-
	Business Auxiliary Service Charges	372.43	-
	Miscellaneous Income	0.34	3.24
	Total	382.06	12.68
26	Finance Cost		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Interest on borrowings (other than debt securities)	893.65	70.87
	Interest on Subordinated Debts	3,875.00	1,457.52
	Interest on lease liabilities	4.16	-
	Interest on others	11.00	0.94
	Bank charges	4.77	3.08
	Total	4,788.58	1,532.41
27	Impairment of financial instruments		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	On financial instruments measured at amortised cost		
	- On loans	231.15	90.84
	- Loan Assets Written Off (Net of Recoveries)	-	131.95
	Total	231.15	222.79
28	Employee benefits expenses		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Salaries and wages	558.58	82.26
	Gratuity and Compensated Absence	1.44	-
	Contribution to provident and other funds (Refer note 32)	22.71	3.83
	Staff welfare expenses	5.16	1.17
	Total	587.89	87.26
29	Other expenses		
	Particulars	For the Year Ended March 31, 2022	For the Period Ended March 31, 2021
	Auditor's remuneration (Statutory Audit Fee)	5.42	1.59
	Business auxiliary charges	1,584.81	1,778.02
	Commission paid	15.20	-
	Portfolio management expenses	0.13	-
	Professional & legal charges	225.43	48.41
	Miscellaneous expenses	19.22	29.48
	Office Expenses	12.84	10.56
	Printing and stationery	15.32	2.17
	Postage and telegram	0.05	-
	Advertisement	81.89	-
	Rates, Taxes & Fees	5.54	0.44
	Rent (Refer Note 40)	29.15	10.23
	Marketing Expenses	1.06	-
	Maintenance Service	2.16	-
	Travelling and conveyance	34.21	9.82
	Total	2,032.43	1,890.72

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30. Contingent Liabilities and Commitments

(a) **Contingent Liabilities** – Nil (March 31, 2021 – Nil).

(b) **Commitments** – Nil (March 31, 2021 – Nil).

31. Partly owned subsidiary

Financial information of subsidiary (Mufin Green Finance Limited (formerly APM Finvest Limited) before adjustment that has non-controlling interests is provided below:

	Particulars	F Y 2021-22
		(Rs. in Lakhs)
i.	Summarized Balance Sheet	
	Ownership interest held by non- controlling interests	32.66%
	Financial assets	9,107.12
	Non-Financial assets	1,182.39
	Financial liabilities	(22.74)
	Non-Financial liabilities	(105.97)
	Net assets	10,160.80
	Consolidation adjustments	-
	Net assets after adjustments	10,160.80
	Net assets attributable to non- controlling interest	3,318.74
ii.	Summarized statement of profit and loss and other comprehensive income	
	Revenue	1,525.69
	Profit/ (loss) for the year	1088.19
	Other comprehensive income	0.19
	Total comprehensive income	1088.38
	Profit/ (loss) allocated to non-controlling interest	355.40
	Other comprehensive income allocated to non-controlling interest	0.06
	Dividend declared to non-controlling interest	13.94
iii.	Summarized cash flow statements	
	Cash flows from operating activities	(5,842.50)
	Cash flows from investing activities	6,740.86
	Cash flows from financing activities	(20.26)
	Net increase/(decrease) in cash and cash equivalents	878.10

32. Details of Employees Benefits as required by the Ind AS 12 "Employee Benefits"

a) Defined Contribution Plans

The Group has recognized the following amounts in the Consolidated Statement of Profit and Loss:

	(Rs. in lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to provident fund	17.28	2.80
Contribution to ESI	4.05	0.80
Contribution to EDLI	0.69	0.12
Administration Charges	0.69	0.11
Total	22.71	3.83

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b) Post Retirement Benefit Plan - Gratuity

(i) Amount recognized in the Balance Sheet

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	0.67	-
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	0.69	0.67
Unfunded plans	-	-
Net plan liabilities/(assets)	1.36	0.67

(ii) Amount recognized in the Consolidated Statement of Profit and Loss as Employee Benefit Expenses

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	1.44	0.43
Past service cost	-	0.24
Interest cost	0.06	-
Expected return on plan assets	-	-
Actuarial (Gains)/Losses	(0.81)	-
Total expenses	0.69	0.67

(iii) Assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Financial Assumption		
Discount rate	7.26	6.76
Salary Escalation Rate #	10.00	10.00
Demographic Assumptions		
Retirement age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at ages		
- Up to 30 years	44.00	44.00
- From 31 to 44 years	44.00	44.00
- Above 44 years	44.00	44.00

The estimate of rate of escalation in salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(iv) Sensitivity Analysis

	As at March 31, 2022			As at March 31, 2021		
	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities
Gratuity						
Discount rate	0.50%	(0.04)	0.04	0.50%	(0.02)	0.02

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	As at March 31, 2022			As at March 31, 2021		
	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities	Change in assumption	Increase impact on present value of plan liabilities	Decrease impact on present value of plan liabilities
Salary Escalation Rate	0.50%	0.04	(0.04)	0.50%	0.02	(0.02)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected Unit Credit Method) used to calculate the liability recognized in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

(v) The defined benefit obligations maturing after year ended March 31, 2022

(Rs. in lakhs)

Maturing within	As at March 31, 2022
0 - 1 year	0.01
1 - 2 years	0.02
2 - 3 years	0.04
3 - 4 years	0.15
4 - 5 years	0.07
5 - 6 years	0.04
6 year onwards	1.03

33. Income Tax Expense

a) Tax expense recognized in the Consolidated Statement of Profit and Loss

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current tax on taxable income for the year	65.13	161.60
Total Current tax expense	65.13	161.60
Deferred tax		
Deferred tax charge/(credit)	(96.65)	18.40
Total deferred tax expense/(credit)	(96.65)	18.40
Tax expense for the year	(31.52)	180.00
Tax related to earlier year	(14.39)	-
Total tax expense recognized for the year	(45.91)	180.00

b) A reconciliation of the tax expense to the amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Effective Tax Rate	27.82%	27.82%
Profit before tax	475.98	418.19
Current tax expense on profit before tax expense at the enacted income tax rate in India	132.42	116.34

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Tax effect of the amounts which are not deductible/ (taxable)/rate difference in calculating taxable income	(163.94)	63.66
Tax Expense for the year	(31.52)	180.00
Effect of earlier year tax adjustment	(14.39)	-
Tax Expense recognised in the Consolidated Statement of Profit and Loss	(45.91)	180.00

c) Deferred Tax Assets and Liabilities

Particulars	(Rs. in lakhs)							
	As at April 1, 2020 -Deferred Tax Asset/ (Liabilities)	(Credit)/ charge in Consolidated Statement of Profit and Loss	Credit/ (charge) in OCI	As at March 31, 2021 -Deferred Tax Assets/ (Liabilities)	Addition on consolidation	(Credit)/ charge in Consolidated Statement of Profit and Loss	(Credit)/ charge in OCI	As at March 31, 2022 -Deferred tax Asset/ (Liabilities)
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	(1.07)	4.33	-	(5.40)	(0.84)	(86.89)	-	80.65
Impact of Provisions of Income Tax Act, 1961 or Impairment, Employee benefits and others	3.95	14.06	-	(10.11)	3.50	(9.76)	0.21	2.94
Deferred tax (Liabilities) / Assets (Net)	2.88	18.39	-	(15.51)	2.66	(96.65)	0.21	83.59

* Amount less than one thousand.

34. Capital Management

The primary objective of the Group's capital management is to maximize the shareholder value, safeguard the business continuity and to maintain strong capital base for investor, creditors and market confidence. For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, future plans and the requirements of the financial covenants. The funding requirements are met through loans and operating cash flows generated. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep optimum gearing ratio as given below:

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Borrowings (other than Debt Securities)	10,251.93	1,626.70
Subordinated Debts	30,000.00	30,000.00
Other financial liabilities	802.71	2,162.08
Less: Cash and cash equivalents	(1,121.08)	(1,152.06)
Net Debt (A)	39,933.56	32,636.72
Total Equity (B)	10,198.99	3,621.55
Capital and Net debt (C)=(A+B)	50,132.55	36,258.27
Gearing ratio % (A/C)	79.66%	90.01%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021

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35. Financial Risk Management

The Group is mainly engaged in Investments & Financing activities and Other Financial Services. The Group's principal financial liabilities comprise borrowings and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include loans, cash and cash equivalents and receivables.

The risk management policies of the Group are established to identify and analyses the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group is exposed to credit risk, market risk and liquidity risk. The Group's management oversees the management of these risks to ensure the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk objectives. The major risks are summarized below:

35.1 Credit Risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to financial loss. The Group is exposed to credit risk from its investment and financing activities towards Loans to various clients. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk has always been managed by the Group through credit approvals, establish credit limits and continuous monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Financial assets are written off when there is no reasonable expectation of recovery, such as a borrower failing to engage in a repayment plan with the Group. Where loans/interest have been written off, the Group continues to engage in enforcement activity to attempt to recover the loans/receivable due. Where recoveries are made, these are recognized as income in the Consolidated Statement of Profit and Loss.

The Group measures the expected credit loss of trade receivables/loans based on historical trend, available external and internal credit risk factors such as financial condition, ageing of accounts receivable etc., industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

As at March 31, 2022, the Group did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the Consolidated Financial Statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

35.2 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and market price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, investments, borrowings and fixed deposits.

35.2.1 Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The interest rates are disclosed in the respective notes to the Consolidated Financial Statements of the Group. The breakup of the financial assets and liabilities on the basis of interest and non-interest nature is as under:

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Financial assets		
Non-interest bearing		
Cash and cash equivalents	1121.08	688.74
Trade receivables	122.37	30.87

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Investments	999.95	-
Others Financial Assets	819.32	552.63
Loans	-	-
Interest bearing		
Deposits with Bank	590.00	463.32
Loans*	46,135.45	35,702.26
Financial liabilities		
Non-interest bearing		
Trade Payable	-	-
Other Financial Liability	802.71	2,162.08
Interest bearing		
Borrowings (other than Debt Securities)	10,251.93	1,626.70
Subordinated Debts	30,000.00	30,000.00

* Gross Portfolio

Sensitivity Analysis

The table below summaries the impact of increase and decrease in rate of interest on the Group's Equity/ other assets and profit for the year. The analysis is based on the assumption that the interest rate has increased/decreased by 50 base point.

(a) Interest rate sensitivity - Borrowings

	F.Y. 2021-22	(Rs. in lakhs) F.Y. 2020-21
50 bp increase would decrease the profit before tax by	(201.36)	(158.13)
50 bp decrease would Increase the profit before tax by	201.36	158.13

(b) Interest rate sensitivity - Loans

	F.Y. 2021-22	(Rs. in lakhs) F.Y. 2020-21
50 bp increase would increase the profit before tax by	230.68	178.51
50 bp decrease would decrease the profit before tax by	(230.68)	(178.51)

(c) Interest rate sensitivity - Fixed Deposits with Bank

	F.Y. 2021-22	(Rs. in lakhs) F.Y. 2020-21
50 bp increase would increase the profit before tax by	2.95	2.32
50 bp decrease would decrease the profit before tax by	(2.95)	(2.32)

35.2.2 Currency Risk

The Group does not have any currency risk exposure as there is no foreign currency obligation/receivable.

35.2.3 Market Price Risk

Market price risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices of equity shares and mutual funds units. In the case of the Company, market risk primarily impacts financial instruments such as Investment in Mutual Funds, Equity Shares etc. measured at fair value through profit or loss.

The Company exposure to market price risk arising from Investments held by the Company and is classified in the financial statements at fair value through profit or loss. Categories of Investments held by the Company is given below:

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Particulars	Equity Shares(quoted)	Mutual Funds	(Rs. in lakhs)
			Total
Market value as at March 31, 2022	-	999.95	999.95
Market value as at March 31, 2021	-	-	-

Sensitivity Analysis

The table below summaries the impact of increase and decrease of the index on the Company's Equity/ other assets and profit for the year. The analysis is based on the assumption that the instrument index has increased by 5% or decreased by 5% with all other variables held constant.

Particulars	March 31, 2022	March 31, 2021	(Rs. in lakhs)
5% increase would increase the profit before tax by	50.00	-	
5% decrease would decrease the profit before tax by	(50.00)	-	

35.3 Liquidity Risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Liquidity risk are managed through combination of strategies like managing tenors in line with asset liability management policy and adequate liquidity cover is maintained. The Group's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior management. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows.

The analysis of financial liabilities by remaining contractual maturities:

Particulars	Less than 1 year / On demand	1 to 5 years	> 5 years	(Rs. in lakhs)
				Total
As at March 31, 2022				
Borrowings other than Debt Securities	10,182.74*	89.88	-	10,272.62
Subordinated Debts	-	30,000.00	-	30,000.00
Other financial liabilities	743.94	58.77	-	802.71
As at March 31 2021				
Borrowings other than Debt Securities	1626.70	-	-	1626.70
Subordinated Debts	-	30,000.00	-	30,000.00
Other financial liabilities	2070.88	91.20	-	2162.08

*Gross of processing fee of Rs. 20.69 lakhs

36. Other Financial Instruments Disclosures

36.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at **March 31, 2022** are as follows:

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total Carrying value	(Rs. in lakhs)
					Total fair value
Assets:					
(a) Investment in equity shares (unquoted)	-	-	-	-	-
(b) Mutual Funds	-	999.95	-	999.95	999.95

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(c) Trade receivables	122.37	-	-	122.37	122.37
(d) Loans	45,780.99	-	-	45,780.99	45,780.99
(e) Other financial assets	819.32	-	-	819.32	819.32
(f) Cash and cash Equivalents	1121.08	-	-	1121.08	1121.08
(g) Bank balance other than cash and cash equivalents	590.00	-	-	590.00	590.00
Liabilities:					
(a) Borrowings other than Debt Securities*	10,272.62	-	-	10,272.62	10,272.62
(b) Subordinated Debts	30,000.00	-	-	30,000.00	30,000.00
(c) Other financial liabilities	802.71	-	-	802.71	802.71

*Gross of processing fee of Rs. 20.69 lakhs

The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows:

(Rs. in lakhs)					
Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (unquoted)	-	-	-	-	-
(b) Mutual Funds	-	-	-	-	-
(c) Trade receivables	30.87	-	-	30.87	30.87
(d) Loans	35,592.83	-	-	35,592.83	35,592.83
(e) Other financial assets	552.63	-	-	552.63	552.63
(f) Cash and cash Equivalents	1,152.06	-	-	1,152.06	1,152.06
Liabilities:					
(a) Borrowings other than Debt Securities	1,626.70	-	-	1,626.70	1,626.70
(b) Subordinated Debts	30,000.00	-	-	30,000.00	30,000.00
(c) Other financial Liabilities	2,162.08	-	-	2,162.08	2,162.08

36.2 Fair Value Hierarchy

36.2.1 This section explains the judgments and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the Consolidated Financial Statements. It does not include fair value information for financial assets and liabilities if the carrying amount is a reasonable approximation of fair value.

(Rs. in lakhs)						
Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
(a) Investment in equity shares (Unquoted)	-	-	-	-	-	-
(b) Mutual Funds	999.95	-	-	-	-	-

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Assets:	-	-	-	-	-	-
Liabilities:						
Lease Liabilities	-	-	84.62	-	-	-

36.2.2 Measurement of fair values

The above table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Input other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- Inputs for the assets or the liabilities that are not based on observable market data (unobservable Inputs)

Valuation Methodologies of financial instruments measured at fair value

- Listed Equity shares are measured on the basis of closing rate of the stock exchange where equity shares are listed.

- Mutual Funds are measured based on the published net asset value (NAV) by AMFI and are classified as Level 1.

- (i) Fair value of financial assets and liabilities measured at amortized cost: -

Particulars	(Rs. in lakhs)	
	March 31, 2022	March 31, 2021
Lease liabilities	84.62	-

The fair value of the financial assets is included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

- (ii) The following methods and assumptions are used to estimate the fair value:

(a) Fair value of cash and cash equivalents, trade and other receivables, other payables and other financial liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

37. Maturity profile of Assets and Liabilities on undiscounted basis

Particulars	(Rs. in lakhs)			
	March 31, 2022		March 31, 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial Assets				
Cash and cash equivalents	1121.08	-	1,152.06	-
Bank balance other than cash and cash equivalents	590.00	-	-	-
Trade receivable	122.37	-	12.33	18.54
Loans	43059.12	2721.87	20313.76	15279.07
Investments	999.95	-	-	-
Others Financial Assets	736.10	83.22	503.93	48.70
Non-Financial Assets				
Current tax assets (Net)	-	-	-	-
Deferred Tax Assets (Net)	-	90.14	-	-
Tangible Assets	-	93.30	-	21.17
Right of use assets	-	83.06	-	-
Intangible assets under development	147.15	-	-	-
Goodwill	-	49.15	-	-
Other Intangible assets	-	77.50	-	0.33



Other non-financial assets	1090.75	308.83	10.11	226.54
Financial Liabilities				
Borrowing other than Debt Securities	10182.74*	89.88	1626.70	-
Subordinated debts	-	30000.00	-	30000.00
Other financial liabilities	743.94	58.77	2070.88	91.20
Non-Financial Liabilities				
Current tax liabilities (net)	86.64	-	22.33	-
Provisions	-	1.36	-	0.67
Deferred tax liabilities (net)	-	6.55	-	15.51
Other Non-Financial Liabilities	25.41	-	137.70	-

*Gross of processing fee of Rs. 20.69 lakhs.

38. Disclosures as required by Ind AS-24 'Related Party'

38.1 List of Related parties and their relationship:

S.No	Relation	Name	Particulars of Relationship
1	Key Management Personnel	Shri Kapil Garg Shri Ajay Kumar Chhabra Shri Adish Kumar Jain Shri Mayank Pratap Singh	Managing Director w.e.f. September 07, 2021 Company Secretary Chief Financial Officer of Subsidiary Company w.e.f. March 09, 2022 Company Secretary of Subsidiary Company w.e.f. March 09, 2022
2	Relatives of Key Management Personnel	Shri Rajat Goyal Smt. Shelly Garg	Husband of Smt. Neha Agarwal, Director Wife of Shri Kapil Garg, Managing Director
3	Non-Executive Directors	Smt. Neha Agarwal Shri Sandeep Jain Shri Luv Khanna Shri Pradip Kumar Kar Shri Amol Sinha	Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director w.e.f. October 23, 2021 Non-Executive Director w.e.f. November 25, 2021

38.2 The following transactions were carried out with Related parties in the ordinary course of business:

(Rs. in lakhs)			
Name of the Related party	Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
Shri Rajat Goyal	Shares issued	159.87	563.97
Shri Ghanshyam Das Goyal	Shares issued	-	3.59
Smt Geeta Devi Garg	Shares issued	-	235.12
Shri Luv Khanna	Shares issued	16.57	75.28
Shri Amol Sinha	Director Sitting fees	0.30	-
Shri Kapil Garg	Director's Remuneration	150.00	-
	Loan repaid	372.00	-
	Loan received	373.00	-
	Shares issued	228.88	505.57
	Interest Paid on Loan	4.92	2.13
Shri Pradip Kumar Kar	Director sitting fees	1.00	-
Shri Sandeep Jain	Shares issued	26.14	63.45
Smt Neha Agarwal	Interest paid on loan	-	0.19
	Shares issued	26.14	63.45
Smt Shelly Garg	Interest paid on loan	6.29	0.40
	Loan repaid	665.00	-
	Shares issued	20.00	-
	Loan received	665.00	-

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38.3 Outstanding balances with Related parties

Name of the related party	Nature of transaction	(Rs. in lakhs)	
		As at March 31, 2022	As at March 31, 2021
Kapil Garg	Loan outstanding (liability)	1.00	-

38.4 Particulars of Remuneration to Key Management Personnel

Particulars	Shri Kapil Garg, Managing Director		Shri Ajay Chhabra, Company Secretary	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Salary and Allowances	150.00	-	8.26	-
Contribution to PF	-	-	0.20	-
Gratuity	-	-	-	-
Value of perquisites *	-	-	-	-

Particulars	Shri Adish Kumar Jain, Chief Financial Officer		Shri Mayank Pratap Singh, Company Secretary	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Salary and Allowances	1.00	-	0.50	-
Contribution to PF	0.02	-	0.02	-
Value of perquisites *	-	-	-	-

* calculated as per Income Tax Rules

38.5 No amount pertaining to related parties has been provided for as doubtful debts or written off.

38.6 Related party relationship is as identified by the Company.

39. Earnings per Share (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit for the year (before OCI) attributable to the Company (Rs. in Lakhs)	567.46	238.19
Weighted average no. of Equity Shares	1,16,44,805	60,68,677
Diluted average no. of Equity Shares	1,16,44,805	60,68,677
Basic earnings per share (Rs.)	4.87	3.92
Diluted earnings per share (Rs.)	4.87	3.92
Face value of each share (Rs.)	10	10

40. Disclosures of Leases pursuant to Ind AS 116

40.1 The Group has taken building on operating lease for office use.

40.2 Amounts recognized in Consolidated Statement of Profit and Loss

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent Expenses	29.15	-
Depreciation Expenses	16.61	-
Interest Expenses	4.16	-
Total	49.92	-

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40.3 The changes in the carrying value of right of use assets (ROU)

(Rs. in lakhs)

Particulars	Building	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	-	-
Additions	99.67	-
Deletion/Adjustment	-	-
Depreciation	(16.61)	-
Balance at the end of the year	83.06	-

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Consolidated Statement of Profit and Loss.

40.4 The break-up of current and non-current lease liabilities

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current lease liabilities	29.84	-
Non-current lease liabilities	54.78	-
Total	84.62	-

40.5 The movement in lease liabilities

(Rs. in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	-	-
Additions	97.80	-
Interest Expenses	4.16	-
Deletions	-	-
Payment of lease liabilities	(17.34)	-
Balance at the end of the year	84.62	-

40.6 The details regarding the contractual maturities of lease liabilities on an undiscounted basis

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	36.30	-
One to five years	58.79	-
More than five years	-	-
Total	95.09	-

- 41.** Pursuant to the order dated September 14, 2020 of the National Company Law Tribunal, New Delhi Bench IV, in the matter of amalgamation of Mufin Finance Limited and QTP Financial Services Private Limited with Hindon Mercantile Limited ('the holding Company') in a scheme of amalgamation under section 230 to 232 of the Companies Act, 2013 (the 'Scheme') w.e.f. July 31, 2019 (appointed date), in accordance with the scheme of amalgamation, with effect from the appointed date, the company has accounted for amalgamation of Mufin Finance Limited & QTP Financial Services Private Limited in its books of accounts as per "The Pooling of Interest Method" as described in Accounting Standard(AS)-14 "Accounting for Amalgamations" issued by the Institute of Chartered Accountants of India. In accordance with Para 10 of Accounting Standard (AS) 14, 'Accounting for Amalgamation', the company has effected said amalgamation recognizing the identifiable assets at their existing carrying amounts. In accordance with Paragraph 35 of aforesaid Accounting Standard-14, the difference between the amount recorded as share capital issued and the amount of share capital of the transferor company have been adjusted in reserves.

42. Business Combination

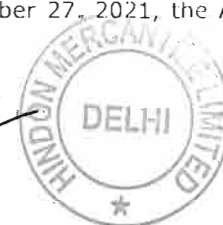
- (a) Mufin Green Finance Limited (Formerly known as APM Finvest Limited)

Pursuant to the Share Purchase Agreement entered into between the Sellers ("Outgoing Promoters") and Hindon Mercantile Limited and Kapil Garg ("Acquirers") on November 27, 2021, the Acquirers

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have acquired entire stake of Mufin Green Finance Limited (Formerly known as APM Finvest Limited) ('The Company') from the Outgoing Promoters resulting in change in management control w.e.f March 09, 2022. Consequently, the Acquirers are the new Promoters of the Company and the Outgoing Promoters have ceased to (i) hold any shares in the Company, (ii) hold control of the Company and (iii) be the Promoters of the Company. In this regard, the Company has received "No objection" from the Reserve Bank of India. The application filed by the Company with the stock exchange for reclassification of outgoing promoters to public category is under process. Brief description of Assets and Liabilities and Capital Reserve as on March 08, 2022 is given below:

(Rs. in Lakhs)

Particulars	Amount
Cash and Cash Equivalents	5013.78
Loans	5551.17
Other Financial Assets	4.14
Property, Plant and Equipment and Intangible Assets	0.04
Deferred Tax Assets(net)	3.49
Other Non-Financial Assets	7.37
Total Assets (A)	10,579.99
Financial Liabilities	-
Current Tax Liabilities(net)	279.88
Total Liabilities (B)	279.88
Equity as at March 08, 2022 C= (A-B)	10,300.11
Hindon Mercantile Limited' share in Equity (D)	6,935.86
Investment (E)	6,912.49
Capital Reserve (D-E)	23.37

- (b) Hindon Peer to Peer Finance Private Limited, subsidiary ('the Acquirer') have acquired entire stake of Fintelligence Data Science Private Limited ('The Company') from the Outgoing Promoters (AAPCA Demystifying Data Technologies Private Limited) resulting in change in management control w.e.f June 16, 2021. Consequently, the Acquirer is the new Promoters of the Company and the Outgoing Promoters have ceased to (i) hold any shares in the Company, (ii) hold control of the Company and (iii) be the Promoters of the Company. In this regard, the Company has received "No objection" from the Reserve Bank of India. Brief description of Assets and Liabilities and Goodwill as on June 16, 2021 is given below:

(Rs. in lakhs)

Particulars	Amount
Cash and Cash Equivalents Financial Assets	51.83
Loans	17.08
Other Financial Assets	0.08
Property, Plant and Equipment and Intangible Assets	37.60
Other Non-Financial Assets	16.44
Total Assets (A)	123.03
Other Financial Liabilities	20.56
Deferred Tax Liabilities (net)	0.83
Other Non-Financial Liabilities	0.79
Total Liabilities (B)	22.18
Equity as at June 16, 2021 C =(A-B)	100.85
Hindon Peer to Peer Finance Private Limited' share in Equity (D)	100.85
Investment (E)	150.00
Goodwill (E-F)	(49.15)

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43. The Board of Directors of subsidiary Company, Mufin Green Finance Limited (Formerly known as APM Finvest Limited) in their meeting held on May 18, 2022 have recommended a dividend @ Re.0.20 per Equity share of face value of Rs.2 per share (i.e. 10%) for the financial year 2021-22 as per Section 123 of the Act subject to approval of the shareholders of the Company at the ensuing General Meeting. The proposed dividend of Rs. 43.22 lakhs have not been recognized as liability in the books of account of the subsidiary.
44. The Group's main business is Investments & Financing activities and Other Financial Services. All activities are carried out within India. As such there are no reportable segments as per Ind AS 108 - 'Operating Segments'.
45. The Group Companies does not see any challenge in the recoverability of the carrying values of its assets and to its liquidity position. The eventual outcome of impact of the COVID-19 pandemic may be different from those estimated as on the date of approval of these Consolidated Financial Statements and the Group Companies will continue to monitor any material changes to the future economic conditions.
46. **Notes on Transition of financial statement to Ind AS**

Transition to Ind AS

The Group has prepared consolidated financial statement for the year ended March 31, 2022, in accordance with Ind AS for the first time. For the periods up to and including the year ended March 31, 2021, the Group prepared consolidated financial statement in accordance with accounting standards notified under section 133 of the companies Act 2013, read together with the companies (Accounting Standard) Rules 2006, as amended (Previous GAAP). Accordingly, the Group has prepared its Consolidated Financial Statements to comply with Ind AS for the year ended March 31, 2022, together with comparative information as at and for the year ended March 31, 2021 as described in the summary of significant accounting policies. In preparing these Consolidated Financial Statements, the Group's opening Balance Sheet was not presented as at April 1, 2020 i.e. the transition date to Ind AS for the Group as the Company had prepared its first consolidated financial statements for the financial year ended March 31, 2021 as per Ind AS.

This note explains the principal adjustments made by the Group in restating its Previous GAAP Consolidated Financial Statements, including the Consolidated Financial Statements as at and for the year ended March 31, 2021.

46.1 Exemptions availed.

(i) Deemed Cost for Property, Plant and Equipment and Intangible Assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment and Intangible Assets recognized as of April 1, 2020, (the transition date). Measured as per the Previous GAAP and use that carrying value its deemed cost as of the transition date under Ind AS.

(ii) Classification and Measurement of Financial Asset

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

(iii) Estimates

On assessment of the estimates made under the previous GAAP Consolidated Financial Statements, the Group has concluded that there is no necessity to revise the estimate under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: Impairment of financial assets based on expected credit loss model.



(iv) **Exemption for business combination**

The Group has adopted not to apply Ind AS 103 Business Combinations retrospectively (business combination that occurred before transition to Ind AS).

46.2.1 Reconciliation of net profit for the year ended March 31, 2021 between the Previous GAAP and Ind AS is as under:

(Rs. In Lakhs)

Particulars	Period ended March 31, 2021
Net profit as per Previous GAAP	318.23
<i>Adjustments:</i>	
Interest income on Finance Lease (Refer note 1)	76.62
Rental income on Finance Lease (Refer note 1)	(91.47)
Depreciation on assets of Finance Lease (Refer note 1)	14.85
MAT credit entitlement adjustment (Refer note 2)	(80.04)
Net Profit as per Ind AS	238.19
Re-measurement of the defined benefits plan	-
Total Comprehensive Income as per Ind AS	238.19

46.2.2 Reconciliation of Equity reported in Previous GAAP and Ind AS is as under:

(Rs. In Lakhs)

Particulars	As at March 31, 2021
Balance as per previous GAAP	3,621.55
<i>Adjustments</i>	-
Balances as per Ind AS	3,621.55

46.2.3 Reconciliation of Equity as at March 31, 2021 and Total Comprehensive Income for the year ended March 31, 2021

Reconciliation of Equity as at March 31, 2021

(Rs. In Lakhs)

S.No.	Particulars	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
I	Financial Assets			
	Cash and cash equivalents	1,152.06	-	1,152.06
	Bank balances other than cash & cash equivalents			-
	Receivables			
	-Trade Receivables	30.87	-	30.87

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	Loans			35,300.54	292.29	35,592.83
	Investments			-		-
	Other financial assets			552.63	-	552.63
	Total Financial assets			37,036.10	292.29	37,328.39
II	Non-Financial Assets					
	Deferred tax assets (net)					-
	Property, plant & equipment		1	313.46	(292.29)	21.17
	Right of use assets					-
	Intangible assets under development					-
	Other Intangible assets			0.33	-	0.33
	Other non-financial assets			236.65	-	236.65
	Total Non-financial assets			550.44	(292.29)	258.15
	Total Assets			37,586.54	-	37,586.54
LIABILITIES AND EQUITY						
LIABILITIES						
III	Financial Liabilities					
	Payables					
	-Trade payables					
	i) Total outstanding dues of micro enterprises and small enterprises			-		-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			-		-
	Borrowings (other than Debt Securities)			1,626.70	-	1,626.70
	Subordinated Debts			30,000.00	-	30,000.00
	Other financial liabilities			2,162.08	-	2,162.08
	Total Financial Liabilities			33,788.78	-	33,788.78
IV	Non-Financial Liabilities					
	Current tax liabilities (net)			22.33	-	22.33

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	Provisions		0.67	-	0.67
	Deferred tax liabilities (net)		15.51	-	15.51
	Other non-financial liabilities		137.70	-	137.70
	Total Non-financial liabilities		176.21	-	176.21
EQUITY					
V	Equity				
	Equity share capital		1,122.09	-	1,122.09
	Other equity		2,499.46	-	2,499.46
	Total		3,621.55	-	3,621.55
	Total Liabilities and Equity		37,586.54	-	37,586.54

c. Total Comprehensive income for the year ended March 31, 2021

(Rs. In Lakhs)					
S.No.	Particulars	Note	For the Year Ended March 31, 2021		For the Year Ended March 31, 2021
	Revenue from operations				
	(i) Interest income	1	4,033.69	76.62	4,110.31
	(ii) Fee and commission income		31.67	-	31.67
I	Total Revenue from operations		4,065.36	76.62	4,141.98
II	Other income	1	104.15	(91.47)	12.68
III	Total Income (I+II)		4,169.51	(14.85)	4,154.66
	Expenses				
	(i) Finance costs		1,532.41	-	1,532.41
	(ii) Impairment of financial instruments		222.79	-	222.79
	(iii) Employee benefits expenses		87.26	-	87.26
	(iv) Depreciation and amortization	1	18.14	(14.85)	3.29
	(v) Other expenses		1,890.72		1,890.72
IV	Total Expenses		3,751.32	(14.85)	3,736.47

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V	Profit before exceptional items and tax (III-IV)		418.19		418.19
VI	Exceptional items		-		-
VII	Profit before tax (V-VI)		418.19		418.19
VIII	Tax expense				
	1) Current tax		161.60		161.60
	2) MAT credit	2	(80.04)	80.04	-
	3) Tax related to earlier year		-		-
	4) Deferred tax		18.40		18.40
IX	Profit for the year (VII-VIII)		318.23	80.04	238.19
X	Other Comprehensive Income				
	A) i) Items that will not be reclassified to profit or loss		-		-
	ii) Income tax relating to items that will not be reclassified to profit or loss		-		-
	Sub Total A)		-		-
	B) i) Items that will be reclassified to profit or loss		-		-
	ii) Income tax relating to items that will be reclassified to profit or loss		-		-
	Sub Total B)		-		-
	Total Other Comprehensive Income (A+B)		-		-
XI	Total Comprehensive Income for the year (IX+X)		318.23	80.04	238.19

46.2.4 The Transition from Previous GAAP to Ind AS has no material adjustments on the Consolidated Statement of Cash Flow except reclassification of certain items to confirm Ind AS presentation.

Note

1. Leases

The asset given on finance leases by the Group accounted as property, plant and equipment under previous GAAP has been restated as loan. Accordingly, Lease rent and depreciation accounted under previous GAAP reversed and Interest using EIR is accounted as Interest Income.

2. MAT credit entitlement adjusted from other equity.

3. Classification of financial instruments.

The Group has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets/financial liabilities. Accordingly, bifurcation of assets/liabilities as financial/non-financial is identified and reclassified. However, this reclassification is not presented as transition adjustments.







4. Effective Interest Rate (EIR).

Under Previous GAAP, Transaction costs charged to customers incurred by the Group was recognized upfront while under Ind AS, such costs are included in the initial recognition amount of financial asset/financial liability and recognized as interest income/interest expenses using the effective interest method.

5. Fair valuation for financial Assets and Liabilities.

The Group has values financial assets and liabilities, at fair value and changes are recognized in Consolidated Statement of Profit and Loss.

6. Retained Earnings.

Retained Earnings have been adjusted consequent to the above Ind AS transition adjustments.

7. Expected Credit Loss.

The Group made estimate of impairment of Financial Assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

47. There are no outstanding dues (including interest) of 'Micro' and 'Small' Enterprises pursuant to Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at March 31, 2022 (March 31, 2021 - Nil). Accordingly, no disclosures are required to be given under 'MSMED Act'.

48. During the year, provisions of Section 135 of the Companies Act, 2013 related to Corporate Social Responsibility (CSR) Activities is not applicable to the Group except Mufin Green Finance Limited (Formerly APM Finvest Limited) where section 135 of the Companies Act, 2013 is applicable but no amount was required to be spend on CSR Activities during the year.

49. Reconciliation of Gross Carrying Amount of Loans and Expected Credit Loss on Loans (before Inter-Company Adjustments)

A. Reconciliation of Gross Carrying Amount of Loans

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Gross Carrying Amount at the beginning of the year	35,702.26	4,180.93
New Assets originated on date of acquisition of subsidiaries	5,567.94	-
New Assets originated or purchased	147,633.10	76,471.00
Transfers to/ (from) Stage 1	(3,620.36)	(108.94)
Transfers to/ (from) Stage 2	3,445.68	(22.03)
Transfers to/ (from) Stage 3	174.68	130.97
Assets written off	-	(131.95)
Net Recovery	(142,746.31)	(44,817.72)
Gross Carrying amount at the end of the year	46,156.99*	35,702.26

*including inter-company loan of Rs. 21.54 lakhs

B. Reconciliation of Expected Credit Loss on Loans

Particulars	(Rs. in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Expected Credit Loss at the beginning of the year	109.43	18.59
Expected Credit Loss on date of acquisition of subsidiaries	13.88	-
On Amount written off	-	131.95
On New Assets originated or purchased	580.57	191.18

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Impact on Expected Credit Loss of Exposure transferred between stages during the year	117.43	144.99
Increase/(decrease) in provision on financial assets(net of recovery)	(466.85)	(245.33)
Increase/(Decrease) in Expected Credit Loss during the year	231.15	90.84
Expected Credit Loss at the end of the year*	354.46	109.43

*excluding amount of Rs. 8.48 lakhs of Impairment Reserve made on loans as per Reserve Bank of India Master Direction.

50. Other Statutory information






Disclosure in terms of Schedule III of the Companies Act, 2013:

	Net assets (i.e. Total assets minus total liabilities)		Share in Profit or (loss)		Share in other Comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
Parent								
Hindon Mercantile Limited	101.49	6,982.52	122.15	693.14	75.93	0.41	122.10	693.55
Subsidiaries (Indian)								
Hindon Account Aggregation Services Private Limited	0.15	10.12	0.02	0.12	-	-	0.02	0.12
Hindon Peer to Peer Finance Private Limited	3.45	237.54	4.87	27.65	-	-	4.87	27.65
Mufin Green Finance Limited (Formerly APM Finvest Limited)	147.68	10,160.80	191.77	1,088.19	35.18	0.19	191.62	1,088.38
(less Minority interest in subsidiary)	(48.24)	(3,318.74)	8.03	45.57	(11.11)	(0.06)	8.01	45.51
(less Inter-Group elimination)*	(104.53)	(7,191.99)	(226.84)	(1,287.21)	-	-	(226.62)	(1,287.21)
Total	100.00	6,880.25	100.00	567.46	100.00	0.54	100.00	568.00

*including offset (eliminate) the parent's portion of equity of subsidiaries.

51. The Consolidated Financial Statements were approved for issue by the Board of Directors on September 30, 2022.

52. All amounts in the consolidated financial statements and notes have been presented in Indian Rupees in lakhs rounded off to two decimal places as permitted by Schedule III except per share data and as otherwise stated.

HINDON MERCANTILE LIMITED
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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's Financial statements. Figures in brackets represent corresponding previous year figures. Previous year figures have been regrouped / reclassified wherever necessary including those as required in keeping with revised schedule III of the Companies Act, 2013.

As per our report of even date attached

For RSD & Co.
Chartered Accountants
Firm Registration No. 012777N



Purnima Goel
Partner
Membership No. 526051



Mayank Pratap Singh
Company Secretary
Membership No. A46666



Luv Khanna
Director
DIN: 07723426



Kapil Garg
Managing Director
DIN: 01716987

FOR AND ON BEHALF OF THE BOARD

Place: Delhi
Date: September 30, 2022
UDIN: 225260518E1DHM5311

