

Director's Report

Dear Members,

The Directors of the Hindon Mercantile Limited ("the Company") are pleased to present their 39th Annual Report together with the annual audited financial statements for the financial year ended March 31, 2024.

FINANCIAL HIGHLIGHTS

(In Lakhs)

Particulars	Standalone for financial year ended on 31st March		Consolidated for financial year ended on 31st March	
	2024	2023	2024	2023
Revenue from operations	1911.33	7,634.84	11,106.38	10,969.27
Other income	108.36	380.08	931.53	592.13
Total revenues	2019.69	8,014.92	12,037.91	11,556.05
Total expenses	1716.95	7,610.21	9,631.23	10,062.35
Profit before tax	302.74	404.71	2,458.97	1,493.70
Profit for the year	218.79	229.46	1,854.22	1,229.67
Earnings Per Share				
Basic	1.48	1.76	8.72	6.80
Diluted	1.40	1.76	8.11	6.80

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

On Standalone Basis

As at 31st March 2024, the loan book size was Rs. 5,117.53 Lakhs compared to Rs. 3,151.91 Lakhs as at 31st March 2023. The Revenue has decreased by around 74.80 % at Rs. 2019.69 Lakhs for the year ended 31st March 2024 compared to Rs. 8,014.92 Lakhs for the year ended 31st March 2023.

The profit after tax has decreased by 4.65% at Rs. 218.79 Lakhs for the financial year ended March 31, 2024 as against Rs. 229.46 Lakhs for the previous financial year.

On Consolidated Basis

As at 31st March 2024, the Revenue has increased by around 4.17% at Rs. 12,037.91 Lakhs for the year ended 31st March 2024 compared to Rs. 11,556.05 Lakhs for the year ended 31st March 2023.

The profit after tax has increased by 50.79 % at Rs. 1,854.22 Lakhs for the financial year ended March 31, 2024 as against Rs. 1,229.67 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, 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.

During the year under review company had sold its major loan book to the asset reconstruction company to restructure its books due to which company's loan book has been decreased and also profitability got decreased.

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, 2024 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 not issued any kind of securities.

The paid-up equity share capital of the Company is Rs. 14,79,26,340 (Rupees Fourteen Crore Seventy-Nine Lakh Twenty-Six Thousand Three Hundred Forty only), comprising of 1,47,92,634 fully paid equity shares of face value of Rs. 10/- each.

Other Equity

The reserves and surplus as at March 31, 2024 stood at Rs. 7,956.90 Lakh as against Rs. 7,732.54 Lakh as at March 31, 2023.

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	54.44
4.	Bimapay Finsure Private Limited	70
5.	Mufinpay Payment Solutions Private Limited	100

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 23, 2024.

DIVIDEND/RESERVES

Your director’s 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, 2024. As per the requirement of the Reserve Bank of India Guidelines, the Company has transferred an amount of Rs.60.55 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, 2024 was Rs. 5,628.45 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 (6) Directors on its Board, 1 (One) of them is Managing Director and 3 (Three) of them are Independent Directors. The Company has one Chief Financial Officer and one Company Secretary.

S. No.	Name of Director/KMP	Position
1.	Mr. Kapil Garg	Managing Director
2.	Mr. Sandeep Jain	Non-Executive Director
3.	Mr. Luv Khanna	Non-Executive Director
4.	Mr. Hemant Bhageria	Independent Director
5.	Mr. Pradip Kumar Kar	Independent Director
6.	Mr. Amol Sinha	Independent Director
7.	Mrs. Tanvi Jawa	Chief Financial Officer
8.	Mr. Mayank Pratap Singh	Company Secretary

During the period under review, Mrs. Neha Agarwal was resigned as Directors of the Company with effect from July 01, 2023.

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 23, 2024 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, 8 (Eight) Board Meetings were convened and held on April 11, 2023, June 26, 2023, September 15, 2023, December 4, 2023, January 05, 2024, January 18, 2024, February 02, 2024, and March 28, 2024 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 26, 2023, September 15, 2023, December 04, 2023 and February 02, 2024 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, Mr. Hemant Bhageria 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 June 26, 2023 and September 15, 2023 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 Mr. Hemant Bhageria.

During the financial period under review, 1 (One) CSR Committee Meeting were convened and held on June 26, 2023 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 3 (Members) Members viz, Mr. Hemant Bhageria, Mr. Parveen Sabharwal, Mr. Kapil Garg and it is chaired by Mr. Parveen Sabharwal. During the financial year under review, 3 (Three) RMC Committee Meeting was convened and held on June 26, 2023, September 15, 2023 and March 28, 2024 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. Ramni Bhardwaj, Mrs. Tanvi Jawa, Mr. Ankush Julka and Mr. Ankit Garg (External Member). it is chaired by Mrs. Ramni Bhardwaj. During the financial year under review, 1 (One) ICC Committee Meeting was convened and held on March 28, 2024 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, 2024 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 PJM & Associates, Chartered Accountants (Firm Registration Number: 029582N) were appointed as the Statutory Auditor of the Company to hold office of the Statutory Auditors of the Company for period of five years until the conclusion of the Annual General Meeting to be held in 2028.

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 2023-24.

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

In terms of Section 138 of the Act and rule 13 of Companies (Accounts) Rules, the Internal Audit is not applicable to the Company for the year under review.

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.

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 behaviour, actual or suspected fraud and to bring to the attention of the management, their genuine concerns and grievances about the behaviour 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, 2024 is available on the website of the Company viz., <https://hindon.co/>

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

Date: August 31, 2024

Place: Delhi

ANNEXURE I

FORM AOC-1

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

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

Part "A": Subsidiary

SN	Particulars	Details				
1.	Name of the subsidiary	Hindon Peer to Peer Finance Private Limited	Hindon Account Aggregation Services Private Limited	Mufin Green Finance Limited	Bimapay Finsure Private Limited	Mufinpay Payment Solutions Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4.	Share capital	Rs. 2,10,00,000	Rs. 10,00,000	Rs. 16,21,05,172	Rs. 10,09,740	Rs. 1,00,000
5.	Reserves & surplus	(Rs. 3,87,740)	(Rs. 38,340)	Rs. 2,27,88,90,000	Rs. 5,27,85,000	(Rs. 7,80,250)
6.	Total assets	Rs. 3,06,24,060	Rs. 9,79,360	Rs. 9,25,58,32,000	Rs. 16,34,86,000	Rs. 87,400



Hindon Mercantile Limited

CIN. U34300DL1985PLC021785

7.	Total Liabilities	Rs. 3,06,24,060	Rs. 9,79,360	Rs. 9,25,58,32,000	Rs. 16,34,86,000	Rs. 87,400
8.	Investments	Rs. 2,20,00,000	Nil	Rs. 4,79,45,000	Nil	Nil
9.	Turnover	Nil	Nil	Rs. 97,79,70,000	Rs. 92,76,000	Nil
10.	Profit before taxation	(Rs. 5,900)	(Rs. 32,800)	Rs. 21,23,20,000	Rs. 3,28,000	(Rs. 763,170)
11.	Provision for taxation	Nil	Nil	Rs. 5,17,01,000	Rs. 1,39,000	Nil
12.	Profit after taxation	(Rs. 5,900)	(Rs. 32,800)	Rs. 16,06,19,000	Rs. 1,89,000	(Rs. 763,170)
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14.	% of shareholding	100%	100%	54.44%	70%	100%



PJM & ASSOCIATES

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, 2024, 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, 2024 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, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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, 2024 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, 2024 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, 2024.
 - 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



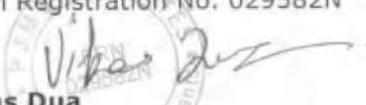
shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(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.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility but the same was not operated throughout the year. So, it is not possible to comment any irregularity on the audit trail feature being tampered with.

For PJM & Associates
Chartered Accountants
Firm Registration No. 029582N


Vikas Dua
Partner
Membership No. 535712
UDIN - 24535712BKBOJN6526

New Delhi
August 30, 2024

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 31,2024)

- 1) a. In respect of the Company's Property, Plant and Equipment and Intangible Assets
 - (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.
 - (B) The Company has maintained proper records showing full particulars of intangible
 - b. The According to the information and explanation given to us, the Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were due for verification during the year and were physically verified by the Management during the year and no material discrepancies were noticed on such verification.
 - c. Based on the information and explanation given to us, The Company does not have immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, the clause 3(i)(c) of the order is not applicable.
 - d. According to the information and explanation given to us and on the basis of our examination of the records of the Company, it has not revalued any of its Property, Plant and Equipment (including right- of use assets) and intangible assets during the year. Accordingly, reporting under clause 3(i)(d) of the order is not applicable to the company.
 - e. According to the information and explanation given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the order is not applicable to the company.
- 2) a. The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of verification by Management is reasonable and the coverage and the procedure of such verification by the Management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed during such physical verification.
 - b. According to the information and explanation given to us and on the basis of our examination of the records of the Company The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate from banks and financial institutions on the basis of security of current assets during the year. Accordingly, reporting under clause 3(i)(d) of the order is not applicable to the company.



- 3) The Company being a Non-Banking Finance Company having principal business to give loans and make investments.
- a. The provisions of paragraph 3(iii)(a) of the Order are not applicable to the Company.
 - b. In our opinion and according to the information and explanations given to us, the investments made, the terms and conditions of the grant of loans and guarantee provided, during the year are, prima facie, not prejudicial to the Company's interest.
 - c. In respect of loans granted by the Company, the schedule of repayment of principal and payment interest has been stipulated by the Company and repayments of principal or receipts of interest have been regular as per stipulations except in certain cases. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail customers for small vehicles etc., it is not practicable to furnish an itemized list of the loan accounts having outstanding overdue amount of principal and/or interest owing to the Voluminous nature of data. Further, in cases where there are delays or defaults in repayment of principal and/or interest, the Company has recognised necessary provisions in accordance with the principles of Indian Accounting standards (Ind AS) and the guidelines/norms issued by the Reserve Bank of India for Income Recognition and Asset Classification (which has been disclosed by the company in Note 33 and 47 to the financial statements including the irregular loan accounts).
 - d. The total amount overdue for more than 90 days as at March 31, 2024 in respect of loans or advances in the nature of loans given by the company, aggregate to Rs.118.76 lakhs. According to the information and explanations given to us, reasonable steps have been taken by the Company for recovery of the principal and interest.
 - e. The principal business of the Company is to give loans and hence reporting under clause 3(iii)(e) of the Order is not applicable.
 - f. According to the information and explanations given to us and on the basis of the records examined by us, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting under clause 3(iii)(f) of the order is not applicable to the company
- 4) 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.
- 5) 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.
- 6) 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.
- 7) 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, 2024 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 except below.

Name of the statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	Rs.2.07	AY 2010-11	Commissioner of Income-Tax
	Income Tax	Rs.6.60	AY 2020-21	Commissioner of Income-Tax
Total		RS. 8.67		

- 8) 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.
- 9) 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 payment of interest thereon to any lender.
- 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 for the purposes for which the loans were obtained during the year;
- d. The funds raised by the Company on short term basis and have, prima facie, for long term purposes during the year;
- e. The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture during the year.
- f. The Company has not raised any loan during the year on the pledge of the securities held in its subsidiaries.
- 10) 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



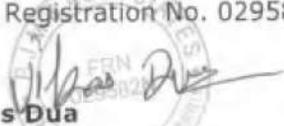
Order is not applicable to the Company.

- b. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) 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.
- 16) 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. The registration has been obtained by the Company
- b. According to the information and explanation 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.



- 17) The company has not incurred any cash losses in the financial year and preceding financial year.
- 18) There has been no resignation of the statutory auditors of the Company during the year.
- 19) 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.
- 20) 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
- 21) Reporting under the clause 3(xxi) of the Order is not applicable to the standalone financial statements.

For PJM & Associates
Chartered Accountants
Firm Registration No. 029582N


Vikas Dua
Partner
Membership No. 535712
UDIN - 24535712BKBOJN6526

New Delhi
August 30, 2024

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, 2024)

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, 2024 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

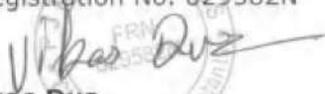
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2024, 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 PJM & Associates
Chartered Accountants
Firm Registration No. 029582N


Vikas Dua
Partner
Membership No. 535712
UDIN - 24535712BKBOJN6526

New Delhi
August 30, 2024

S.No. Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
I Financial Assets			
a) Cash and cash equivalents	4	1,058.91	1,426.98
b) Bank balances other than cash & cash equivalents	5	612.34	1,021.50
c) Receivables			
-Trade Receivables	6	14.67	34.73
d) Loans	7	5,117.53	3,151.91
e) Investments	8	7,871.39	7,371.47
f) Other financial assets	9	170.27	204.33
Total Financial assets		14,845.11	13,210.92
II Non-Financial Assets			
a) Deferred tax assets (net)	10	83.10	90.66
b) Property, plant & equipment	11	14.74	20.94
c) Right of use assets	11	35.70	49.84
d) Intangible assets under development	12	583.89	96.76
e) Other intangible assets	11	0.72	1.61
f) Other non-financial assets	13	475.54	408.76
g) Inventory	14	1.47	-
Total Non-financial assets		1,195.16	668.57
Total Assets		16,040.27	13,879.49
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)	15	5,628.45	4,090.27
c) Subordinated Debts			
d) Other financial liabilities	16	903.08	462.26
Total Financial Liabilities		6,531.53	4,552.53
IV Non-Financial Liabilities			
a) Current tax liabilities (net)	17	-	5.63
b) Provisions	18	2.43	2.91
c) Deferred tax liabilities (net)	10	-	-
d) Other non-financial liabilities	19	70.15	106.62
Total Non-financial liabilities		72.58	115.16
EQUITY			
V Equity			
a) Equity share capital	20	1,479.26	1,479.26
b) Other equity	21	7,956.90	7,732.54
Total Equity		9,436.16	9,211.80
Total Liabilities and Equity		16,040.27	13,879.49

Significant Accounting Policies and Notes Forming part of Financial Statements

1-55

As Per our report of even date attached

For PJM Associates
 Firm Registration No. 0295828

Vikas Dua
 Partner
 Membership No. 535712
 Palce : Delhi
 Date : August 30, 2024

UDINI - 24535712 BKBOJN6526

For and on behalf of the board of Directors

Tanvi Jawa
 Chief Financial Officer

Ruby Chauhan
 Company Secretary
 M. No. A69210

Kapil Garg
 Managing Director
 DIN: 07723426

Luv Khanna
 Director
 DIN: 07723426



HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

[Rs. in Lakhs]

S.No.	Particulars	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
	Revenue from operations			
	(i) Interest income	22	1,228.76	7,621.12
	(ii) Fee and commission income	23	682.57	13.72
I	Total Revenue from operations		1,911.33	7,634.84
II	Other income	24	108.36	380.08
III	Total Income (I+II)		2,019.69	8,014.92
	Expenses			
	(ii) Cost of Material Consumed	25	5.61	-
	(iii) Finance costs	26	571.09	4,125.49
	(iii) Fees and commission expense	27	771.66	2,363.97
	(iv) Impairment of financial instruments	28	25.10	-
	(v) Employee benefits expenses	29	145.05	443.65
	(vi) Depreciation and amortization	11	33.51	52.71
	(vii) Other expenses	30	164.93	624.39
IV	Total Expenses		1,716.95	7,610.21
V	Profit before exceptional items and tax (III-IV)		302.74	404.71
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		302.74	404.71
VIII	Tax expense	36		
	1) Current tax		78.83	111.78
	2) Tax related to earlier year		(2.44)	63.81
	3) Deferred tax		7.56	(0.52)
	Total Tax Expenses		83.94	175.07
IX)	Profit/ (loss) for the period (VII-VIII)			
X)	Profit/ (loss) from discontinuing operations			
XI)	Tax expense of discontinued operations			
XII)	Profit/ (loss) from discontinued operations (after tax) (X-XI)			
IX	Profit for the year (VII-VIII)		218.79	229.64
X	Other Comprehensive Income			
	A) i) Items that will not be reclassified to profit or loss		2.07	(0.25)
	ii) Income tax relating to items that will not be reclassified to profit or loss		(0.58)	0.07
	Sub Total A)		1.49	(0.18)
	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)		1.49	(0.18)
XI	Total Comprehensive Income for the year (IX+X)		220.29	229.46
XII	Earnings per Equity Share (Face value Rs. 10)			
	Basic (Rs.)	41	1.48	1.76
	Diluted (Rs.)	41	1.40	1.76

Significant Accounting Policies and Notes Forming part of Financial Statements 1-55

As Per our report of even date attached

For PJM Associates
 Firm Registration No. 029582N

For and on behalf of the board of Directors

Vikas Dua
 Partner
 Membership No. 535712
 Place : Delhi
 Date : August 30, 2024

Tanvi Jawa
 Chief Financial Officer

Ruby Chauhan
 Company Secretary
 M. No. A69210

Kajli Garg
 Managing Director
 DIN: 01716987

Luv Khanna
 Director
 DIN: 07723426

UDIN: 24535712 BFBOJN6526



{Rs. in Lakhs}

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Cash flow from operating activities		
Profit before tax	302.74	404.71
Adjustment for :		
Interest expenses on lease liabilities	3.95	6.44
Depreciation and amortization	33.51	52.71
Esop expenses	4.07	-
Impairment on financial instruments	25.10	1308.521
{Gain}/loss on sale of fixed assets	(104.16)	4.91
Dividend Income	-	(26.19)
Operating profit before working capital changes	265.21	134.06
(Increase)/decrease in trade receivables	20.06	83.04
(Increase)/decrease in Bank Balance Other than cash and Cash Equivalents	405.50	1921.50
(Increase)/decrease in loans (net)	(1,990.72)	37,950.92
Increase/(decrease) in financial liabilities	440.87	(2,017.36)
Increase/(decrease) in provisions	(0.48)	1.47
Increase/(decrease) in other non-financial liabilities	(36.47)	96.28
(Increase)/decrease in other non-financial assets	(66.78)	0.54
(Increase)/decrease in inventories	(1.47)	-
(Increase)/decrease in other financial assets	34.06	505.18
Cash generated from/(used in) operations	930.27	35,832.63
Direct tax paid (net)	(76.39)	(175.59)
Net cash generated from/(used in) operating activities (A)	(1,006.66)	35,657.04
Cash flow from investing activities		
Purchase of investments in subsidiaries and other subsidiaries	(499.92)	(338.981)
Purchase of property, plant & equipment	(12.44)	(19.86)
Sale of property, plant & equipment	-	0.88
Purchase of intangible assets under development	(583.29)	50.39
Proceeds from the sale of Intangible assets under development	200.00	-
Dividend Income	-	26.19
Net cash generated from/(used in) investing activities (B)	(895.65)	(281.38)
Cash flow from financing activities		
Proceeds from Borrowings (other than debt securities)	6,240.98	26,436.76
Repayment of Borrowings (other than debt securities)	(4,702.79)	(32,556.95)
Repayment of Subordinated Debts	-	(30,000.00)
Proceeds from application money received	-	2,000.00
Payment of lease liabilities	(3.95)	(6.30)
Net cash generated from/(used in) financing activities (C)	1,534.24	(34,128.49)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(368.07)	1,247.17
Cash and cash equivalents at the beginning of the year	1,426.98	179.44
Cash and cash equivalents at the end of the year	1,058.91	1,426.61
Components of cash and cash equivalents:		
Cash on hand	132.38	1.73
Balances with banks		
- on current accounts	926.52	1,424.54
Digital Wallets	0.01	0.72
Total cash and cash equivalents	1,058.91	1,426.98

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 Financial Statement

As Per our report of even date attached

For PJM Associates
Firm Registration No: 029582N

For and on behalf of the board of Directors


Vikas Dua
Partner
Membership No. 585712
Place : Delhi
Date : August 30, 2024


Tanvi Jawa
Chief Financial Officer


Ruby Chauhan
Company Secretary
M. No. A69210


Jagji Garg
Managing Director
M. No. 01716987


Luv Khanna
Director
DIN: 07723426



HINDON MERCANTILE LIMITED
 CIN: U34300DL1985PLC0212785
 STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

(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, 2022	1,27,92,634	1,279.26
Add : Issued during the year	20,00,000	200.00
As at March 31, 2023	1,47,92,634	1,479.26
Add : Issued during the year	-	-
As at March 31, 2024	1,47,92,634	1,479.26

B. OTHER EQUITY

Particulars	Reserves and Surplus				Other Items of Other Comprehensive Income		Total
	Reserve Fund u/s 45-IC of RBI Act, 1934	Securities Premium	Share based payment reserve	Retained Earnings	Impairment Reserve	Income	
Balance as at April 01, 2022	395.51	4,014.19	-	1,292.42	0.73	0.41	5,703.26
Equity Shares issued during the year	-	1,800.00	-	229.46	-	-	1,800.00
Profit for the year	-	-	-	-	-	-	229.46
Transfer from Retained Earnings	-	-	-	-	-	-	80.94
Reinvestment of the defined benefits plan (net)	-	-	-	(80.94)	-	-0.18	-0.18
Transfer to Reserve Fund	-	-	-	-	-	-	-80.94
Balance as at March 31, 2023	476.45	5,814.19	-	1,440.94	0.73	0.23	7,732.54
Profit for the year	-	-	-	218.79	-	-	218.79
Transfer from Retained Earnings	60.55	-	-	-	-	-	60.55
Transfer to Reserve Fund	-	-	-	(60.55)	-	-	-60.55
Reassessment of the defined benefits plan (net)	-	-	-	-	-	1.49	1.49
Esop Reserve	-	-	-	4.07	-	-	4.07
Balance as at March 31, 2024	537.00	5,814.19	-	1,599.19	0.73	1.72	7,956.90

Significant Accounting Policies and Notes Forming part of Financial Statement

As Per our report of even date attached

For and on behalf of the board of Directors

For PIM Associates
 Firm Registration No. 0295482N

Vikas Dua
 Partner

Membership No. 535712
 Place : Delhi
 Date : August 30, 2024

Fanni Jawa
 Chief Financial Officer

Ruby Chauhan
 Company Secretary
 M. No. A6921D

Luv Khanna
 Director
 DIN- 07723425



4 Cash and cash equivalents		(Rs. in Lakhs)	
Particulars	As at	As at	
	March 31, 2024	March 31, 2023	
Cash on Hand	132.38	1.75	
Balances with banks:			
- In current accounts	926.52	1,424.53	
Digital Wallets	0.01	0.72	
Total	1,058.91	1,426.98	

5 Bank Balances other than Cash and cash equivalents		(Rs. in Lakhs)	
Particulars	As at	As at	
	March 31, 2024	March 31, 2023	
Deposits with Bank having original maturity of more than 3 months	612.34	1,021.50	
Total	612.34	1,021.50	

6 Trade Receivables		(Rs. in Lakhs)	
Particulars	As at	As at	
	March 31, 2024	March 31, 2023	
Trade Receivables considered good-Secured	-	-	
Trade Receivables considered good-Unsecured	14.67	34.73	
Trade Receivables which have significant increase in Credit Risk	-	-	
Trade Receivable Credit Impaired	-	-	
Trade Receivables from sale of Investment	-	-	
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-	
Total	14.67	34.73	

Trade Receivable Ageing Schedule as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — Unsecured considered good	1.16	-	13.51	-	-	14.67
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total	1.16	0	13.51	-	-	14.67

Trade Receivable Ageing Schedule as on March 31, 2023

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — Unsecured considered good	-	34.73	-	-	-	34.73
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-
Total	-	34.73	-	-	-	34.73

7 Loans		(Rs. in Lakhs)	
Particulars	As at	As at	
	March 31, 2024	March 31, 2023	
At Amortised Cost			
(A) Term Loans			
Secured			
Loans against Vehicles	-	52.04	
Loans against Land/Properties	34.25	35.66	
Unsecured			
Loans to Others	5,131.54	3,087.37	
Total Gross (A) (i)	5,165.79	3,175.07	
Less: Impairment Loss Allowance	48.26	73.16	
Total Net (A) (i)	5,117.53	3,151.91	
(B) (ii) Secured by Tangible Assets			
(i) Secured by In-tangible Assets	34.25	87.70	
(iii) Unsecured	-	-	
Total Gross (B) (i)	5,131.54	3,087.37	
	5,165.79	3,175.07	

Dr.

Less: Impairment Loss Allowance	48.26	23.16
Total Net (B) (I)	5,117.53	3,151.91
(C) (I) Loans in India		
(a) Public Sector		
(b) Others	5,165.79	3,175.07
Total Gross (C) (I)	5,165.79	3,175.07
Less: Impairment Loss Allowance	48.26	23.16
Total Net (C) (I)	5,117.53	3,151.91
(II) Loan Outside India		
Less: Impairment Loss Allowance	-	-
Total Net (C) (II)		
Total Net (C) (I) & (II)	5,117.53	3,151.91

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

a. repayable on demand

b. without specifying any terms or period of repayment

c. Others

Nota

Refer Note 33 for reconciliation of gross carrying amount of loans and expected credit loss thereon.

8 Investments

(Rs. in Lakhs)

Particulars	Face value per share	Nos.	As at	
			March 31, 2024	March 31, 2023
Non-trade Investments (at amortised cost)				
Investment in Equity Instruments (unquoted shares)				
Investment in subsidiaries				
Hindon Account Aggregation Services Private Limited	10	1,00,000	10.00	10.00
Hindon Peer to Peer Finance Private Limited	10	21,00,000	210.00	210.00
Mufinpay Payment Solutions Private Limited	10	10,000	1.00	1.00
Bimapay Finsure Private Limited	10	70,682	63.48	68.13
Investment in Other Companies				
Munetic Technology Pvt Ltd	10	488	25.07	-
Investment in Compulsory Convertible Preference Share (unquoted)				
Care.R Technological Solutions Private Limited	10	127	9.94	9.94
Investment in Other Instruments (unquoted debt)				
Intelligence Data Science Private Limited			50.77	22.34
Trade investments (at amortised cost)				
Investment in Equity Instruments (quoted shares)				
Investment in Subsidiary				
Mufin Green Finance Limited (Formerly APM Finvest Limited)	1	8,82,45,612	7,501.18	7,059.66
Total			7,871.39	7,371.47

Particular	As at	
	March 31, 2024	March 31, 2023
Aggregate amount of quoted investments	7,501.18	7,059.66
Market value of quoted investments	1,19,113.93	32,816.12
Aggregate amount of unquoted investments	370.22	311.81
Impairment Loss Allowance (Expected Credit Loss)		

9 Other financial assets

(Rs. in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Interest accrued but not due	30.07	-
Security Deposits	25.50	43.18
Advances to Staff	7.01	25.15
Other receivables	-	35.40
Advance to related Party	107.65	100.00
Total	170.27	204.33

10 Deferred tax assets/(liabilities) (net)

(Rs. in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Deferred tax liability (A)	-	-
Deferred tax asset (B)	83.10	90.66
Deferred tax assets/(liabilities) (net) (refer note 33) (B-A)	83.10	90.66

HINDON MERCANTILE LIMITED
 CIN NO. U34300DL1985PLC021785
 NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Gross Block						Depreciation/Amortisation						Net Block	
	As at April 01, 2023	Addition	Deduction/ Sale	As at March 31, 2024	As at April 01, 2023	For the Year	Deduction/ Sale	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024
	(Rs. in Lakhs)													
A. Property, Plant and Equipment														
Furniture and fixtures	8.86	-	-	8.86	4.79	1.05	-	5.84	3.02	4.07	4.07	3.02	4.07	
Office Equipments	5.53	0.12	-	5.53	2.55	1.33	-	3.88	1.65	2.98	2.98	1.65	2.98	
Computers	35.18	4.90	0.48	39.61	21.29	8.68	0.44	29.53	10.07	13.89	13.89	10.07	13.89	
Sub Total	49.58	5.02	0.48	53.99	28.63	11.06	0.44	39.25	14.74	20.94	20.94	14.74	20.94	
Previous Year	43.34	19.86	13.63	49.57	19.40	17.05	-	28.63	20.94	23.93	23.93	20.94	23.93	
B. Right to use Assets														
Office Premises	99.67	7.42	-	107.09	49.83	21.56	-	71.39	35.70	49.84	49.84	35.70	49.84	
Sub Total	99.67	7.42	-	107.09	49.83	21.56	-	71.39	35.70	49.84	49.84	35.70	49.84	
Previous Year	99.67	-	-	99.67	16.61	33.22	-	49.83	49.84	83.06	83.06	49.84	83.06	
C. Other Intangible Assets														
Softwares	8.20	-	-	8.20	6.59	0.90	-	7.49	0.72	1.61	1.61	0.72	1.61	
Sub Total	8.20	-	-	8.20	6.59	0.90	-	7.49	0.72	1.61	1.61	0.72	1.61	
Previous Year	8.20	-	-	8.20	4.15	2.44	-	6.59	1.61	4.05	4.05	1.61	4.05	
Property, Plant and Equipment, Right to use Assets & Other Intangible Assets as at March 31, 2023	Gross Block													
Particulars	As at April 01, 2022	Addition	Deduction/ Sale	As at March 31, 2023	As at April 01, 2022	For the Year	Deduction/ Sale	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
A. Property, Plant and Equipment														
Furniture and fixtures	8.86	-	-	8.86	3.37	1.42	-	4.79	4.07	5.49	5.49	4.07	5.49	
Office Equipments	16.11	3.05	13.63	5.53	7.49	2.89	7.83	2.55	2.98	8.61	8.61	2.98	8.61	
Computers	18.37	16.81	-	35.18	8.54	12.75	-	21.29	13.89	9.83	9.83	13.89	9.83	
Sub Total	43.34	19.86	13.63	49.57	19.40	17.05	7.83	28.63	20.94	23.93	23.93	20.94	23.93	
Previous Year	28.84	14.87	-	43.71	7.67	11.51	-	19.57	24.14	21.17	21.17	24.14	21.17	
B. Right to use Assets														
Office Premises	99.67	-	-	99.67	16.61	33.22	-	49.83	49.84	83.06	83.06	49.84	83.06	
Sub Total	99.67	-	-	99.67	16.61	33.22	-	49.83	49.84	83.06	83.06	49.84	83.06	
Previous Year	-	99.67	-	99.67	-	16.61	-	16.61	83.06	-	-	83.06	-	
C. Other Intangible Assets														
Softwares	8.20	-	-	8.20	4.15	2.44	-	6.59	1.61	4.05	4.05	1.61	4.05	
Sub Total	8.20	-	-	8.20	4.15	2.44	-	6.59	1.61	4.05	4.05	1.61	4.05	
Previous Year	4.10	4.10	-	8.20	3.77	0.38	-	4.15	4.05	0.33	0.33	4.05	0.33	

HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

12 Intangible assets under development		(Rs. in Lakhs)	
Particulars	As at		
	March 31, 2024	March 31, 2023	
Softwares under development	583.89	96.76	
Total	583.89	96.76	

13 Other Non-Financial Assets		(Rs. in Lakhs)	
Particulars	As at		
	March 31, 2024	March 31, 2023	
Balances with Government Authorities	369.52	391.61	
Advances to Others	99.42	0.73	
Prepaid Expenses	6.60	16.42	
Total	475.54	408.76	

14 Inventory		(Rs. in Lakhs)	
Particulars	As at		
	March 31, 2024	March 31, 2023	
Closing Stock	1.47	-	
Total	1.47	-	

15 Borrowings (other than Debt Securities)		(Rs. in Lakhs)	
At Amortised Cost			
Particulars	As at		
	March 31, 2024	March 31, 2023	
Secured			
Term Loan			
- From Non-Banking Financial Institutions	668.26	1,048.10	
- Loans from Others	-	-	
Overdraft			
- From banks	-	314.77	
Unsecured			
Term Loan			
- Loans from Others	-	-	
Repayable on Demand			
- Loans from related parties	2,389.14	405.18	
- Loans from Corporate	2,571.05	2,322.22	
Total	5,628.45	4,090.27	
Out of Above			
- In India	5,628.45	4,090.27	
- Outside India	-	-	
Total	5,628.45	4,090.27	

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HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

15.1 Nature of Security

- a Term Loans from Non-Banking Financial Institutions are secured against hypothecation of loan assets, cash collateral of Rs. 15 lakhs and personal guarantee of Directors. The same are repayable in equal instalments from 12 to 18 months.
- b The Company has duly filed Registration of charges and satisfaction of charges with the Registrar of Companies, as applicable.

15.2 Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2024

(Rs. in Lakhs)

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	674.90	-	-	-	674.90
Rate of Interest (ROI): 13.5%-15%					
Unsecured					
Term Loans					
- Loans from Others	-	-	-	-	-
ROI:					
Repayable on Demand					
- Loans from Related Parties	1,350.00	1,039.14	-	-	2,389.14
ROI: 9.5%-15%					
- Loans from Corporates	-	2,571.05	-	-	2,571.05
ROI: 9%-12%					
Total	2,024.90	3,610.19			5,635.09
Processing Fee (Ind AS Adjustment)					(6.64)
Total					5,628.45

Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2023

(Rs. in Lakhs)

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	1,057.58	-	-	-	1,057.58
Rate of Interest (ROI): 14-15%					
Overdraft					
- From banks	314.77	-	-	-	314.77
ROI: 7.75-8.5%					
Unsecured					
Term Loans					
- Loans from Others	-	-	-	-	-
ROI:					
Repayable on Demand					
- Loans from Related Parties	405.18	-	-	-	405.18
ROI: 10-12%					
- Loans from Corporates	100.00	2,222.22	-	-	2,322.22
ROI: 6-12%					
Total	1,877.53	2,222.22			4,099.75
Processing Fee (Ind AS Adjustment)					(9.48)
Total					4,090.27

16 Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Interest accrued but not due on borrowing	322.99	54.16
Lease Liabilities	21.66	54.17
Salary and Other benefits payable	31.34	-
Liability for Expenses	300.13	154.09
Security Deposits received	153.12	-
Advances from related party*	17.09	-
Advances from others	56.75	198.64
Total	903.08	462.16

* Represents advance received from subsidiary, Mufin Green Finance Limited towards reimbursement of expenses.

17 Current Tax Liabilities

(Rs. in Lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Provision for Income-tax (net of advance tax)	-	5.63
Total		5.63

HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

18 Provisions		(Rs. in Lakhs)	
Particulars	As at		As at
	March 31, 2024		March 31, 2023
Provisions for Employee Benefits			
- Gratuity Payable (Refer note 35(b))		2.43	2.91
Total		2.43	2.91

19 Other Non-Financial Liabilities		(Rs. in Lakhs)	
Particulars	As at		As at
	March 31, 2024		March 31, 2023
Statutory dues payable		70.15	106.62
Total		70.15	106.62

20 Equity Share capital		(Rs. in Lakhs)	
Particulars	As at		As at
	March 31, 2024		March 31, 2023
Authorised share capital			
2,50,00,000 (March 31, 2023: 2,50,00,000) equity shares of Rs. 10 each		2,500.00	2,500.00
Issued, subscribed and fully paid-up			
1,47,92,634 (March 31, 2023: 1,47,92,634) equity shares of Rs. 10 each		1,479.26	1,479.26

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, 2024	March 31, 2023
At the beginning of the year	1,47,92,634	1,47,92,634
Issued during the year	-	-
Outstanding at the end of the year	1,47,92,634	1,47,92,634

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, 2023: 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 Shares reserved for issue under employee stock Option Plan plans

For details of shares reserved for issue under the employee stock Incentive plans of the Company, refer to Note 34

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

Name of the Shareholder	As at		As at	
	March 31, 2024		March 31, 2023	
	Nos.	% of holding	Nos.	% of holding
Mr. Kapil Garg	52,60,669	35.56%	52,60,669	35.56%
Mr. Rajat Goyal	29,02,434	19.62%	29,02,434	19.62%
Bima Pay Technology Private Limited	21,18,200	14.32%	-	0.00%
Resilient Innovations Private Limited	-	0.00%	16,18,200	10.94%
Ms. Neha Agarwal	7,96,858	5.39%	7,96,858	5.39%

20.4 Details of the shares held by Promoters in the Company

Name of the Promoter	As at		As at		% change in shareholding
	March 31, 2024		March 31, 2023		
	Nos.	% of holding	Nos.	% of holding	
Mr. Kapil Garg	52,60,669	35.56%	52,60,669	35.56%	11.15%
Mr. Rajat Goyal	29,02,434	19.62%	29,02,434	19.62%	3.56%

HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

- 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 No bonus shares were issued for consideration other than cash, and no shares have been bought back by the company during the period of five the previous year.

21 Other Equity	(Rs. in Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Particulars		
Reserve Fund u/s 45-IC of RBI Act, 1934	537.00	476.45
Securities Premium	5,814.19	5,814.19
Impairment Reserve	0.73	0.73
Share based payment reserve	4.07	-
Retained Earnings	1,599.19	1,440.94
Other Items of Other Comprehensive Income	1.72	0.23
Total Other Equity	7,956.90	7,732.54

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 (IRACPI) appropriated from the net profit in terms of RBI notification. No withdrawals are permitted from this reserve without prior permission of the RBI.
- f. **Share based payment reserve**
Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the Company for its employees

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HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

		(Rs. in Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
22 Interest income			(Rs. in Lakhs)
Interest income on loans	1,228.76	7,621.12	
Total	1,228.76	7,621.12	
23 Fee and Commission Income			(Rs. in Lakhs)
Loan Processing Fees	92.17	13.72	
Sale of card	5.52	-	
Interchange Income	217.68	-	
Gain on sale of fixed assets	104.16	-	
Commission Income	5.47	-	
Bad Debt Recovered	257.57	-	
Total	682.57	13.72	
24 Other income			(Rs. in Lakhs)
Interest income on deposits with Banks	43.51	33.94	
Interest on Security Deposit	1.09	0.60	
Interest Income on Income Tax	1.00	-	
Interest on wallet	4.30	-	
Reversal of Impairment Loss	-	308.17	
Miscellaneous Income	58.46	37.02	
Total	108.36	380.08	
25 Cost of Material Consumed			(Rs. in Lakhs)
Purchase of stock in Trade	7.08	-	
Add: Opening Stock	-	-	
Less: Closing Stock	1.47	-	
Total	5.61	-	
26 finance Cost			(Rs. in Lakhs)
Interest on borrowings (other than debt securities)	538.87	541.97	
Interest on Subordinated Debts	-	3,554.40	
Interest on lease liabilities	3.95	6.44	
Bank charges	28.27	22.62	
Total	571.09	4,125.49	
27 Fees and commission expense			(Rs. in Lakhs)
Commission & Brokerage	749.70	2,333.12	
Cibil Charges	10.90	6.56	
Processing Fee	11.06	24.29	
Total	771.66	2,363.97	
28 Impairment of financial instruments			(Rs. in Lakhs)
On financial instruments measured at amortised cost			
- On loans	25.10	-	
- Loan Assets Written Off (Net of Recoveries)	-	-	
-Other Receivables written off	-	-	
Total	25.10	-	

29 Employee benefits expenses	(Rs. in Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
Salaries and wages	121.26	432.98
E-sop Expenses	4.07	
Contribution to provident and other funds	4.63	7.72
Staff welfare expenses	15.09	3.46
Total	145.05	443.65

30 Other expenses	(Rs. in Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
Switching Fees and Auth Charge	22.57	
Auditor's remuneration (Statutory Audit Fee)	2.98	1.00
Business auxiliary charges	0.49	208.76
Professional & legal charges	52.65	209.55
Miscellaneous expenses	26.60	68.94
Office Expenses	50.75	113.53
Printing and stationery	1.24	3.03
Rent		5.87
RCC Filing Fees	2.20	
Director Sitting Fee	5.45	
Travelling and conveyance	-	8.80
Loss on sale of share	-	4.91
Total	164.93	624.39



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Particulars	Amount (In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
a) Contingent Liabilities not Provided for [Refer the Note 31.1] in respect of income tax matters	8.57	
b) Counter Guarantee given to banks/NBFC/FI Guarantee Given to bank on the behalf of subsidiary(Refer the Note 31.2 below)	221.48	

31.1 The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have materially adverse effect.

31.2 The borrowings of the subsidiary company are primarily secured by way of hypothecation on the receivables (i.e. loan assets) of the subsidiary. The company being the holding company has provided corporate guarantee over and above the security provided by the subsidiary.

32 Sagement Reporting

The Company's Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". Currently, the Company engaged in business of financial activities and Prepaid Payment Instrument governed by extant PPI guidelines of "The Reserve Bank of India" from time to time. As per Ind-AS 108, Operating Segments have been identified and presented based on the regular review by the Company's CODM to assess the performance of each segment and to make decision about the allocation of the resources. The accounting principles followed in the preparation of the financials results are consistently applied to record revenue and expenditure in individual segments.

Particulars	Amount (In Lakhs)					
	Financial Activities		PPI		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Sagement Revenue	1,688.13	7634.84	223.20	-	1,911.33	7,634.84
Sagement Result	219.39	229.46	0.91	-	220.29	229.46
Interest Revenue	1,228.76	7621.12	-	-	1,228.76	7,621.12
Interest and financial cost for the year	571.09	4125.49	-	-	571.09	4,125.49
Segment Depreciation	30.11	52.71	3.40	-	33.51	52.71
Net Profit / (Loss) before Tax	301.49	404.71	1.25	-	302.74	404.71
Segment Asset	14,955.42	13,879.49	1,084.85	-	16,040.27	13,879.49
Segment Liabilities	6,520.02	4667.69	84.08	-	6,604.11	4,667.69
Non-cash Expenses other than Depreciation	25.10	-	-	-	25.10	-

33 Reconciliation of Gross Carrying Amount of Loans and Expected Credit Loss on Loans

A. Reconciliation of Gross Carrying Amount of Loans

Particulars	Amount (In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Gross Carrying Amount at the beginning of the year	3,175.15	41,136.26
New Assets originated or purchased	29,457.93	37,630.84
Transfers to/ (from) Stage 1	2.34	(6.31)
Transfers to/ (from) Stage 2	(3.83)	6.31
Transfers to/ (from) Stage 3	1.49	
Assets written off		
Net Recovery	(27,462.29)	(75,591.95)
Gross Carrying Amount at the end of the year	5,165.79	3,175.15

B. Reconciliation of Expected Credit Loss on Loans

Particulars	Amount (In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Expected Credit Loss at the beginning of the year	23.15	342.36
On Amount written off	-	-
On New Assets originated or purchased	43.27	11.26
impact on Expected Credit Loss of Exposure transferred between stages during the year	-0.56	2.41
Increase/(decrease) in provision on financial assets (net of recovery)	-17.61	(332.87)
Increase/(Decrease) in Expected Credit Loss during the year	25.10	(308.52)
Expected Credit Loss at the end of the year*	48.26	23.16

* Excluding the impact of Rs.0.73 Lakhs | 31st March 2023 Rs. 0.73 Lakhs) of Impairment reserve

34 EMPLOYEE STOCK OPTION

The stock compensation expense recognised for employee services received during the year ended March 31, 2024 and March 31, 2023 are Rs.4.07 Lakhs and Rs. 0 Lakhs respectively

ESOP SCHEME 2023

The ESOP 2023 has been formulated and approved on 26th June, 2023 by the Board (as defined hereinbelow) of the Company and approved on 30th September, 2023 by the Shareholders of Hindon Mercantile Limited.

ESOP 2023 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Company and its subsidiaries in India.

No Eligible Employee shall be granted Options, during any 1 (One) year, equal to or exceeding 1% (One percent) of the issued share capital of the Company (excluding outstanding warrants and conversions) at the time of Grant of such Options, except with the specific approval of the Shareholders. 25% of the grant would vest at the end of the each year for the period of 5 years from the date the ESDP has been grant with a vesting condition that the employee is in continuous employment with the Company till the date of vesting.

The exercise price is determined by the NRC committee. A total of 2,50,000 options are available for grant to the eligible employees of the Company.

The outstanding position as at 31 March 2024 is summarised below:

Particulars	1st Grant
Date of grant	01-10-2023
No. of options granted	32873
Exercise price	105
Average fair value on date of grant	350
Outstanding as on 1 April 2022	-
Forfeited during the year	-
Lapsed during the year	-
Exercised during the year	-
Outstanding as on 31st March 2023	-
Forfeited during the year	-
Lapsed during the year	-
Exercised during the year	-
Granted during the year	32873
Outstanding as on 31st March 2024	32873
- Vested Outstanding options	-
- Unvested Outstanding options	32873
Vesting period (in years)	5 years from the date of grant 1 year from each vesting date
Exercise Period	4.5 years from the date of grant
Weighted average remaining life	4.5 years from the date of grant
Exercise Price	105
Share Price	350
Method to estimate the fair value of options.	Black-Scholes Options pricing mode Volatility was calculated using standard deviation of daily change in Nifty Financial services Index
Expected volatility	5 years from the date of grant
Expected option life	Nil
Expected dividends	Zero coupon yield bond yields were utilised with maturity equal to expected term of the option
Risk-free interest rate	

35 Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits"

a) Defined Contribution Plans

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

Particulars	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Contribution to provident fund	4.46	6.47
Contribution to ESI	0.17	0.75
Total	4.63	7.22

b) Post Retirement Benefit Plan

(i) Amount recognized in the Balance Sheet

Particulars	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Gravity		
Present value of plan liabilities	2.43	2.91
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	-	-
Unfunded plans	-	-
Net plan liabilities/(assets)	2.43	2.91

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

Amount (In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Gratuity		
Current service cost	1.45	1.31
Past service cost	-	-
Interest cost	0.21	0.08
Expected return on plan assets	-	-
Actuarial (Gains)/Losses	(2.07)	0.25
Total	(0.41)	1.64

(iii) Assumptions

Particular	As at	As at
	31 March 2024	31 March 2023
Gratuity		
Financial Assumption		
Discount rate	7.25	7.39
Salary Escalation Rate #	10%	10%
Demographic Assumptions		
Retirement age (Years)	60	60
	100 % of	100 % of
	IALM (2012-	IALM (2012-
Mortality rates inclusive of provision for disability - (Gratuity)	14)	14)
Attrition at ages		
- Up to 30 years	44	44
- From 31 to 44 years	44	44
- Above 44 years	44	44

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

Amount (In Lakhs)

Particular	As at			As at		
	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						
Salary Escalation Rate	0.50%	(0.05)	0.06	0.50%	(0.03)	0.03
Discount rate	0.50%	0.05	(0.05)	0.50%	0.03	(0.03)

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 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 as compared with the previous period.

(v) The defined benefit obligations maturing after end of reporting Period

Amount (In Lakhs)

Maturing within	As at	As at
	31 March 2024	31 March 2023
0 - 1 year	0.02	0.40
1 - 2 years	0.22	0.11
2 - 3 years	0.23	0.65
3 - 4 years	0.31	0.16
4 - 5 years	0.18	0.12
5 - 6 years	0.10	0.06
6 year onwards	1.38	1.12

HINDON MERCANTILE LIMITED

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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

Amount (In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Current tax		
Current tax on taxable income for the year	78.83	111.78
Total Current tax	78.83	111.78
Deferred tax		
Deferred tax charge/(credit)	7.56	(0.52)
Total Deferred tax charge/(credit)	7.56	(0.52)
Tax expense for the year	86.39	111.26
Tax related to earlier year	(2.44)	63.81
Total tax expense recognized for the year	83.95	175.07

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

Amount (In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Effective Tax Rate	27.82%	27.82%
Profit before tax	302.74	404.71
Current tax expense on profit before tax expense at the enacted income tax rate in India	84.22	112.59
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income	-5.39	(1.33)
Tax Expense for the year	78.83	111.78
Effect of earlier year tax adjustment	-2.44	63.81
Tax Expense recognised in the Statement of Profit and Loss	76.39	175.59

C) Deferred Tax Assets and Liabilities

Amount (In Lakhs)

Particular	As at April 1, 2022 -Deferred tax Asset/ (Liabilities)	{Credit}/ charge in statement of profit and loss	{(Credit)/ charge in other comprehensive Income	As at March 31, 2023 -Deferred tax Assets/ (Liabilities)	{Credit}/ charge in statement of profit and loss	{(Credit)/ charge in other comprehensive Income	As at March 31, 2024 -Deferred tax Asset/ (Liabilities)
	Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	90.28	0.45	0	90.73	7.10	-
Deferred Tax Assets / (Liabilities) (A)	90.28	0.45	0	90.73	7.10	-	83.63
Impact of Provision of income tax act, 1961	-0.14	0.14	0.07	0.07	(0.46)	-	0.53
Deferred Tax Assets / (Liabilities) (B)	-0.14	0.14	0.07	0.07	(0.46)	-	0.53
Deferred tax (Liabilities) / Assets (Net) (A+B)	90.14	0.59	0.07	90.66	6.64	-	83.10

37 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:

Particulars	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Borrowings (other than Debt Securities)	5,628.45	4,090.17
Other financial liabilities	903.08	462.16
Less: Cash and cash equivalents	(1,058.91)	(1,426.98)
Net Debt (A)	5,472.62	3,125.55
Total Equity (B)	9,436.16	9,211.80
Capital and Net debt (C)=(A+B)	14,908.78	12,337.35
Gearing ratio (%) (A/C)	36.71%	25.33%

38 Financial Risk Management

The Company is mainly engaged in Investment and Finance Activities. The Company's principal financial liabilities comprise debt securities, borrowings (other than debt securities) 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, term deposits with banks, investments, 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.

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:

38.1 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 customers. 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 other receivables/loans based on historical trend, available external and internal credit risk factors such as financial condition, ageing of accounts receivable etc., regulatory norms, industry practices and the business environment in which the entity operates.

As at March 31, 2024, 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.

38.2 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 term deposits with banks.

38.2.1 Interest Rate Risk

The interest rate risk exposure is mainly from changes in the 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

Particular	As at	
	31 March 2024	31 March 2023
Financial assets		
Non-interest bearing-		
Cash and cash equivalents	1058.91	1,426.98
Trade receivables	14.67	34.73
Investments	7,820.62	7,448.73
Others Financial Assets	170.27	104.33

Interest bearing-		
Deposits with Bank	612.34	1,021.50
Loans	5117.53	3,151.01
Investment	50.77	22.74
Financial liabilities		
Non-interest bearing-		
Trade Payable	-	-
Other Financial Liability	903.08	462.26
Interest bearing-		
Borrowings (other than Debt Securities)	5628.45	4,090.27

Sensitivity Analysis

The table below summarizes 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.

Particular	Amount(In Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
a) Interest rate sensitivity - Borrowings		
50 bp increase would decrease the profit before tax by	(28.14)	(20.45)
50 bp decrease would increase the profit before tax by	28.14	20.45

Particular	Amount(In Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
b) Interest rate sensitivity - Loans		
50 bp increase would decrease the profit before tax by	25.59	15.76
50 bp decrease would increase the profit before tax by	(25.59)	(15.76)

Particular	Amount(In Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
c) Interest rate sensitivity - Fixed Deposits with Bank		
50 bp increase would decrease the profit before tax by	3.06	5.11
50 bp decrease would increase the profit before tax by	(3.06)	(5.11)

38.2.2 Foreign Currency Risk

There is no foreign currency obligation/receivables as at March 31, 2024 therefore the company does not have any currency risk exposure.

38.2.3 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.

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.1,19,113.93 Lakh as at march 31, 2024 (As at March 31, 2023 - Rs. 32,816.12 laks)

38.3 Sensitivity Analysis

The table below summarizes 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

Particular	Amount(In Lakhs)	
	As at	As at
	31 March 2024	31 March 2023
5% increase would decrease the profit before tax by	5,955.70	1,640.81
5% decrease would increase the profit before tax by	(5,955.70)	(1,640.81)

38.4 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:

Particulars	Amount (In Lakhs)			
	Less than 1 year/ On demand	1 to 5 years	> 5 years	Total
As At 31st March 2024				
Borrowings other than Debt Securities*	2,024.90	3,610.19	-	5,635.09
Subordinated Debts	-	-	-	-
Other financial liabilities	640.93	154.62	-	795.55
As At 31st March 2023				
Borrowings other than Debt Securities*	1,877.53	2,222.22	-	4,099.75
Subordinated Debts	-	-	-	-
Other financial liabilities	462.26	-	-	462.26

* Gross of processing fees of Rs. 6.64 Lakhs (31st March 2023 Rs. 9.48 lakhs)

39 Other Financial Instruments Disclosures

39.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

Particulars	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Amount (In Lakhs)	
				Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (quoted)	7,501.18	-	-	7,501.18	7,501.18
(b) Investment in equity shares (unquoted)	370.22	-	-	370.22	370.22
(c) Trade receivables	14.67	-	-	14.67	14.67
(d) Loans	5,117.53	-	-	5,117.53	5,117.53
(e) Other financial assets	170.27	-	-	170.27	170.27
(f) Cash and cash equivalents	1,058.91	-	-	1,058.91	1,058.91
(g) Bank balance other than cash and cash equivalent	612.34	-	-	612.34	612.34
Liabilities:					
(a) Borrowings other than Debt Securities	5,628.45	-	-	5,628.45	5,628.45
(b) Other financial liabilities	903.08	-	-	903.08	903.08

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

Particulars	Amortized cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Amount (In Lakhs)	
				Total Carrying value	Total fair value
Assets:					
(a) Investment in equity shares (quoted)	7,059.66	-	-	7,059.66	7,059.66
(b) Investment in equity shares (unquoted)	311.81	-	-	311.81	311.81
(c) Trade receivables	34.73	-	-	34.73	34.73
(d) Loans	3,151.91	-	-	3,151.91	3,151.91
(e) Other financial assets	104.33	-	-	104.33	104.33
(f) Cash and cash equivalents	1,426.98	-	-	1,426.98	1,426.98
(g) Bank balance other than cash and cash equivalent	1,021.50	-	-	1,021.50	1,021.50
Liabilities:					
(a) Borrowings other than Debt Securities	4,090.27	-	-	4,090.27	4,090.27
(b) Other financial liabilities	462.26	-	-	462.26	462.26

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39.2 Fair Value Hierarchy

39.2.1 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

Particular	March 31, 2024			March 31, 2023		
	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)	7,501.18			7,059.66		
b) Investment in equity Shares (unquoted)			319.85			289.07
c) Investment in other debt instrument (unquoted)			50.77			77.74
Liabilities						
Financial Assets and Liabilities which are measured at amortized cost for which fair values are disclosed						
Assets:						
Liabilities:						
a) Lease Liabilities		21.66			54.77	

39.2.2 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:-

Particular	Amount (In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Lease Liabilities	21.66	54.77

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 Company based on parameters such as interest rates and individual credit worthiness of the counterparty

40 Maturity profile of Assets and Liabilities

Particulars	Amount (In Lakhs)			
	As At March 31, 2024		As At March 31, 2023	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial Assets				
Cash and cash equivalents	1,058.91	-	1,426.98	-
Bank balance other than cash and cash equivalents	311.84	300.50	1,021.50	-
Trade receivable	14.67	-	34.73	-
Loans	4,897.36	220.17	2,901.68	750.73
Investments	50.77	7,820.62	-	1,471.47
Others Financial Assets	165.22	5.05	87.38	16.95
Non-Financial Assets				
Current tax assets (Net)	-	-	-	-
Deferred Tax Assets (Net)	-	83.10	-	90.66
Property, plant & equipment	-	14.74	-	20.94
Right of use assets	35.70	-	49.84	-
Intangible assets under development	-	583.89	96.76	-
Other Intangible assets	-	0.72	-	1.61
Other non-financial assets	424.02	51.52	408.76	-
Closing Stock	1.47	-	-	-
Financial Liabilities				
Borrowing other than Debt Securities	2,011.61	3,610.19	1,877.53	2,222.22
Other financial liabilities	748.46	154.62	341.80	170.46
Non-Financial Liabilities				
Current tax liabilities (net)	-	-	5.63	-
Provisions	-	2.43	-	2.01
Deferred tax liabilities (net)	-	-	-	-
Other Non-Financial Liabilities	70.15	-	105.62	-

40 Related Party disclosures as required by Ind AS-24

40.1 List of related parties and relationship:

S.no.	Relation	Name	Particular
1	Subsidiary Company	Mufin Green Finance Limited	
		Hindon Account Aggregation Services Private Limited	
		Hindon Peer to Peer Finance Private Limited	
		Mufin Payment Solution Private Limited	w.e.f May 05, 2021
		Bimapay Finsure Private Limited	w.e.f April 05, 2022
2	Subsidiary of Subsidiary	Fintelligence Data Science Private Limited	
		Mufin Green infra Limited	w.e.f March 02, 2023
		Mufin Green Leasing Private Limited	w.e.f August 03, 2023
3	Key management Personnel	Kapil Garg	Managing Director
		Tanvi Jawa	Chief Financial Officer w.e.f. January 13, 2023
		Mayank Jain	Company Secretary from May 05, 2022 to May 23, 2024
		Ruby Chauhan	Company Secretary w.e.f. May 23, 2024
4	Relative of Key Management personnel	Shelly Garg	Wife of Shri Kapil Garg, Managing Director
5	Non Executive Director	Sandeep Jain	Non- Executive Director
		Neha Agarwal	Non- Executive Director- up to March 31, 2024
		Luv Khanna	Non- Executive Director
		Pradip Kumar kar	Non- Executive Director
		Amol Sinha	Non- Executive Director
6	Company in which the relative of director has significant influence	Hemant Bhageria	Non- Executive Director w. e.f. January 12, 2023
		Bima Pay Technology Private Limited	

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

Amount(in Lakhs)

Name of the Related party	Nature of transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Amol Sinha	Director sitting fees	-	0.15
	Director remuneration	-	167.34
Kapil Garg	Loan repaid	-	135.00
	Loan received	-	135.00
	Share issued	-	955.96
	Interest paid on loan	-	0.17
	Loan repaid	10.00	0.22
Hindon Account Aggregation Service Private Limited	Reimbursement of Expenses	0.06	-
	Purchase of shares	-	58.13
Bimapay Finsure Private Limited	Reimbursement of Expenses	0.97	-
	Commission Expenses	66.94	-
	Payment made on our behalf	0.36	-
	Loan Given	70.00	-
	Loan taken	1,039.14	-
	Loan received back	70.00	-
	Interest income	6.18	-
	Interest paid on loan	37.44	-
Mufin Payment Solutions Private Limited	Purchase of shares	-	1.00
	Reimbursement of Expenses	7.56	-
Fintelligence Data Science Private Limited	Reimbursement of Expenses	1.03	-
	Profession Service	87.96	-

Pradeep Kumar Kar	Director sitting fees	5.00	-
	Director remuneration	-	4.00
Sandeep Jain	Share issued	-	79.20
	Interest paid on loan	-	0.20
Shelly gang	Loan repaid	-	100.00
	Share issued	-	325.00
	Loan received	-	100.00
Hindon Peer to Peer Finance Private Limited	Share application Money	-	100.00
	Loan Taken	1,917.63	621.56
	Interest paid on loan	31.42	10.95
	Collection received on our Behalf	-	80.05
	Collection received on behalf Mufin green	3.69	-
Mufin Green Finance Limited	Interest received on advance given	-	0.11
	Loan Portfolio transferred	23.91	97.98
	Purchase of shares	441.52	147.17
	Loan repaid	550.84	869.35
	Reimbursement of payment made on their behalf	31.81	99.57
Bima Pay Technology Private Limited	Loan Given	644.32	-
	Loan Repaid	644.32	-
	Interest Income Received	5.68	-

40.3 Outstanding balances with Related parties

Name of the Related party	Nature of transaction	Amount(In Lakhs)	
		For the Year ended March 31, 2024	For the Year ended March 31, 2023
Mufin Green Finance	Loan Outstanding	1,350.00	1,634.86
	Expenses Payable	17.09	-
Hindon Account Aggregation Service Private Limited	Loan Outstanding	-	0.22
	Expense Reimbursement (Recoverable)	0.06	-
Hindon Peer to Peer Finance Private Limited	Advance Outstanding	100.00	74.00
Mufin Payment Solutions Private Limited	Expense Reimbursement (Recoverable)	7.56	-
Bimpay Finsure Private Limited	Interest payable	33.70	-
	Expenses Payable	47.66	-
	Loan Outstanding	1,039.14	-
Fintelligence Data Science Private Limited	Expenses Payable	0.02	-
	Investment	50.77	50.77

40.4 Particulars of Remuneration to Key Management Personnel

Particular	Amount(In Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Salary and allowance	20.89	4.06
Contribution to PF	0.22	0.05

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

40.6 Related party relationship is as identified by the Company.

41 Earnings per Share (EPS)

Particular	Amount(In Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Net Profit for the year (before OI) (Rs. in lakhs)	218.79	229.64
Weighted average number of Equity Shares	1,47,92,634	1,30,50,168
Diluted average number of Equity Shares	1,58,92,634	1,41,50,168
Basic earnings per share (Rs.)	1.48	1.76
Diluted earnings per share (Rs.)	1.40	1.62
Face value of each share (Rs.)	10.00	10.00

42 Change in Liabilities arising from Financial Activities

Particulars	Amount (in Lakhs)				
	As at April 01, 2023	Cash flows	Others	New Leases	As at March 31, 2024
Debt Securities	-	-	-	-	-
Borrowings other than debt securities	4,090.27	1,544.82	(6.64)	-	5,628.45
Lease Liabilities	54.77	(33.13)	-	-	21.66
Total	4,145.04	1,511.71	(6.64)	-	5,650.11

Particulars	Amount (in Lakhs)				
	As at April 01, 2022	Cash flows	Others	New Leases	As at March 31, 2023
Debt Securities	-	-	-	-	-
Borrowings other than debt securities	10,272.46	(6,172.71)	(9.48)	-	4,090.27
Lease Liabilities	84.62	(29.85)	-	-	54.77
Total	10,357.08	(6,202.56)	(9.48)	-	4,145.04

- Others column represents the effect of interest accrued but not due on borrowing, amortization of processing fees etc
- Liabilities represents of Debt securities, Borrowings (other than debt securities) and Lease Liabilities.

43 Disclosures of Leases pursuant to Ind AS 116

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

43.2 Amounts recognized in Statement of Profit and Loss

Particular	Amount (in Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Depreciation Expenses	21.58	13.22
Interest Expenses	3.95	6.44
Total	25.51	39.66

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

Particular	Amount (in Lakhs)	
	Building	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Balance at the beginning of the year	49.84	83.06
Additions	7.42	-
Deletion/Adjustment	-	-
Depreciation	(21.56)	(33.22)
Balance at the end of the year	35.70	49.84

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss

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

Particular	Amount (in Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Current lease liabilities	21.66	35.37
Non-current lease liabilities	-	19.40
Total	21.66	54.77

43.5 The movement in lease liabilities

Particular	Amount (in Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Balance at the beginning of the year	54.76	84.62
Additions	7.42	-
Interest Expenses	3.95	6.44
Deletions	-	-
Payment of lease liabilities	(44.46)	(36.30)
Balance at the end of the year	21.66	54.76

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

Particular	Amount (in Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Less than one year	21.66	38.88
One to five years	-	19.91
More than five years	-	-
Total	21.66	58.79

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44 Disclosure as per RBI Notifications / Circulars / Directions

44.1 The disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time

(a) Capital:

Ratio	For Year ended 31st March 2024	For Year ended 31st March 2023
Capital to risk-weighted assets ratio (CRAR)	24.98	65.55
Tier I CRAR	24.32	64.94
Tier II CRAR	0.66	0.61
Amount of subordinated debt raised as Tier-II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

(b) Investment

Amount(In Lakhs)

Particular	For Year ended 31st March 2024	For Year ended 31st March 2023
1) Value of Investments :		
(i) Gross Value of Investments		
(a) In India	7,871.39	7,471.47
(b) Outside India		
(ii) Provisions for Depreciation		
(a) In India		
(b) Outside India		
(iii) Net Value of Investments		
(a) In India	7,871.39	7,471.47
(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		

(C) Derivatives:

(i) Forward Rate Agreement / Interest Rate Swap

Amount(In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(i) The notional principal of swap agreements	Nil	Nil
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	Nil	Nil
(iii) Collateral required by the applicable NBFC upon entering into swaps	Nil	Nil
(iv) Concentration of credit risk arising from the swaps	Nil	Nil
(v) The fair value of the swap book	Nil	Nil

(ii) Exchange Traded Interest Rate (IR) Derivates

Amount(in Lakhs)

S.No.	Particulars	As at	As at
		March 31,2024	March 31,2023
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	Nil	Nil
(ii)	Notional principal amount of exchange traded IR derivatives outstanding (instrument-wise)	Nil	Nil
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	Nil	Nil

iii) Disclosures on Risk Exposure in Derivatives

(Rs. in lakhs)

Particular	Currency Derivatives		Interest Rate Derivatives	
	As at	As at	As at	As at
	March 31,2024	March 31,2023	March 31,2024	March 31,2023
Derivatives (Notional Principal Amount)				
For hedging	Nil	Nil	Nil	Nil
Marked to Market Positions [1]				
a) Asset (+)	Nil	Nil	Nil	Nil
b) Liability (-)	Nil	Nil	Nil	Nil
Credit Exposure [2]	Nil	Nil	Nil	Nil
Unhedged Exposures	Nil	Nil	Nil	Nil

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(D) Exposure

(i) Exposure to Real Estate Sector:

Particular		For Year ended 31st march 2024	For Year ended 31st march 2023
(A)	Direct Exposure		
(i)	Residential Mortgages:-		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.	34.25	35.66
(ii)	Commercial Real Estate:-		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose 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 nonfund based limits.		
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures:-		
	(a) Residential		
	(b) Commercial Real Estate		
(B)	Indirect Exposure		
	Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
	Total Exposure to Real Estate Sector	34.25	35.66

(ii) Exposure to Capital Market:

Particular		For Year ended 31st march 2024	For Year ended 31st march 2023
(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	7,871.39	7,059.66
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds		
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security		
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances		
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers		
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources		
(vii)	Bridge loans to companies against expected equity flows / issues		
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds		
(ix)	Financing to stockbrokers for margin trading		
(x)	All exposures to Alternative Investment Funds:		
	i) Category I		
	ii) Category II		
	iii) Category III		
(xi)	All exposures to Venture Capital Funds (both registered and unregistered)		

(iii) Intra-group exposures

S. No.	Particulars	As at	As at
		March 31, 2024	March 31, 2023
i	Total Amount of Intra-group exposures	107.65	100.00
ii	Total amount of top 20 intra-group exposures	107.65	100.00
iii	Percentage of intra-group exposures to total exposures of the NBFC on borrowers/customers	2.06%	3.08%

(E) There is no unhedged foreign currency exposure as at March 31, 2024 (March 31, 2023 – Nil)

(F) Details of the Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded as per prudential exposure limits during the year: Nil (March 31, 2023 – Nil)

(G) Unsecured advances: Gross loans and advances includes unsecured advances of Rs.5131.54 lakhs (March 31, 2023 – 3087.37 lakhs). There are no advances secured against intangible assets.

(H) Registration obtained from financial sector/other regulators:

RBI: vide registration number B-14-00518

Ministry of Corporate Affairs: U34300DL1985PLC021785

Prepaid Payment Instrument License no. 157/2023

I) During the year, a) no prior period items occurred which has material impact on Standalone statement of profit and loss, b) the Company Implemented Ind AS as required by Ministry of Corporate Affairs and c) there were no circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties

J) Revenue Recognition – Refer note 2.5.1

K) The Company has prepared the consolidated financial statements as it has five subsidiaries.

L) Provisions and Contingencies

(Rs. In Lakhs)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	As at March 31 2024	As at March 31 2023
Provisions for depreciation on investment	-	-
Provision towards NPA	22.64	7.38
Provision made towards Income tax (net)	76.39	175.59
Other Provision and Contingencies (Employee Benefit Payable)	0.41	1.65
Provision for Standard Assets	25.62	15.78

M) There is no draw down of special reserves created under section 45-1C of RBI Act, 1934 and 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.

(N) Sectoral Exposure

Sector	Current Year			Previous Year		
	Total Exposure (Includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (Includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	120.00	-	-	85.80	-	-
2. Industry						
Apparel	21.03	-	-	49.77	-	-
Automotive	0.51	0.51	1.00	53.45	1.31	0.02
Dairy	132.03	-	-	677.70	-	-
Food and beverages	24.75	-	-	-	-	NA
Manufacturing	190.47	-	-	-	-	NA
Plastic	0.61	0.61	1.00	-	-	NA
Total Industry	369.40	1.11	0.00	780.92	1.32	0.00
3. Services						
Healthcare	3,480.68	36.99	0.01	1,956.52	-	-
NBFC	17.21	-	-	12.05	-	-
Real Estate	200.00	-	-	-	-	NA
Telecommunication	1.34	1.34	1.00	197.27	-	-
Shipping	5.00	-	-	-	-	NA
Education	0.88	-	-	-	-	NA
Others	153.93	-	-	20.14	-	-
Total of Service	3,859.04	38.33	0.01	2,185.98	-	-
4. Personal Loans						
Personal Loan	783.10	70.08	0.09	86.81	9.32	0.11
Total of Personal Loan	783.10	70.08	0.09	86.81	9.32	0.11
5. other, if any LAP	34.25	9.22	0.27	35.66	8.20	0.23

(O) Related Party Disclosure

Related Party	Parent (a per ownership or control)		Subsidiary		Associates/ Joint ventures		Key Management Personnel		Relatives of Key Management Personnel		Enterprise having significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Loan Given	-	-	70.00	-	-	-	-	-	-	-	644.32	-
Repayment of loan	-	-	70.00	-	-	-	-	-	-	-	644.32	-
Loan Received (Borrowings)	-	-	2,956.77	621.56	-	-	135.00	100.00	-	-	100.00	-
Loan Repaid	-	-	560.84	869.57	-	-	135.00	100.00	-	-	100.00	-
Investment in Equity Share	-	-	441.52	306.30	-	-	-	-	-	-	-	-
Purchase of share	-	-	-	-	-	-	-	-	-	-	325.00	-
Interest paid	-	-	68.86	10.95	-	-	-	-	-	-	0.20	-
Interest Received	-	-	6.18	0.11	-	-	-	-	-	-	-	5.88
Commission Expenses	-	-	66.94	-	-	-	-	-	-	-	-	-
Reimbursement of Expenses	-	-	41.42	99.57	-	-	-	-	-	-	-	-
Director sitting fees	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	-	-	-	-	-	-	21.11	167.34	-	-	4.11	-
Loan Balance Transferred/ Collection Received	-	-	23.91	97.98	-	-	-	-	-	-	-	-
Professional Service received	-	-	87.98	-	-	-	-	-	-	-	-	-
Other	-	-	4.05	80.05	-	-	-	-	-	-	-	-
Balance at year end												
Borrowing	-	-	2,389.14	1,714.08	-	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	7,836.43	7,438.79	-	-	-	-	-	-	-	-
Interest Expenses payable	-	-	33.70	-	-	-	-	-	-	-	-	-
Expenses payable	-	-	64.77	-	-	-	-	-	-	-	-	-
Expenses (Reimbursement) Recoverable)	-	-	7.62	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
Advance Outstanding	-	-	100	-	-	-	-	-	-	-	-	-
Maximum Outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	2,639.14	1,714.08	-	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	7,836.43	7,438.79	-	-	-	-	-	-	-	-
Interest Expenses payable	-	-	33.70	-	-	-	-	-	-	-	-	-
Commission Expenses payable	-	-	64.77	-	-	-	-	-	-	-	-	-
Advance outstanding	-	-	100.00	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-

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(P) Movement of NPAs

S.No.	Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
(i)	Net NPAs to Net Advances (%)	1.88%	0.36%
ii)	Movement of NPAs (Gross)		
	Opening balance	18.85	389.09
	Additions during the year	104.32	-
	Reductions during the year	-1.06	-370.24
	Closing balance	118.76	18.85
iii)	Movement of NPAs (Net)		
	Opening balance	11.47	262.64
	Additions during the year	85.71	-
	Reductions during the year	-1.06	-251.17
	Closing balance	96.12	11.47
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	Opening balance	7.38	126.45
	Provision made during the year	15.26	-
	Written off / Writte back of Excess provision	-	-119.07
	Closing balance	22.64	7.38

46.1 Details of Gross Advances, Gross NPAs, Net Advances and Net NPAs for the year ended March 31,2024:

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
Part A		
1 Standard Advances	5,047.03	3,156.30
2 Gross Non-performing assets (NPAs)	118.76	18.85
3 Gross Advances (1+2)	5,165.79	3,175.15
4 Gross NPAs as a percentage of Gross Advances (2/3) (in %)	2.30%	0.59%
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)	22.64	7.38
(ii) DICGC / ECGC claims received and held pending adjustment	Nil	Nil
(iii) Part payment received and kept in Suspense Account or any other similar	Nil	Nil
(iv) Balance in Sundries Account (Interest Capitalization – Restructured Accounts), in respect of NPA Accounts	Nil	Nil
(v) Floating Provisions	Nil	Nil
(vi) Provisions in lieu of diminution in the fair value of restructured accounts classified as	Nil	Nil
(vii) Provisions in lieu of diminution in the fair value of restructured accounts classified as standard assets	Nil	Nil
6 Net Advances (3-5)	5,143.15	3,167.77
7 Net NPAs (2-5(i + ii + iii + iv + v + vi))	96.12	11.47
Net NPAs as percentage of Net Advances (7/6) (in %)	1.87%	0.36%
Part B		
1 Provisions on Standard Assets excluding 5(vi) in Part A	25.62	15.78
2 Interest recorded as Memorandum Item	Nil	Nil
3 Amount of cumulative Technical Write - Off in respect of NPA accounts reported in Part A above	Nil	Nil

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

46.2 Disclosure of Complaints

(i) Customers Complaints from customers

S.no.	Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
	Complaints received by the NBFC from its customers	50	0
1	Number of complaints pending at beginning of the year	0	0
2	Number of complaints received during the year	50	0
3	Number of complaints disposed during the year	50	0
3.1	Of which, number of complaints rejected by the NBFC	0	0
4	Number of complaints pending at the end of the year	0	0
	Maintainable complaints received by the NBFC from Office of Ombudsman		0
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
5.1	of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
5.2	of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	3	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	3	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

(ii) Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year (Internal Portals)	Increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current year (FY 2023-24)					
Loan Ownership	0	17	17	0	0
Loan settlement/ NQC not Received	0	23	23	0	0
Threatening calls/Inappropriate approach by recovery agents	0	10	10	0	0
Previous year (FY 2022-23)	0	0	0	0	0

46.3 Details of the Loans and Advances given against the collateral security of gold and gold jewellery: Nil (March 31, 2023 – Nil)

46.4 Disclosures on Liquidity Risk Management, to the extent applicable

46.4.1 Funding Concentration based on the significant counter party

S.no.	As At March 31, 2024				As At March 31, 2023			
	Number of Significant Counter parties	Amount	% of total deposits	% of total liabilities	Number of Significant Counter parties	Amount	% of total deposits	% of total liabilities
1	9	5,628.45	NA	85.23%	12	4090.27	N.A.	87.63%

46.4.2 Top 10 Borrowings

S.No.	Name	As At March 31, 2024			As At March 31, 2023		
		Borrowings from the party	Total Borrowing	% of total Borrowings	Borrowings from the party	Total Borrowing	% of total Borrowings
1	Finmen Advisors Private Limited	312.89	5,628.45	5.56%	405.18	4090.27	9.91%
2	Resilient Innovations Private Limited	-	5,628.45	0.00%	598.78	4090.27	14.64%
3	CKERS Finance Private Limited	-	5,628.45	0.00%	89.43	4090.27	2.19%
4	idea2 IT Technology Services Private Limited	-	5,628.45	0.00%	100.00	4090.27	2.44%
5	TATA Capital Financial Service Limited	-	5,628.45	0.00%	358.67	4090.27	8.77%
6	Namdev Finvest Private Limited	172.68	5,628.45	3.07%	600.00	4090.27	14.67%
7	Care fi Technological Solutions Private Limited	1,282.16	5,628.45	22.78%	1,102.29	4090.27	26.95%
8	Kredmint Technologies Private limited	16.00	5,628.45	0.28%	490.00	4090.27	11.98%
9	Yes Bank Limited	-	5,628.45	0.00%	182.31	4090.27	4.46%
10	ICICI bank Limited	-	5,628.45	0.00%	130.94	4090.27	3.20%
11	Oktech AA Information Services Pvt Ltd	550.00	5,628.45	9.77%	-	4090.27	0.00%
12	Bizcon Fintech Labs Pvt. Ltd	410.00	5,628.45	7.28%	-	4090.27	0.00%
13	Bimapay Finsure Pvt Ltd	1,039.14	5,628.45	18.46%	-	4090.27	0.00%
14	UC Inclusive Credit Pvt Ltd	495.58	5,628.45	8.80%	-	4090.27	0.00%
15	Mufin Green Finance Limited	1,350.00	5,628.45	23.99%	-	4090.27	0.00%

46.4.3 Funding concentration based on the instrument/Product

S.No.	Name of the instruments	As At March 31, 2024		As At March 31, 2023	
		Amount	% of the total Liabilities	Amount	% of the total Liabilities
1	Loan repayable on demand	4,960.19	75.34%	2727.40	58.43%
2	Term Loan	668.26	10.15%	1048.10	22.45%
3	Overdraft	-	0%	314.77	6.74%

46.4.3 Stock Ratio- Other Short-Term Liabilities

S.No.	Other Short Term Liabilities	As At March 31, 2024			As At March 31, 2023			
		% of the total Public fund	% of the total Liabilities	% of the total assets	Other Short Term Liabilities	% of the total Public fund	% of the total Liabilities	% of the total assets
1	818.61	NA	12.40%	5.10%	448.42	NA	9.61%	3.23%

46.5 The Company has not undertaken any transaction during the current year and previous year for currency futures and currency options.

46.6 The Company has not accepted/holds any public deposits during the year.

46.7 RBI has not carried out any supervisory inspection during the financial year ended March 31, 2024 and March 31, 2023. Hence, no disclosure is required on divergence in asset classification and provisioning as per the requirement of as required by Master Direction- Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time.

47 Disclosure 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 2024

Assets Classification as per RBI Norms (1)	Assets Classification as per IND AS 109 (2)	Gross Carrying amount as per Ind AS (3)	Loss Allowance (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)= (3)-(4)	Provisions required as per IRACP (6)	Difference between IND AS 109 provisions and IRACP Norms (7)= (4)-(6)
Performing Assets						
	Stage 1	4,926.70	24.90	4,901.80	19.71	5.19
Standard	Stage 2	120.33	0.72	119.61	0.48	0.24
Subtotal						
Non Performing Assets (NPA)						
Sub Standard	Stage 3	118.76	22.64	96.12	11.88	10.77
Doubtful- upto 1 year	Stage 3	-	-	-	-	-
1 to 3 year	Stage 3	-	-	-	-	-
More than 3 year	Stage 3	-	-	-	-	-
Subtotal for Doubtful						
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other Item such as guarantees, loan	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Commitment, etc. Which are in the scope of IND AS 109 but not covered under current Income Recognition, Assets Classification and Provisioning (IRACP) norms	Stage 3	-	-	-	-	-
Sub total						
	Stage 1	4,926.70	24.90	4,901.80	19.71	5.19
	Stage 2	120.33	0.72	119.61	0.48	0.24
	Stage 3	118.76	22.64	96.12	11.88	10.77
Total	Total	5,165.79	48.26	5,117.53	32.07	16.20

As At March 2023

Assets Classification as per RBI Norms (1)	Assets Classification as per IND AS 109 (2)	Gross Carrying amount as per Ind AS (3)	Loss Allowance (Provisions) as required under IND AS 109 (4)	Net carrying Amount (5)= (3)-(4)	Provisions required as per IRACP (6)	Difference between IND AS 109 provisions and IRACP Norms (7)= (4)-(6)
Performing Assets						
	Stage 1	3,116.55	15.58	3,100.97	12.47	3.11
Standard	Stage 2	39.68	0.20	39.48	0.16	0.04
Subtotal						
Non Performing Assets (NPA)						
Sub Standard	Stage 3	18.85	7.38	11.47	1.89	5.49
Doubtful- up to 1 year	Stage 3	-	-	-	-	-
1 to 3 year	Stage 3	-	-	-	-	-
More than 3 year	Stage 3	-	-	-	-	-
Subtotal for Doubtful						
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA						
Other Item such as guarantees, loan	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
Commitment, etc. Which are in the scope of IND AS 109 but not covered under current Income Recognition, Assets Classification and Provisioning (IRACP) norms	Stage 3	-	-	-	-	-
Sub total						
	Stage 1	3,116.55	15.58	3,100.97	12.47	3.11
	Stage 2	39.68	0.20	39.48	0.16	0.04
	Stage 3	18.85	7.38	11.47	1.89	5.49
Total	Total	3,175.08	23.16	3,151.92	14.52	8.64

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

48 Schedule in terms of Paragraph 19 of "Non-Banking Financial Company - Non Systemically Important Non-Deposit taking Company (Reserve Bank)

(Rs. in lakhs)

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	675.13	-	1,052.30	-
(d) Inter-corporate loans and borrowing	5,276.37	-	2,727.40	-
(e) Commercial Paper	-	-	-	-
(f) Public Deposits	-	-	-	-
(g) Other Loans (specify nature)	-	-	365.33	-
(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				
(3) Break-up of Loans and Advances including bills receivables (other than those included in (4) below):				
(a) Secured		34.25		87.70
(b) Unsecured		5,131.54		3,087.37
(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		-		-
(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				
Long Term investments				
1. Quoted				
(i) Shares				
(a) Equity		7,501.18		7,059.66
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted				
(i) Shares				
(a) Equity		309.50		379.13
(b) Preference		9.94		9.94
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
- Investment in AIF and Others		-		-

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Assets	Amount outstanding		Amount outstanding	
Current investments				
1. Quoted				
(i) Shares				
(a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)				
2. Unquoted				
(i) Shares				
(a) Equity				
(b) Preference				
(ii) Debentures and Bonds				
(iii) Units of mutual funds				
(iv) Government Securities				
(v) Others (please specify)		50.77		22.74
(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	31.72	5,085.81	85.33	3,066.56
	31.72	5,085.81	85.33	3,066.56
(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)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	1,19,398.41	7,785.66	33,129.09	7,438.79
(b) Companies in the same group	-	-	-	-
(c) Other related parties	-	-	-	-
2. Other than related parties	34.96	34.96	18.93	-
	1,19,433.37	7,820.62	33,148.02	7,438.79
(8) Other information				
Particulars	Amount		Amount	
(i) Gross Non-Performing Assets				
(a) Related parties		-		-
(b) Other than related parties		118.76		11.48
(ii) Net Non-Performing Assets				
(a) Related parties		-		-
(b) Other than related parties		96.12		11.48
(iii) Assets acquired in satisfaction of debt				

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

49 Details of Loan not in default Transferred during the year March 31, 2024 and March 31, 2023 Under Master Direction- RBI (Transfer the Loan Exposures) Directions, 2021 dated September 24, 2021

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
	From the Lender listed in the clause 3	From the Lender listed in the clause 3
Aggregator Amount of loan transferred (Rs. In Lakhs)	-	816.47
Weighted average maturity (in months)	-	13.92
Weighted average holding period (in months)	-	11.09
Retentionship of beneficial economic interest by the originator	-	Nil
Tangible Security Coverage	-	100%
Rating Wise distribution of related loans	Not Applicable	Not Applicable

49.1 Details of Stressed Loans (Special Mention Account 'SMA') transferred during year ended March 31st, 2024 and March 31st, 2023 under Master Direction- RBI (Transfer the Loan Exposures) Directions, 2021 dated September 24, 2021

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
	From the Lender listed in the clause 3	From the Lender listed in the clause 3
No. of accounts	-	424
Aggregate principal outstanding of loans transferred (Rs. in Lakhs)	-	228.12
Weighted average residual tenor of loan transferred (in Months)	-	12.98
Net books value of loan transferred (at time of transfer)	-	-
Aggregate Consideration (Rs. In Lakhs)	-	234.71
Additional Consideration realize in respect of accounts transferred in earlier Year	-	NIL

50 Disclosures in terms of circular RBI/2021-2022/104/DOR.No.STR.REC.55/21.04.048/2021-22 dated October 1, 2021.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Gross NPAs as on 01 April 2023 (Opening Balance)	18.85	389.09
Additions (Fresh NPAs) during the year	104.32	-
Sub-total (A)	123.17	389.09
Less:-		
(i) Upgradations	-1.06	-
(ii) Recoveries (excluding recoveries made from upgraded accounts)	-3.35	-370.24
(iii) Technical/ Prudential Write-offs	-	-
(iv) Write-offs other than those under (iii) above	-	-
Sub-total (B)	-4.41	-370.24
Gross NPAs as on 31 March 2024 (closing balance)	118.76	18.85

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51. 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, 2024, for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016), as amended and rules made thereunder.

(ii) Borrowing secured against current assets

The Company has borrowed money from the banks and financial institutions (including NBFCs) against security of current assets of loan portfolio and The Quarterly/monthly statements of current assets for the financial year ended 31 March 2024, filed by the Company with banks and financial institutions are in agreement with books of accounts.

(iii) Willful defaulter

The company has not been declared willful defaulter by any bank, financial institution or lender as at March 31, 2024.

(iv) Relationship with struck off companies

There is no transaction during the year with or outstanding balance of the struck off companies as at March 31, 2024.

(v) Compliance with number of layers of companies

The Company has complied with number of layers of companies as per the provisions of Companies Act, 2013.

(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.

(vii) Utilization of borrowed funds and share premium

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, 2024

(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, 2024.

(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, 2024.

Other Statutory information

(i) During the Year, Provision 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, 2024.

(iii) The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts. The company has not entered into any derivative contract.

(iv) The Company has not received any whistleblower complaint during the year ended March 31, 2024.

(v) There are no pending litigations as at March 31, 2024 having impact on the financial position of the Company.



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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(v) 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, 2024 (March 31, 2023 - Nil). Accordingly, no disclosures are required to be given under 'MSMED Act'.

(vi) There is no Core Investment Company within the group as defined in the regulations made by the Reserve Bank of India.

52 Ratio Analysis:

Ratio	As at	As at	Variance (%)	Reason for variance
	March 31, 2024	March 31, 2023		
Capital to risk-weighted assets ratio (CRAR)	24.98%	65.55	-32.31	Due to increase in loans given to the customer and borrowings during the year and
Tier I CRAR	24.32%	64.94	-31.6	
Tier II CRAR	0.66%	0.61	-1.96	
Amount of subordinated debt raised as Tier-II	Nil	Nil	Not Applicable	Not Applicable
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	Not Applicable	Not Applicable
Liquidity Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable

The Company is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with the disclosures as required by Master Directions - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 as amended from time to time.

53 Foreign Currency earning, expenditure and outgo- Nil (31st March 2023: Nil)
CIF value of Import- Nil (31st March 2023: Nil)

54 Previous Year figure have been regrouped/rearranged to confirm current year presentation wherever necessary.

55 All the Amount in the Financial Statement 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

Significant Accounting Policies and Notes Forming part of Financial Statement

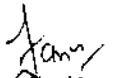
As Per our report of even date attached

For and on behalf of the board of Directors

For PJM Associates
Firm Registration No. 029582N


Vils Dasa
Partner

Membership No. 535712
Place : Delhi
Date : August 30, 2024


Tanvi Jawa
Chief Financial Officer


Ruby Chauhan
Company Secretary
M. No. A69210


Kapil Garg
Managing Director
DIN: 01716987


Luv Khanna
Director
DIN: 07723426



1. Corporate information

Hindon Mercantile Limited ('The company') is a Public Limited Company incorporated under provision of the Companies Act, 1956 with its registered office in Delhi to carry on the business of Non-Public Deposit Accepting Non-Banking Finance Company in India. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company holds valid certificate of Registration (COR) from the reserve bank of India. The registered office of the company located at 201, 2nd floor, Best Sky tower, plot no. f-5, Netaji Subhash place, North West Delhi 110034. the Company engaged in business of financial activities and Prepaid Payment Instrument governed by extant PPI guidelines of "The Reserve Bank of India "from time to time.

2. Basis of Preparation and Material accounting policies

2.1 Statement of Compliance and Basis of Preparation and Presentation

The Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone 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 Standalone Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The Standalone Balance Sheet, Standalone Statement of Profit and Loss Standalone Statement of Cash Flows and Standalone Statement of Change in Equity are together referred as the standalone financial statements of the Company.

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

The standalone 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 standalone 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 Standalone Balance Sheet in the order of liquidity. An analysis regarding maturity of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 40.

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 standalone 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 standalone 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 Standalone 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 standalone 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 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 standalone 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 standalone 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 standalone 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, Repossessed assets, Income taxes and employee benefits.

2.5 Material 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 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 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 standalone statement of profit and loss at initial recognition.

Interest income/expenses is calculated by applying the EIR to the gross carrying amount (principal not due) 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). Further, in terms of RBI Guidelines, interest accrued on credit impaired assets is recognized as and when received.

2.5.1.2 Dividend Income

Dividend income is recognized 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 recognizes 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 Net gain on fair value change

Any differences between the fair values on the date of acquisition and balance sheet date of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognized as an unrealized gain/loss in the standalone statement of profit and loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains on fair value changes" under revenue from operations and if there is a net loss, the same is disclosed in "Net loss on fair value changes", in the standalone statement of profit and loss.

2.5.1.5 Other operational revenue

Other operational revenue represents income earned from the activities incidental to the main business and is recognized when the right to receive the income is established as per the terms of the contract and Late payment interest, bouncing charges etc. are accounted on the receipt basis.

2.5.1.6 Other Income

Other Income represents income earned from the activities other than the main business 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 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 recognized on the trade date, i.e., the date that the Company 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 Company recognizes debt securities and 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 recognized immediately in the standalone 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:

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

Notes forming part of the standalone financial statements for the year ended 31 March 2024

2.5.2.3.1.1 Amortized Cost

The Company 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 Solely Payment of Principal and Interest (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.

2.5.2.3.1.3 Fair value through Profit and Loss ("FVOCI")

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 standalone statement of profit and loss.

2.5.2.3.1.4 FVOCI- Equity Instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless 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 and are not held for trading.

If the Company elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. This cumulative gain or loss is not reclassified to standalone statement of profit and loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

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 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 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

Notes forming part of the standalone financial statements for the year ended 31 March 2024

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 recognized 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 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 and loss 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 as per EIR and impairment loss are recognized in standalone statement of profit and loss. Any gain or loss on derecognition is recognized in standalone statement of profit and loss.

Debt Instrument at FVOCI

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

2.5.2.5 Impairment and Write-off

The Company 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 which are measured at fair value are 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 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 categorizes its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1: When loans are first recognized, the Company 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 2/3 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 3: When loans are considered credit-impaired, the Company records an allowance for the life time expected credit losses. Stage 3 loans also include facilities, where the credit risk has improved but considered as credit impaired assets as per regulatory guidelines.

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/impairment 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.

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 recognized. 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.

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 Company 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 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.

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

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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. Balance loan outstanding after expected recovery from sale of vehicles, security deposit, settlement etc. are written off in the standalone statement of profit and Loss. Recoveries resulting from the Company's enforcement activities could result in impairment gains and same is adjusted in Impairment on financial instruments.

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 derecognized 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 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 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:

- 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

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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 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 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes 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 recognize the financial asset and also recognizes a collateralized 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 recognized in the standalone 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 standalone 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 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 standalone 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 standalone statement of profit and loss.

2.5.2.8 Derecognition of Financial Liabilities

The Company derecognizes 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 derecognized and the consideration paid and payable is recognized in the standalone statement of profit and loss.

2.5.2.9 Assets acquired under settlement

Asset acquired under settlement are measured at the prevailing market price/fair valuation including cost of acquisition, whichever is lower, on periodic basis. Any profit or loss arising on the sale of assets acquired under settlement of claims is recognized in Standalone statement of profit and loss.

2.5.3 Investments in subsidiaries

Investment in subsidiaries are recognised at cost and are not adjusted to fair value at the end of each reporting period as allowed by ind AS 27 'Separate financial statement'. Cost of investment represents amount paid for acquisition of the said investment.

The Company reviews the carrying amounts of its investments in subsidiaries at the end of each reporting period, to determine whether there is any indication that those investments have impaired. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any) and provided for accordingly. Such impairment loss is reduced from the carrying value of investments

2.5.4 Property, Plant and Equipment ("PPE")

PPE held for use are stated in the Standalone Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

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PPE is recognized 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 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 standalone 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 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 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 derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in the standalone 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 and equipment determined by the Company is as follows:

Class of Assets	Useful Life
Computer/Laptop	3 years
Office Equipment	5 years
Furniture & Fixtures	10 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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The useful life of Intangible Assets held by the Company is as follows:

Class of Assets	Useful Life
Computer Software	3 years

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.

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. Company's provident fund contribution is made to a government administered fund and charged as an expense to the standalone 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 recognized in the Standalone 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 standalone 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 Standalone Statement of Change in Equity and in the Standalone 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 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.

Notes forming part of the standalone financial statements for the year ended 31 March 2024

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 of whether it will exercise an extension or a termination option.

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

The Company as Lessor

The Company as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in Standalone Balance Sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

A lease which is not classified as a finance lease is an operating lease. Accordingly, the Company recognizes lease payments as income on a straight-line basis in case of assets given on operating leases. The Company presents underlying assets subject to operating lease in its Standalone Balance Sheet under the respective class of asset.

2.5.11 Securities Premium

- (i) Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued under preferential allotment as equity shares by the company
- (ii) The issue expenses of securities which qualify as equity instruments are adjusted against securities premium

2.5.12 Share-based payment arrangements

The stock options to be granted to employees by the company under Hindon Employee Stock Option Plan 2023' ("ESOP 2023"/" Plan"), will be measured at the fair value of the options at the grant date.

The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis.

The amount recognized as expense in each year is arrived at based on the number of grants expected to vest.

2.5.13 Dividends on Equity Shares

The Company recognizes a liability to make cash distributions to equity shareholders of the Company when the dividend is authorized and the distribution is no longer at the discretion of the Company 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.

2.5.14 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.

2.5.15 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.

2.5.16 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 recognized in the standalone statement of profit and loss in the period in which they arise.

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 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.

2.5.18 Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.5.19 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 standalone statement of profit and loss except when they relate to items that are recognized outside standalone statement of profit and loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside standalone 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 Company intends to settle its current tax assets and liabilities on a net basis.

Notes forming part of the standalone financial statements for the year ended 31 March 2024

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.

2.5.20 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 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 recognized and measured as a provision

(c) Contingent Assets:

- (i) Contingent assets are not recognized in the standalone 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; and
- d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.5.23 Statement of Cash Flows

Standalone 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, 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 Standalone Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

Notes forming part of the standalone financial statements for the year ended 31 March 2024

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 New Standards/ Amendments notified

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rule as issued from time to time. There is no such notification which is applicable from April 01, 2024.





PJM & ASSOCIATES

Chartered Accountants

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Independent Auditor's Report

To The Members of Hindon Mercantile Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Hindon Mercantile Limited** ("the Holding Company") and its Subsidiaries(Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 state of affairs of the Group as at March 31, 2024, of the Consolidated profit and total comprehensive income, Consolidated cash flows and the Consolidated changes in equity 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 Responsibility 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 the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated 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 Consolidated Financial Statements and Auditor's Report thereon

The Holding 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 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 the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibility 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 controls.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to consolidated 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 Group'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 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 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 the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in



evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 92,558.32 lakhs as at 31 March 2024, total revenue of 9,779.70 lakhs and net cash inflow amounting to 7,050.20 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net Profit of ₹1,013.18 lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

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

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 the "Annexure A" a statement on the matters Specified in the paragraphs 3 and 4 of the order, to the extent applicable.
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 purpose of our audit of the aforesaid consolidated financial statements;

- b) in our opinion proper books of account as required by law have been kept so far as it appears from our examination of those books; and report of other Auditor's;
- c) the consolidated balance sheet, consolidated statement of profit and loss including other comprehensive income, consolidated statement of changes in equity and statement of consolidated cash flow dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e) on the basis of written representations received from the directors of the Holding Company, its Subsidiaries as on 31st March, 2024, and taken on record by the Board of Directors of the Holding Company company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group Companies is disqualified as on 31st March, 2024, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) in our opinion and to the best of our information and according to the explanations given to us, the Holding Company has not paid/ provided any managerial remuneration covered under Section 197 of the Act to its directors during the year. Based on audit report of subsidiaries, the managerial remuneration for the year ended 31st March, 2024 has been paid / provided by subsidiaries to its directors in accordance with the provisions of Section 197 read with Schedule V of the Companies Act, 2013; and
- 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the 'Other Matter 'paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on its financial position in its Consolidated financial statements-Refer Note 36 to the financial statements;
 - 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 was required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2024.
 - iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries 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 borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, outside the Group, 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us 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 or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 holding company and its subsidiaries which are incorporated in India, whose financial statements have been audited under the act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi. Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies whose financial statements have been audited under the Act, have used accounting software for maintaining their respective books of account for the year ended 31 March 2024, which do not have feature of recording audit trail (edit log) facility.

For PJM & Associates

Chartered Accountants

Firm Registration No. 029582N

Vikas Dua

Partner

Membership No. 535712

UDIN - 24535712BKBOMK8487

New Delhi

August 31, 2024



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 Consolidated Financial Statements for the year ended March 31,2024)

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of Company	CIN	Relationship with the Holding Company	Date of Audit report	Clause No.	Qualification
1.	Hindon Peer to Peer Finance Private Limited	U65990DL2020 PTC371174	Subsidiary	August 29,2024	xvi	The Company has incurred the cash losses of Rs.5.90 thousands and Rs.5.90 thousands in the financial year under audit and in the immediately preceding financial year
2.	Mufinpay Payment Solutions Private Limited	U72900DL2022 PTC397858	Subsidiary	August 29,2024	xvi	The Company has incurred the cash losses of Rs.763.17 thousands and Rs.17.80 thousands in the financial year under audit and in the immediately preceding financial year
3.	Hindon Account	U74140DL2021	Subsidiary	August	xvi	The Company has



	Aggregation Services Private Limited	PTC388384		29,2024	i	incurred the cash losses of Rs.32.80 thousands and Rs.13.98 thousands in the financial year under audit and in the immediately preceding financial year
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For PJM & Associates

Chartered Accountants
Firm Registration No. 029582N

Vikas Dua
Partner
Membership No. 535712
UDIN - **24535712BKBOMK8487**



New Delhi
August 31, 2024

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 Consolidated Financial Statements for the year ended March 31, 2024)

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 the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of Hindon Mercantile Limited (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, 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 (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 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 Ac.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India ("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 with reference to Consolidated Financial Statements. 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 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with



reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an 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 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements 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 ICAI.



Other Matters

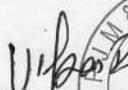
Our aforesaid reports under section 143(3)(i) of the act on the adequacy and operating effectiveness of the internal financial controls in so far as it relates to one subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters

For PJM & Associates

Chartered Accountants

Firm Registration No. 029582N


Vikas Dua

Partner

Membership No. 535712

UDIN - **24535712BKBOMK8487**



New Delhi

August 31, 2024

1. Corporate information

Hindon Mercantile Limited ('the company') is a Public Limited Company incorporated under provision of the Companies Act, 1956 with its registered office in Delhi to carry on the business of Non-Public Deposit Accepting Non-Banking Finance Company in India. The Company is registered under Section 45-IA of the Reserve Bank of India Act, 1934. The Company holds valid certificate of Registration (COR) from the reserve bank of India. The registered office of the company located at 201, 2nd floor, Best Sky tower, plot no. f-5, Netaji Subhash place, North West Delhi -110034. the Company engaged in business of financial activities and Prepaid Payment Instrument governed by extant PPI guidelines of "The Reserve Bank of India "from time to time.

2. Basis of Preparation and Material 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 "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 Company.

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

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 Company presents its Consolidated Balance Sheet in the order of liquidity. An analysis regarding maturity of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 39.

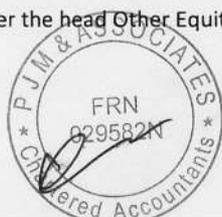
Accounting policies are consistently applied except where a newly-issued Ind AS initially adopted or a revision to an existing IND AS requires a change in the accounting policy.

Basis of consolidation:

The consolidate financial statement incorporate the financial statement of the Holding Company and its subsidiaries being the entities that it controls. Subsidiaries are entities where the group exercises or controls more than one half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control. The results of disposed businesses are included in the consolidated financial statements up to their date of disposal, being the date on which control ceases.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. The financial statement of the Company with those of the Companies consolidated have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and the unrealised profits / losses, unless cost / revenue cannot be recovered.

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 recognised as Goodwill on Consolidation being an asset in the consolidated financial statements. The said Goodwill is not amortised, 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 recognised as Capital Reserve and shown under the head Other Equity in the Consolidated Financial Statements.



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

Investment in Associates is accounted for, in Consolidated Financial Statements as per Equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

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 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.

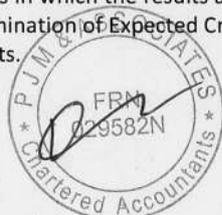
A historical cost is a measure of value used for accounting in which the price of an asset on the Consolidated Balance Sheet is based on its historical cost, it is generally fair value of consideration given in exchange for goods and services at the time of transaction or original cost when acquired 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 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, Repossessed assets, Income taxes and employee benefits.



2.5 Material 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 (principal not due) 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). Further, in terms of RBI Guidelines, interest accrued on credit impaired assets is recognized as and when received.

2.5.1.2 Dividend Income

Dividend income is recognized when the 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 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 Net gain on fair value change

Any differences between the fair values on the date of acquisition and balance sheet date of the financial assets classified as fair value through the profit or loss, held by the Group on the balance sheet date is recognized as an unrealized gain/loss in the consolidated statement of profit and loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains on fair value changes" under revenue from operations and if there is a net loss, the same is disclosed in "Net loss on fair value changes", in the consolidated statement of profit and loss.

2.5.1.5 Revenue for construction and other contracts

Revenue toward satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criterias is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.



1. The Company constructs various infrastructure projects on behalf of clients. Under the terms of the contracts, where the Company is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done; revenue is recognised over a period of time. The percentage-of-completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. This is achieved by estimating total revenue including claims / variations and total cost till completion of the contract and the profit is recognised in proportion to the value of work done when the outcome of the contract can be estimated reliably. The management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115. The Company becomes entitled to invoice customers for construction based on achieving a series of performance related milestones. When a particular milestone is achieved, the customer is sent a statement of work completed assessed by expert. Previously recognised contract asset for any work performed is reclassified to trade receivables at the point at which it is invoiced to the customer. Advances received from customers in respect of contracts are treated as liabilities and adjusted against progress billing as per terms of the contract. Progress payments received are adjusted against amount receivable from customers in respect of the contract work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract cost incurred that are likely to be recoverable.
2. Revenue from trading and consultancy service are recognises when it transfers control of a product or service to a customer.

2.5.1.6 Other operational revenue

Other operational revenue represents income earned from the activities incidental to the main business and is recognized when the right to receive the income is established as per the terms of the contract and Late payment interest, bouncing charges etc. are accounted on the receipt basis.

2.5.1.7 Other Income

Other Income represents income earned from the activities other than the main business 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 debt securities and 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 Solely Payment of Principal and Interest (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 meet the Solely Payment of Principal and Interest on principal amount outstanding ('SPPI') test.

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.

2.5.2.3.1.4 FVOCI- Equity Instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless 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 and are not held for trading.

If the Company elects to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income. This cumulative gain or loss is not reclassified to Consolidated Statement of Profit and Loss on disposal of such instruments. Investments representing equity interest in subsidiary, joint venture and associate are carried at cost less any provision for impairment.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

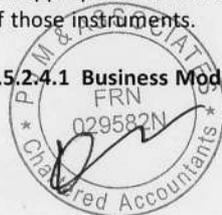
All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

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 and loss 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 as per EIR and impairment loss are recognized in consolidated statement of profit and loss. Any gain or loss on derecognition is recognized in consolidated statement of profit and loss.

Debt Instrument at FVOCI

These assets are subsequently measured at fair value. Interest income is recognized in consolidated statement of profit and loss. Any gain or loss on subsequent measurement is recognized in OCI and on derecognition 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



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

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.

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 derecognition 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 which are measured at fair value are not subject to an impairment loss.

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

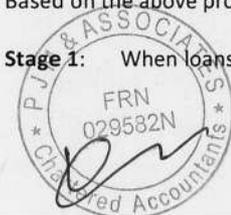
- 12-month ECL, i.e., loss allowance on default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- Lifetime ECL, i.e. lifetime ECL that results from all possible default events over the life of the financial instrument, (referred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



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2/3 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 3: When loans are considered credit-impaired, the Group records an allowance for the life time expected credit losses. Stage 3 loans also include facilities, where the credit risk has improved but considered as credit impaired assets as per regulatory guidelines.

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) derecognition/impairment of the financial asset.

The Subsidiary Companies applies expected credit loss (ECL) model by adopting the simplified approach using a provision matrix reflecting current condition and forecasts of future economic conditions for measurement and recognition of impairment loss on financial assets that are debt instruments, and are measured at amortized cost e.g. security deposits, trade receivables, bank balance, Lease receivables or any contractual right to receive cash or another 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 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.

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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

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 derecognition 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. Balance loan outstanding after expected recovery from sale of vehicles, security deposit, settlement etc. are written off in the Consolidated statement of profit and loss. Recoveries resulting from the Group's enforcement activities could result in impairment gains and same is adjusted in Impairment on financial instruments.

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 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 derecognition. In accordance with the Group'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 Group considers the following:

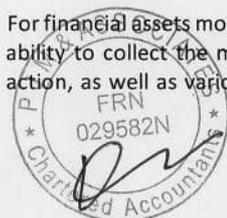
Qualitative factors, such as contractual cash flows after modification, are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity, covenants, if these do not clearly indicate a substantial modification, then; a quantitative assessment is performed 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 derecognition.

In the case where the financial asset is derecognized 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 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 derecognition, 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 derecognition, 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 behavioural indicators, including the borrower's payment performance against the modified



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

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 behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition, 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 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 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 derecognition 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 Derecognition 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.

2.5.2.9 Assets acquired under settlement

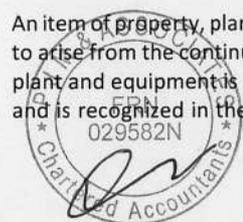
Asset acquired under settlement are measured at the prevailing market price/fair valuation including cost of acquisition, whichever is lower, on periodic basis. Any profit or loss arising on the sale of assets acquired under settlement of claims is recognized in Consolidated statement of profit and loss.

2.5.3 Property, Plant and Equipment ("PPE")

PPE held for use are stated in the Consolidated 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 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.



2.5.4 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 derecognition 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.

2.5.5 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.

2.5.6 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 and equipment determined by the Group is as follows:

Class of Assets	Useful Life
Computer/Laptop	3 years
Server	6 years
Office Equipment	5 years
Furniture & Fixtures	10 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.

The useful life of Intangible Assets held by the Group is as follows:

Class of Assets	Useful Life
Computer Software	3 years

2.5.7 Impairment of Assets other than Financial Instruments

As at the end of each accounting year, the Group 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.

2.5.8 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 Consolidated 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 Consolidated Statement of Changes in Equity and in the Consolidated 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.

2.5.9 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.

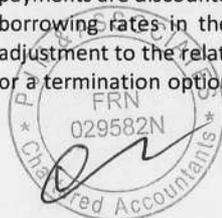
At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

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 Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

The Group as Lessor

The Group as a lessor, classifies leases as either operating lease or finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognized in Consolidated Balance Sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease.

A lease which is not classified as a finance lease is an operating lease. Accordingly, the Group recognizes lease payments as income on a straight-line basis in case of assets given on operating leases. The Group presents underlying assets subject to operating lease in its Consolidated Balance Sheet under the respective class of asset.

2.5.10 Securities Premium

- (i) Securities premium includes the difference between the face value of the equity shares and the consideration received in respect of shares issued under preferential allotment as equity shares by the Group.
- (ii) The issue expenses of securities which qualify as equity instruments are adjusted against securities premium.

2.5.11 Share-based payment arrangements

The stock options to be granted to employees by the Company under HML Employee Stock Option Plan 2023' ("ESOP 2023"/" Plan"), will be measured at the fair value of the options at the grant date.

The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis.

The amount recognized as expense in each year is arrived at based on the number of grants expected to vest.

2.5.12 Dividends on Equity Shares

The Group recognize 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 Cash and Cash Equivalents

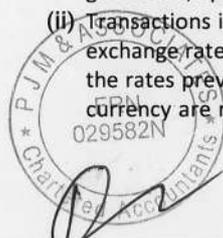
Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term deposits with banks (with an original maturity of three months or less from the date of placement) and cheques on hand. Short term and liquid investments being subject to more than insignificant risk of change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

2.5.14 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 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.

2.5.17 Earnings Per Share

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.5.18 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.

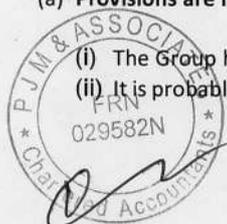
2.5.19 Goods and Services Tax Input Credit

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.

2.5.20 Provisions, Contingent Liabilities and Contingent Assets

(a) Provisions are recognized 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;



Notes forming part of the consolidated financial statements for the year ended 31 March 2024

- 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.

2.5.21 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; and
d) Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.5.22 Statement of Cash Flows

Consolidated 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, 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 New Standards/ Amendments notified

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rule as issued from time to time. There is no such notification which is applicable from April 01, 2024.



S.No.	Particulars	Note No.	Amount(In Lakhs)	
			As at March 31, 2024	As at March 31, 2023
ASSETS				
I Financial Assets				
a)	Cash and cash equivalents	4	9,930.32	3,174.77
b)	Bank balances other than cash & cash equivalents	5	17,040.56	11,254.13
c)	Receivables			
	– Trade Receivables	6	84.08	54.46
	– Other receivables	7	3.75	33.60
d)	Loans	8	65,740.26	29,075.36
e)	Investments	9	565.18	427.32
f)	Other financial assets	10	3,014.97	258.60
Total Financial assets			96,379.12	44,278.24
II Non-Financial Assets				
a)	Current tax assets (net)	11	280.89	74.15
b)	Deferred tax assets (net)	12	205.94	332.37
c)	Property, plant & equipment	13	64.05	66.95
d)	Right of use assets	13	751.78	292.89
e)	Intangible assets under development	14	698.63	179.12
f)	Goodwill	15	49.15	49.15
g)	Other Intangible assets	13	112.65	22.50
h)	Other non-financial assets	16	1,522.50	1,364.52
i)	Inventory	17	1.47	-
Total Non-financial assets			3,687.06	2,381.65
Total Assets			1,00,066.18	46,659.89
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)	Debt Securities	18	7,512.55	5,827.19
c)	Borrowings (other than Debt Securities)	19	60,785.16	20,862.05
d)	Other financial liabilities	20	4,542.63	1,431.17
Total Financial Liabilities			72,840.34	28,120.41
IV Non-Financial Liabilities				
a)	Current tax liabilities (net)	21	-	5.63
b)	Provisions	22	48.50	18.58
c)	Deferred tax liabilities (net)	12	-	-
d)	Other non-financial liabilities	23	237.90	792.54
Total Non-financial liabilities			286.40	816.75
EQUITY				
V Equity				
a)	Equity share capital	24	1,479.26	1,479.26
b)	Other equity	25	15,067.16	10,728.62
c)	Non Controlling Interest	59	10,393.01	5,514.85
Total Equity			26,939.43	17,722.73
Total Liabilities and Equity			1,00,066.18	46,659.89

Significant Accounting Policies and Notes Forming part of Consolidated Financial Statements

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As Per our report of even date attached

For PJM Associates

Firm Registration No. 029582N

Vikas Dua
 Partner
 Membership No. 535712

Palce : Delhi

Date : August 31, 2024

UDIN:- 24535712 BK BOMK8487



Janvi Jawa
 Chief Financial Officer

For and on behalf of the board of Directors

Ruby Chauhan
 Company Secretary
 M. No. A69210

Rajiv Garg
 Managing Director
 DIN: 01716987

Luv Khanna
 Director
 DIN: 07723426

HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

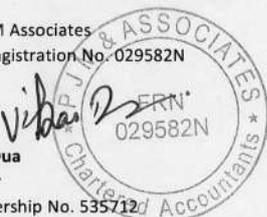
S.No.	Particulars	Note No.	Amount(In Lakhs)	
			For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
	Revenue from operations			
	(i) Interest income	26	10,247.68	10,828.07
	(ii) Net gain on fair value change	27	9.46	-
	(iii) Fee and commission income	28	849.24	141.20
I	Total Revenue from operations		11,106.38	10,969.27
II	Other income	29	931.53	586.78
III	Total Income (I+II)		12,037.91	11,556.05
	Expenses			
	(i) Cost of Material Consumed	30	5.61	-
	(ii) Finance costs	31	5,034.79	4,631.82
	(iii) Fees and commission expense	32	969.97	2,477.17
	(iv) Impairment of financial instruments	32	341.73	326.65
	(v) Employee benefits expenses	33	1,913.22	1,411.42
	(vi) Depreciation and amortization	34	265.53	187.53
	(vii) Other expenses	35	1,100.38	1,027.76
IV	Total Expenses		9,631.23	10,062.35
V	Profit before exceptional items and tax (III-IV)		2,406.68	1,493.70
VI	Exceptional items		52.29	-
VII	Profit before tax (V-VI)		2,458.97	1,493.70
VIII	Tax expense	42		
	1) Current tax		231.87	455.26
	2) Tax related to earlier year		-5.05	54.63
	3) Deferred tax		381.44	(248.08)
	Total Tax Expenses		608.27	261.81
IX)	Profit/ (loss) for the period (VII-VIII)			
X)	Profit/ (loss) from discontinuing operations			
XI)	Tax expense of discontinued operations			
XII)	Profit/ (loss) from discontinued operations (after tax) (X-XI)			
XIII	Profit for the year (VII-VIII)		1,850.70	1,231.89
XIV	Other Comprehensive Income			
	A) i) Items that will not be reclassified to profit or loss		4.78	(2.98)
	ii) Income tax relating to items that will not be reclassified to profit or loss		(1.26)	0.76
	Sub Total A)		3.52	(2.22)
	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)		3.52	(2.22)
XV	Total Comprehensive Income for the year (XIII+XIV)		1,854.22	1,229.67
	Profit for the year attributable to:-			
	a) Owner to the company		1,290.45	887.16
	b) Non- Controlling interest		560.25	363.60
	Other Comprehensive income attributable to:-			
	a) Owner to the company		2.59	(1.36)
	b) Non- Controlling interest		0.93	(0.86)
	Total Comprehensive income attributable to:-			
	a) Owner to the company		1,293.04	885.80
	b) Non- Controlling interest		561.18	362.74
XVI	Earnings per Equity Share (Face value Rs. 10)			
	Basic (Rs.)	44	8.72	6.80
	Diluted (Rs.)	44	8.11	6.80

Significant Accounting Policies and Notes Forming part of Consolidated Financial Statements 1-61

As Per our report of even date attached

For PJM Associates
Firm Registration No. 029582N

Vikas Dua
Partner
Membership No. 535712
Palce : Delhi
Date : August 30, 2024



Tanvi Jawa
Chief Financial Officer

For and on behalf of the board of Directors

Ruby Chauhan
Company Secretary
M. No. A69210

Kapil Garg
Managing Director
DIN: 01716987

Luv Khanna
Director
DIN: 07723426

HINDON MERCANTILE LIMITED
CIN U34300DL1985PLC021785
CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31ST MARCH, 2024

Particulars	Amount(In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Cash flow from operating activities		
Profit before tax	2,458.97	1,493.70
Adjustment for :		
Interest expenses on lease liabilities	40.54	15.65
Depreciation and amortization	265.53	187.53
Esop expenses	4.07	-
Impairment on financial instruments	341.73	4.87
(Gain)/loss on sale of fixed assets	(104.16)	2.04
Net Gain on Fair Value changes	9.46	-
(Gain)/loss on sale of investment	-	(5.36)
Operating profit before working capital changes	3,016.14	1,698.43
(Increase)/decrease in trade receivables	(29.62)	67.91
(Increase)/decrease in Other receivables	29.85	(33.77)
(Increase)/decrease in Bank Balance Other than cash and Cash Equivalents	(5,790.09)	(10,664.13)
(Increase)/decrease in loans (net)	(36,907.95)	16,700.93
Increase/(decrease) in financial liabilities	3,111.46	323.77
Increase/(decrease) in provisions	22.90	14.24
Increase/(decrease) in other non-financial liabilities	(554.64)	767.14
(Increase)/decrease in other non-financial assets	(157.98)	35.06
(Increase)/decrease in inventories	(1.47)	-
(Increase)/decrease in other financial assets	(2,756.37)	560.71
Cash generated from/(used in) operations	(40,017.77)	9,470.29
Direct tax paid (net)	(226.82)	(584.84)
Net cash generated from/(used in) operating activities (A)	(40,244.60)	8,885.45
Cash flow from investing activities		
Purchase of investments	(137.86)	-
Sale of Investment	-	577.99
Purchase of property, plant & equipment	(811.70)	(47.52)
Sale of property, plant & equipment	0.32	13.63
Purchase of intangible assets under development	(719.51)	(31.97)
Proceeds from the sale of Intangible assets under development	200.00	-
Purchase of intangible assets	-	(1.10)
Net cash generated from/(used in) investing activities (B)	(1,468.75)	511.03
Cash flow from financing activities		
Share issue expenses of subsidiary Company	713.73	-
Proceeds from issue of Equity Shares of subsidiary Company	7,264.76	6,275.21
Proceeds from debt securities	732.83	5,827.19
Repayments of debt securities	(125.00)	-
Proceeds from Borrowings (other than debt securities)	55,039.38	10,629.09
Repayment of Borrowings (other than debt securities)	(16,476.56)	-
Proceeds of Overdraft Facilities from Banks (Net)	1,360.29	-
Repayment of Subordinated Debts	-	(30,000.00)
Proceeds from application money received	-	-
Payment of lease liabilities	(40.54)	(74.30)
Net cash generated from/(used in) financing activities (C)	48,468.89	(7,342.81)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	6,755.55	2,053.67
Cash and cash equivalents at the beginning of the year	3,174.77	1,121.09
Cash and cash equivalents at the end of the year	9,930.32	3,174.77
Components of cash and cash equivalents:		
Cash on hand	1,084.01	257.47
Balances with banks		
- on current accounts	8,846.30	2,416.53
- Deposit with bank having original maturity of less than 3		500.05
Digital Wallets	0.01	0.72
Total cash and cash equivalents	9,930.32	3,174.77

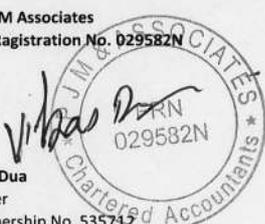
Note: Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 - "Statement of Cash Flows".

Significant Accounting Policies and Notes Forming part of Consolidated Financial Statements

As Per our report of even date attached

For PJM Associates
Firm Registration No. 029582N

Vikas Dua
Partner
Membership No. 535712
Palce : Delhi
Date : August 30, 2024



Tanvi Jawa
Chief Financial Officer

For and on behalf of the board of Directors

Ruby Chauhan
Company Secretary
M. No. A69210

Kapil Garg
Managing Director
DIN: 01716987

Luv Khanna
Director
DIN: 07723426

HINDON MERCANTILE LIMITED
CIN: U34300DL1985PLC021785
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Amount (in Lakhs)	
	Number	Amount
A. EQUITY SHARE CAPITAL		
Equity shares of Rs. 10 each issued, subscribed and fully paid-up		
As at April 01, 2022	1,27,92,634	1,279.26
Add : Issued during the year	20,00,000	200.00
As at March 31, 2023	1,47,92,634	1,479.26
Add : Issued during the year		
As at March 31, 2024	1,47,92,634	1,479.26

Particulars	Reserves and Surplus		Share based payment reserve	Retained Earnings	Money received against Share Warrant	Equity Portion of CCD	Impairment Reserve	Other Items of Other Comprehensive Income	Total other Equity attributable to owner of the Company	Other equity attributable to Non Controlling Interest
	Capital Reserve	Reserve Fund u/s 45-IC of RBI Act, 1934								
Balance as at April 01, 2022	23.37	395.64	4,014.19	1,161.14	-	-	6.11	0.54	5,600.98	3318.74
Non Controlling Interest on Acquisition	-	-	-	-	-	-	-	-	-	1803.39
Equity Shares issued during the year	-	-	4,241.84	-	-	-	-	-	4,241.84	29.98
Profit for the year	-	-	-	887.16	-	-	-	-	887.16	362.74
Transfer from Retained Earnings	-	177.43	-	-	-	-	-	-	177.43	-
Remeasurement of the defined benefits plan (net)	-	-	-	(177.43)	-	-	-	-1.36	-1.36	-
Transfer to Reserve Fund	-	-	-	-	-	-	-	-	-177.43	-
Balance as at March 31, 2023	23.37	573.07	8,256.03	1,870.87	-	-	6.11	(0.82)	10,728.62	5,514.85
Profit for the year	-	-	-	1,290.45	-	-	-	-	1,290.44	561.18
Maney received against share warrant by subsidiary Company	-	-	-	-	2,106.60	-	-	-	2,106.59	-
Transfer from Retained Earnings	-	258.09	-	-	-	-	-	-	258.08	-
Share Capital issued by the subsidiary Company	-	-	1,171.31	(545.39)	-	-	-	-	625.90	4,184.60
Equity Portion of CCD	-	-	-	-	-	308.89	-	-	308.88	132.38
Transfer to Reserve Fund	-	-	-	(258.09)	-	-	-	-	(258.10)	-
Remeasurement of the defined benefits plan (net)	-	-	-	-	-	-	-	2.59	2.58	-
Esop Reserve	-	-	-	-	-	-	-	-	4.07	-
Balance as at March 31, 2024	23.37	831.16	9,427.34	2,357.84	2,106.60	308.89	6.11	1.77	15,067.16	10,393.01

Significant Accounting Policies and Notes Forming part of Consolidated Financial Statements

As Per our report of even date attached

For PIM Associates

Firm Registration No. 029582N



Vikas Dua
Partner

Membership No. 535712

Place : Delhi

Date : August 30, 2024

For and on behalf of the board of Directors

(Signature)
Ruby Chauhan
Company Secretary
M. No. A69210

(Signature)
Kapil Garg
Managing Director
DIN: 01716987

(Signature)
Luv Khanna
Director
DIN: 07723426

(Signature)
Chief Financial Officer

Particulars	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Cash on Hand	1,084.01	257.47
Balances with banks:		
- In current accounts	8,846.30	2,416.53
- Deposit with bank having original maturity of less than 3 Months		500.05
Digital Wallets	0.01	0.72
Total	9,930.32	3,174.77

Particulars	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Earmarked Balance With banks		
- Unclaimed Dividend account	5.48	5.49
-Current account (Refer note 5.1 and 5.2)	874.71	-
'Term deposits with banks having original maturity of less than 3 months (Refer note 5.1)	1,968.61	-
'Term deposits with banks having original maturity of more than 3 months (Refer note 5.2 and 5.3)	14,191.76	11,248.64
Total	17,040.56	11,254.13

5.1 Current account and term deposit includes Rs. 140 lakhs and Rs. 1,968.61 lakhs respectively towards deposits for acquisition of LKP Finance Limited as explained in note 39.

5.2 Current account and term deposit includes Rs. 734.71 lakhs and Rs. 209.39 lakhs respectively towards debt service coverage ratio as per terms of loans.

5.3 For term deposits under lien with bank (Refer note 18)

Particulars	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Trade Receivables considered good-Secured	-	-
Trade Receivables considered good-Unsecured	84.08	54.46
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivable Credit Impaired	-	-
Trade Receivables from sale of Investment	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	-	-
Total	84.08	54.46

Trade Receivable Ageing Schedule as on March 31, 2024

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
i) Undisputed Trade receivables — Unsecured considered good	70.57	-	13.51	-	-	84.08
ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-
v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables —credit impaired	-	-	-	-	-	-
Total	70.57	0	13.51	-	-	84.08

Trade Receivable Ageing Schedule as on March 31, 2023

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
i) Undisputed Trade receivables — Unsecured considered good	54.46	-	-	-	-	54.46
ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	-
iv) Disputed Trade Receivables— considered good	-	-	-	-	-	-
v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed Trade Receivables —credit impaired	-	-	-	-	-	-
Total	54.46	-	-	-	-	54.46

Particulars	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
- Undisputed Other Receivables - considered good	3.77	33.77
- Undisputed Other Receivables - considered doubtful	-	-
- Disputed Other Receivables - considered good	-	-
- Disputed Other Receivables - considered doubtful	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	(0.02)	(0.17)
Total	3.75	33.60



Other Receivable Ageing Schedule as on March 31, 2024						
Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Other Receivables - considered good	3.77	-	-	-	-	3.77
(ii) Undisputed Other Receivables - considered doubtful						
(iii) Disputed Other Receivables - considered good						
(iv) Disputed Other Receivables - considered doubtful						
Less: Impairment Loss Allowance (Expected Credit Loss)	(0.02)	-	-	-	-	(0.02)
Total	3.75	-	-	-	-	3.75

Other Receivable Ageing Schedule as on March 31, 2023						
Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Other Receivables - considered good	33.77	-	-	-	-	33.77
(ii) Undisputed Other Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Other Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Other Receivables - considered doubtful	-	-	-	-	-	-
Less: Impairment Loss Allowance (Expected Credit Loss)	(0.17)	-	-	-	-	(0.17)
Total	33.60	-	-	-	-	33.60

Particulars	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
8 Loans		
At Amorisred Cost		
(A)		
Loans against Vehicles (refer 8.1)	-	22,537.59
Loans against Land/Properties (refer 8.1)	34.51	35.66
Term Loan (refer the 8.2)	48,600.93	-
Leasing	12,377.54	3,666.94
Loans to Corporates	-	60.00
Loans to Staff	16.91	18.72
Loan to Related party	111.58	-
Other Loans	5,131.54	3,087.37
Total Gross (A) (I)	66,273.01	29,406.28
Less: Impairment Loss Allowance	532.75	330.92
Total Net (A) (I)	65,740.26	29,075.36
(B) (i) Secured by Tangible Assets	58,261.16	23,331.66
(ii) Secured by In-tangible Assets	-	-
(iii) Unsecured	8,011.85	6,074.62
Total Gross (B) (I)	66,273.01	29,406.28
Less: Impairment Loss Allowance	532.75	330.92
Total Net (B) (I)	65,740.26	29,075.36
(C) (I) Loans in India		
(a) Public Sector	-	-
(b) Others	66,273.01	29,406.28
Total Gross (C) (I)	66,273.01	29,406.28
Less: Impairment Loss Allowance	532.75	330.92
Total Net (C) (I)	65,740.26	29,075.36
(II) Loan Outside India	-	-
Less: Impairment Loss Allowance	-	-
Total Net (C) (II)	-	-
Total Net (C) (I) & (II)	65,740.26	29,075.36

8.1 Secured by hypothecation of vehicles/Immovable property of the borrower.

8.2 Term loans are secured by hypothecation of vehicles financed by the Company. Business loan/Term loan to corporate are secured by hypothecation of property plant and equipment, receivables etc. and further secured by personal guarantee of Directors, corporate guarantee and other collateral security.

8.3 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



			Amount(In Lakhs)	
Particulars	Face value per share	Nos.	As at	As at
			March 31, 2024	March 31, 2023
9 Investments				
Investments in Mutual Fund, at fair value				
SBI Corporate Bond Fund			-	299.99
SBI Arbitrage Opportunities Fund	10	14,56,841	451.45	-
Investment in unquoted equity shares				
Antheia Electric Vehicles Private Limited	100	3,000	3.00	-
Every Where Services Private Limited	10	386	25.00	-
Monetic Technology Pvt Ltd	10	488	25.02	-
Investment in other Company			-	94.65
Investment in Compulsory Convertible Preference Share (unquoted)				
Care.Fi Technological Solutions Private Limited	10	127	9.94	9.94
Investment in Debt Instrument				
Fintelligence Data Science Private Limited			50.77	22.74
Total			565.18	427.32

Particular	As at	As at
	March 31, 2024	March 31, 2023
Aggregate amount of quoted investments	-	299.99
Market value of quoted investments	-	299.99
Aggregate amount of unquoted investments	113.73	127.33
Impairment Loss Allowance (Expected Credit Loss)	-	-

			Amount(In Lakhs)	
Particulars	As at	As at		
	March 31, 2024	March 31, 2023		
10 Other financial assets				
Interest accrued but not due	34.77	1.58		
Security Deposits	59.73	56.54		
Advances to Staff/others	1,525.08	29.37		
Other receivables	1,304.27	171.11		
Advance to related Party	100.03	-		
Less: Impairment Loss Allowance	(8.91)	-		
Total	3,014.97	258.60		

			Amount(In Lakhs)	
Particulars	As at	As at		
	March 31, 2024	March 31, 2023		
11 Current Tax				
Current tax assets (net)	280.89	74.15		
Total	280.89	74.15		

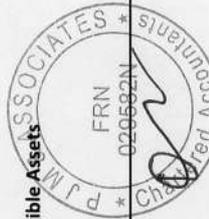
			Amount(In Lakhs)	
Particulars	As at	As at		
	March 31, 2024	March 31, 2023		
12 Deferred tax assets/(liabilities) (net)				
Deferred tax liability (A)	(683.39)	(0.01)		
Deferred tax asset (B)	889.33	332.38		
Deferred tax assts/(liabilities) (net) (refer note 33) (B-A)	205.94	332.37		



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HINDON MERCANTILE LIMITED
CIN NO. U34300DL1985PLC021785
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Gross Block			Depreciation/Amortisation			Amount(in Lakhs)			
	As at April 01, 2023	Addition	Deduction/ Sale	As at March 31, 2024	As at April 01, 2023	For the Year	Deduction/ Sale	As at March 31, 2024	As at March 31, 2023	
13 Property, Plant and Equipment, Right to use Assets & Other Intangible Assets as at March 31, 2024										
A. Property, Plant and Equipment										
Furniture and fixtures	8.86	-	-	8.86	4.79	1.05	-	5.84	3.02	4.06
Veehicles	0.38	-	-	0.38	0.22	0.16	-	0.38	0.00	0.15
Computer, office equipement and server	143.49	45.56	0.48	188.57	81.75	47.22	0.44	128.54	60.03	61.74
Land	1.00	-	-	1.00	-	-	-	-	1.00	1.00
Sub Total	153.73	45.56	0.48	198.81	86.77	48.43	0.44	134.76	64.05	66.95
Previous Year	119.83	47.52	13.63	153.73	26.53	68.08	7.83	86.77	66.95	93.31
B. Right to use Assets										
Office Premises	378.93	584.10	-	963.03	86.04	125.21	-	211.26	751.78	292.89
Sub Total	378.93	584.10	-	963.03	86.04	125.21	-	211.26	751.78	292.89
Previous Year	99.67	279.26	-	378.93	16.61	69.43	-	86.04	292.89	83.06
C. Other Intangible Assets										
Softwares	84.16	182.04	-	266.21	61.66	91.89	-	153.55	112.65	22.50
Sub Total	84.16	182.04	-	266.21	61.66	91.89	-	153.55	112.65	22.50
Previous Year	83.06	1.10	-	84.16	5.56	56.10	-	61.66	22.50	77.50
						265.53				
Property, Plant and Equipment, Right to use Assets & Other Intangible Assets as at March 31, 2023										
A. Property, Plant and Equipment										
Furniture and fixtures	8.86	-	-	8.86	3.37	1.42	-	4.79	4.07	5.49
Veehicles	0.38	-	-	0.38	0.11	0.05	-	0.16	0.22	0.27
Office Equipments	16.31	3.39	13.63	6.08	7.68	3.11	7.83	2.95	3.12	8.63
Computers	94.28	44.13	-	138.41	15.37	63.50	-	78.87	59.54	78.91
Sub Total	119.83	47.52	13.63	153.73	26.53	68.08	7.83	86.77	66.95	93.31
Previous Year	28.84	90.99	-	119.83	7.67	13.34	-	26.53	93.31	21.17
B. Right to use Assets										
Office Premises	99.67	279.26	-	378.93	16.61	69.43	-	86.04	292.89	83.06
Sub Total	99.67	279.26	-	378.93	16.61	69.43	-	86.04	292.89	83.06
Previous Year	-	99.67	-	99.67	-	16.61	-	16.61	83.06	-
C. Other Intangible Assets										
Softwares	83.06	1.10	-	84.16	5.56	56.10	-	61.66	22.50	77.50
Sub Total	83.06	1.10	-	84.16	5.56	56.10	-	61.66	22.50	77.50
Previous Year	4.10	173.14	94.18	83.96	3.77	7.71	21.59	5.56	77.50	0.33



14 Intangible assets under development	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Particulars		
Softwares under development	698.63	179.12
Total	698.63	179.12

15 Goodwill	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Particulars		
Goodwill on acquisition of subsidiary	49.15	49.15
Total	49.15	49.15

16 Other Non-Financial Assets	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Particulars		
Balances with Government Authorities	930.55	653.63
Advances to Others	429.65	342.96
Prepaid Expenses	162.30	367.93
Total	1,522.50	1,364.52

17 Inventory	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Particulars		
Closing Stock	1.47	-
Total	1.47	-

18 Debt Securities	Amount(In Lakhs)	
	As at	As at
	March 31, 2024	March 31, 2023
Particulars		
At Amortised Cost		
1,163,550 Redeemable Non Convertible Debentures (NCD) of Rs. 500 each (Refer note 18.1 & 18.3)	5,847.26	5,827.19
750 Redeemable Non Convertible Debentures (NCD) of Rs. 100,000 each (Refer note 18.2 & 18.3)	614.10	-
At fair value		
Compulsory Convertible Debenture (Refer Note 18.4)	1,051.19	-
Total	7,512.55	5,827.19

18.1 1,163,550 Redeemable Non Convertible Debentures (NCD) of Rs. 500 each

(a) Details of debenture holders:

Name	Numbers	As at	As at
		March 31, 2024	March 31, 2023
AAV SARK	5,81,775	2,908.88	2,908.88
Masala Investments SARK	5,81,775	2,908.88	2,908.88

(b) Interest payable @ 11.20% p.a., semi-annually on February 15 and August 15 each year subject to change as per change in rate of withholding tax. Date of maturity - February 15, 2029.

(c) The Debentures are secured by way of hypothecation of certain loans and other assets of the Company to the extent of their outstanding amounts under the

18.2 750 Redeemable Non Convertible Debentures (NCD) of Rs. 100,000 each

(a) Details of debenture holders:

Name	Numbers	As at	As at
		March 31, 2024	March 31, 2023
Ambium Finserve Private Limited	750	750.00	-

(b) Repayable in 18 equated monthly instalment of Rs.41.67 lakhs per month including interest from 15.01.2024 to 15.06.2025 along with effective interest rate is 13.10% p.a.

(c) The Debentures are secured by exclusive charge by way of hypothecation on the receivables (i.e. loan assets) of the Company upto 110% of loan outstandings, Corporate Guarantee of Hindon Mercantile Limited (Holding Company) and Personal Guarantee of Shri Kapil Garg (Managing Director).

18.3 (a) The above NCDs have been issued in Indian Rupee. The repayments of the principal and interest are also to be made in Indian Rupee.

(b) Debt securities in India : Rs. 614.10 lakhs (31st March 2023 : Nil), outside India : Rs. 5,847.26 lakhs (31st March 2023: 5827.19 lakhs)

(c) The above amount is net of processing fee of Rs. 71.06 lakhs (31st March 2023 : 68.41 lakhs) to be amortised in future.

(d) Includes interest accrued but not due amounting to Rs. 89.67 lakhs as at March 31, 2024 (31st march 2023 77.85 lakhs)



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(e) In terms of Rule 18(7)(b) of the Companies (Share Capital and Debentures) rules 2014, as amended, no debenture redemption reserve has been created by the Company under section 71(4) of the Companies Act, 2013 as the debentures have been issued through private placement.

(f) On April 05, 2024, the Company issued and allotted 500 (Five Hundred) Secured, Listed, US Dollar Denominated Bonds of the Face Value of USD 10,000 (United States Dollar Ten Thousand Only) each, collectively aggregating to USD 50,00,000 (United States Dollar Five Million Only) to BOIC and IIF Funds of BlueOrchard Finance Limited. The said Bonds were listed on Global Securities Market - India International Exchange (INX) on April 11, 2024. The proceeds of the issue of the Bonds have been utilised as permitted by the RBI ECB Guidelines for onward lending and other activities.

(g) Acuite Ratings and Research Limited has reaffirmed ACUITE BBB (STABLE) rating for the Company's non convertible debentures of aggregate amount of Rs.6,000 lakhs and assigned ACUITE BBB (STABLE) rating for the Company's non convertible debentures of aggregate amount of Rs.9,000 lakhs vide their letter dated December 28,2023.

18.4 1,201,500 (31st March 2023 : NIL) Compulsory Convertible Debentures (CCDs) with a face value of ₹100 per debenture have been issued. These debentures are convertible into equity shares at the prevailing market price at the time of conversion, after two years from the date of allotment. The debentures carry an annual coupon rate of 0.01%.

**19 Borrowings (other than Debt Securities)
At Amortised Cost**

Particulars	Amount(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Secured		
- From Non-Banking Financial Institutions	668.26	5048.10
- From banks	7,926.64	
- Loans from Others	38,826.73	
Unsecured Repayable on Demand		
- Loans from related parties	-	405.18
- Loans from Corporate	2,571.05	2,322.22
Working Capital term Loan	496.40	-
Overdraft facilities from banks	9,780.32	13,086.55
Unsecured foreign currency loan		
- From other party	515.76	-
Total	60,785.16	20,862.05
Out of Above		
- In India	60,269.40	20,862.05
- Outside India	515.76	-
Total	60,785.16	20,862.05

- 19.1 Term Loans are secured against hypothecation of loan assets, cash collateral of Rs. 15 lakhs , term deposit of Rs. 1320.50 lakhs and personal guarantee of Directors. The same are repayable in equal instalments from 12 to 48 months.
- 19.2 Overdraft facilities of sanctioned limits of Rs.9,915 lakhs in aggregate from Banks are secured by Term deposits of Rs.11,439.31 lakhs with the respective banks, are repayable on demand
- 19.3 Periodical return filed with the banks in respect of overdraft facilities are in agreement of books accounts
- 19.4 The Company has duly filed Registration of charges and satisfaction of charges with the Registrar of Companies, as applicable.
- 19.5 Working Capital loken taken from Capsave Finance Limited (Sanctioned Limit - Rs.1,000 lakhs).The Term Loans are secured by exclusive charge by way of hypothecation on the receivables (i.e. loan assets) of the Company, Corporate Guarantee of Hindon Mercantile Limited (Holding Company) and Personal Guarantee of Director. Repayable every 90 days from 01.02.2024 to 01.02.2025 along with effective interest rate is 12% p.a. Interest is due monthly on the last date of the month
- 19.6 **Unsecured foreign currency loan from other party**
Shell Foundation (Sanctioned Limit - Rs.800 lakhs (USD 1 million)) Balance as at March 31,2024 - Rs.515.76 lakhs (USD 0.63 million) (31st March 2023: Nil)
Repayable after 60 months in one bullet payment with interest payable semi-annually effective interest rate is 6.25% p.a.

19.7 Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2024

Particulars	Amount(In Lakhs)				Total
	Upto 1 Year	Over 1 Year to 3 Years	Over 3 Year to 5 Years	Over 5 Years	
Secured					
Term Loans					
- From Non-Banking Financial Institutions	674.90	-	-	-	674.90
Rate of Interest (ROI): 12.5%-15%					
- From bank	185.72	7,143.88	762.99	-	8,092.59
Rate of Interest (ROI): 9.55%-12.25%					
- Loans from Others	1,081.42	31,531.03	7,161.84	-	39,774.29
ROI: 9.95-13.50%					
Repayable on Demand					
- Loans from Corporates	-	2,571.05	-	-	2,571.05
ROI: 9-12%					



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Working Capital term Loan ROI: 12%	504.58	-	-	-	504.58
Overdraft facilities from banks ROI: 6.25 -8.17%	9,780.32	-	-	-	9,780.32
Unsecured foreign currency loan					
- Loans from other ROI: 6.25%	11.76	-	-	504.00	515.76
Total	12,238.70	41,245.95	7,924.83	504.00	61,913.49
Processing Fee (Ind AS Adjustment)					(1,128.33)
Total					60,785.16

Terms of Repayment of Borrowings (other than Debt Securities) as at March 31, 2023

Particulars	Amount(In Lakhs)				Total
	Upto 1 Year	Over 1 Year to 3	Over 3 Year to 5	Over 5 Years	
Secured					
Term Loans					
- From Non-Banking Financial Institutions Rate of Interest (ROI): 9.55-15.75%	1,375.02	2,386.30	798.68	-	4,560.00
- From Non-Banking Financial Institutions Rate of Interest (ROI): 14-15.75%	1057.58	-	-	-	1,057.58
- From other party Rate of Interest (ROI): 10.7%	200	1600	1600	600	4,000.00
Overdraft					
- From banks ROI: 6.20-11%	8,734.80	-	-	-	8,734.80
Unsecured					
Term Loans					
- Loans from Others ROI:	-	-	-	-	-
Repayable on Demand					
- Loans from Related Parties ROI: 12-13%	405.18	-	-	-	405.18
- Loans from Corporates ROI: 10-18%	100.00	2,222.22	-	-	2,322.22
Total	11,872.58	6,208.52	2,398.68	600.00	21,079.78
Processing Fee (Ind AS Adjustment)					217.73
Total					20,862.05

20 Other Financial Liabilities

Particulars	Amount(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowing	289.29	54.76
Lease Liabilities	747.77	299.86
Salary and Other benefits payable	237.02	139.93
Liability for Expenses	362.13	349.58
Security Deposits received	2,224.56	386.05
Unclaimed Dividend	2.33	2.24
Other Payable	622.78	-
Advances from others	56.75	198.76
Total	4,542.63	1,431.17

* There was no amount outstanding and due for transfer to investor education and protection fund during the year ended march 31, 2024

21 Current Tax Liabilities

Particulars	Amount(In Lakhs)	
	As at March 31, 2024	As at March 31, 2023
Provision for Income-tax (net of advance tax)	-	5.63
Total	-	5.63



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22 Provisions		Amount(In Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
Provisions for Employee Benefits			
- Gratuity Payable (Refer note 35(b))	26.28		11.39
- Compensated absence	22.22		7.19
Total	48.50		18.58

23 Other Non-Financial Liabilities		Amount(In Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
Statutory dues payable	198.81		179.62
Advance from the customer	39.09		612.92
Total	237.90		792.54

24 Equity Share capital		(Rs. in Lakhs)	
Particulars	As at March 31, 2024	As at March 31, 2023	
Authorised share capital			
2,50,00,000 (March 31, 2023: 2,50,00,000) equity shares of Rs. 10 each	2,500.00		2,500.00
Issued, subscribed and fully paid-up			
1,47,92,634 (March 31, 2023: 1,47,92,634) equity shares of Rs. 10 each	1,479.26		1,479.26

24.1 Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year		
Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	1,47,92,634	1,47,92,634
Issued during the year	-	-
Outstanding at the end of the year	1,47,92,634	1,47,92,634

24.2 Terms/ rights attached to equity shares

The holding company has only one class of equity shares having par value of Rs.10 per share (March 31, 2023: 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 holding company, the holders of equity shares will be entitled to receive remaining assets of the olding company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

24.3 Shares reserved for issue under employee stock Option Plan plans

For details of shares reserved for issue under the employee stock incentive plans of the Holding Company, refer to Note 40

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

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	Nos.	% of holding	Nos.	% of holding
Mr. Kapil Garg	52,60,669	35.56%	52,60,669	35.56%
Mr. Rajat Goyal	29,02,434	19.62%	29,02,434	19.62%
BIMA PAY TECHNOLOGY PRIVATE LIMITED	21,18,200	14.32%	-	0.00%
Resilient Innovations Private Limited	-	0.00%	16,18,200	10.94%
Ms. Neha Agarwal	7,96,858	5.39%	7,96,858	5.39%

24.5 Details of the shares held by Promoters in the holding company

Name of the Promoter	As at March 31, 2024		As at March 31, 2023		% change in shareholding
	Nos.	% of holding	Nos.	% of holding	
Mr. Kapil Garg	52,60,669	35.56%	52,60,669	35.56%	11.15%
Mr. Rajat Goyal	29,02,434	19.62%	29,02,434	19.62%	3.56%



- 24.6 The Funds raised by the holding company from preferential allotment/private placement of shares have been used for the purposes for which the funds were raised.
- 24.7 No bonus shares were issued for consideration other than cash, and no shares have been bought back by the holding company during the period of five the previous year.

25 Other Equity

Amount(In Lakhs)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Reserve Fund u/s 45-IC of RBI Act, 1934	831.16	573.07
Capital Reserve	23.37	23.37
Securities Premium	9,427.34	8,256.03
Impairment Reserve	6.11	6.11
Share based payment reserve	4.07	-
Equity Portion of CCD	308.89	-
Retained Earnings	2,357.84	1,870.87
Money received against share Warrant	2,106.60	-
Other Items of Other Comprehensive Income	1.77	(0.82)
Total Other Equity	15,067.16	10,728.62

25.1 Nature and Purposes of Reserves:**a. Reserve Fund u/s 45-IC of RBI Act, 1934:**

The Group 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.

f. Share based payment reserve

Share based payment reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the holding company for its employees

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26 Interest income		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Interest income on loans	10,111.26	10,828.07	
Interest on Investments	136.42	-	
Total	10,247.68	10,828.07	
27 Net Gain on Fair Value changes		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Net Gain on Fair Value changes			
- On Financial Assets measured at FVTPL	9.46	-	
Net gain on sale of investments			
Fair value changes			
- Realised gain on sale of investments (net)	7.98		
- Unrealised gain on investments (net)	1.48		
Total Net gain on Fair Value changes	9.46	-	
28 Fee and Commission Income		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Loan Processing & Servicing Fees	83.73	55.58	
Sale of card	5.52	-	
Interchange Income	217.68	-	
Gain on sale of fixed assets/ Investment	104.16	5.36	
Commission Income and documenation income	180.58	80.26	
Bad Debt Recovered	257.57	-	
Total	849.24	141.20	
29 Other income		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Interest income on deposits with Banks	790.05	238.44	
Interest on Security Deposit	16.87	1.21	
Interest Income on Income Tax	4.60	0.21	
Dividend Income	-	0.26	
Interest on wallet	4.30	-	
Reversal of Impairment Loss	-	321.78	
Miscellaneous Income	115.71	24.88	
Total	931.53	586.78	
30 Cost of Material Consumed		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Purchase of stock in Trade	7.08	-	
Add: Opening Stock	-	-	
Less: Closing Stock	1.47	-	
Total	5.61	-	
31 Finance Cost		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Interest on debt securities	774.26	-	
Interest on borrowings (other than debt securities)	4,127.85	998.44	
Interest on Subordinated Debts	-	3,554.46	
Interest on lease liabilities	40.54	6.44	
Interest on Income Tax	6.28	1.38	
Interest on fair valuation	-	9.21	
Bank charges	85.86	61.89	
Total	5,034.79	4,631.82	
32 Fees and commission expense		Amount(In Lakhs)	
Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	
Commission & Brokerage	939.43	2,373.57	
Cibil Charges	10.90	7.37	
Processing Fee	19.64	96.23	
Total	969.97	2,477.17	



33 Impairment of financial instruments	Amount(In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
On financial instruments measured at amortised cost		
- On loans	332.97	295.84
- On Other	8.76	-
- Loan Assets Written Off (Net of Recoveries)	-	30.81
-Other Receivables written off	-	-
Total	341.73	326.65

34 Employee benefits expenses	Amount(In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
Salaries and wages	1,766.11	1,353.25
E-sop Expenses	4.07	-
Contribution to provident and other funds	85.55	43.27
Staff welfare expenses	57.48	14.90
Total	1,913.22	1,411.42

35 Other expenses	Amount(In Lakhs)	
	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
Switching Fees and Auth Charge	22.57	-
Auditor's remuneration (Statutory Audit Fee)	13.84	8.13
Business auxiliary charges	226.23	249.44
Professional & legal charges	333.13	334.73
Miscellaneous expenses	73.43	102.85
Office Expenses	106.69	130.82
Operative Expenses	-	40.24
Printing and stationery	19.57	23.78
Postage and Telegram	14.33	10.26
Rates, Taxes & Fees	9.72	23.88
Rent	3.61	6.02
Marketing Expenses	27.70	19.24
CSR & Donation Expenses	30.47	18.87
ROC Filing Fees	10.29	-
Director Sitting Fee	10.36	-
Travelling and conveyance	181.27	54.59
Listing fee and Processing fee	17.17	-
Loss on sale of share	-	4.91
Total	1,100.38	1,027.76

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36 Contingent Liabilities and Commitments

Amount(In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
a) Contingent Liabilities not Provided for (Refer the Note 36.1) in respect of Income tax matters	8.67	-
b) Counter Guarantee given to banks/NBFC/FI Guarantee Given to bank (Refer the Note 36.2 below)	221.48	-

36.1 The Group has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have materially adverse effect.

36.2 The borrowings of the Group are primarily secured by way of hypothecation on the receivables (i.e. loan assets) of the group.

37 Sagement Reporting

The Group's Board of Directors have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". Currently, the Group engaged in buisness of financial activities and Prepaid Payment Instrument governed by extant PPI guidelines of "The Reserve Bank of India" from time to time. As per Ind-AS 108, Operating Segments have been idefined and presented based on the regular review by the Group's CODM to assess the performance of each segment and to make decision about the allocation of the resources. The accounting principles followed in the preparation of the financials results are consistently applied to record revenue and expenditure in individual segments.

Sagement Information

Amount(In Lakhs)

Particular	Financial Activities		PPI		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	Sagement Revenue	10,883.18	10969.27	223.20	-	11,106.38
Sagement Result	1,290.45	887.16	0.91	-	1,291.35	887.16
Interest Revenue	10,247.68	10828.07	-	-	10,247.68	10,828.07
Interest and financial cost for the year	5,034.79	4631.82	-	-	5,034.79	4,631.82
Segment Depreciation	262.13	187.53	3.40	-	265.53	187.53
Net Profit / (Loss) before Tax	2,405.43	1493.7	1.25	-	2,406.68	1,493.70
Segment Asset	98,981.33	46,659.89	1,084.85	-	1,00,066.18	46,659.89
Segment Liabilities	73,042.66	28937.16	84.08	-	73,126.74	28,937.16
Non-cash Expenses other than Depreciation	341.73	326.65	-	-	341.73	326.65

38 (i) Reconciliation of Gross Carrying Amount of Loans and Expected Credit Loss on Loans**A. Reconciliation of Gross Carrying Amount of Loans**

Amount(In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Gross Carrying Amount at the beginning of the year	29,406.28	46,156.99
New Assets originated or purchased	1,05,047.43	68,172.63
Transfers to/ (from) Stage 1	(5,828.73)	(8,649.34)
Transfers to/ (from) Stage 2	4,779.55	7,965.45
Transfers to/ (from) Stage 3	1,049.18	683.89
Assets written off	62.71	30.82
Net Recovery	(68,243.41)	(84,954.16)
Gross Carrying Amount at the end of the year	66,273.01	29,406.28



B Reconciliation of Expected Credit Loss on Loans

Amount(In Lakhs)

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Expected Credit Loss at the beginning of the year	330.92	354.46
On Amount written off	389.33	30.82
On New Assets originated or purchased	270.88	167.27
Impact on Expected Credit Loss of Exposure transferred between stages during the year	-369.08	177.20
Increase/(decrease) in provision on financial assets (net of recovery)	45.10	(371.28)
Expected Credit Loss on off Balance sheet item	-3.27	3.27
Increase/(Decrease) in Expected Credit Loss during the year	332.96	7.28
Expected Credit Loss at the end of the year*	532.75	330.92

* Excluding the Impact of Rs.0.73 Lakhs (31st March 2023 Rs. 0.73 Lakhs) of Impairment reserve

(ii) Reconciliation of Gross Carrying Amount of Other Receivables and Expected Credit Loss on Other Receivables**A. Reconciliation of Gross Carrying Amount of Other Receivables**

Amount(In Lakhs)

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Gross Carrying Amount at the beginning of the year	33.70	-
New Assets originated or purchased	3.77	33.70
Transfers to/ (from) Stage 1	-	-
Transfers to/ (from) Stage 2	-	-
Transfers to/ (from) Stage 3	-	-
Assets written off	-	-
Net Recovery	(33.77)	-
Gross Carrying Amount at the end of the year	3.70	33.70

B Reconciliation of Expected Credit Loss on Other Receivables

Amount(In Lakhs)

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Expected Credit Loss at the beginning of the year	0.17	-
On Amount written off	-	-
On New Assets originated or purchased	0.02	0.17
Impact on Expected Credit Loss of Exposure transferred between stages during the year	0	-
Increase/(decrease) in provision on financial assets (net of recovery)	-0.17	0.17
Expected Credit Loss on off Balance sheet item	-	-
Increase/(Decrease) in Expected Credit Loss during the year	0.15	0.17
Expected Credit Loss at the end of the year*	0.02	0.17

(iii) Reconciliation of Gross Carrying Amount of Advances to Dealers and Expected Credit Loss on Advances to Dealers**A. Reconciliation of Gross Carrying Amount of Advance to Dealers**

Amount(In Lakhs)

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Gross Carrying Amount at the beginning of the year	242.13	-
New Assets originated or purchased	970.54	242.13
Transfers to/ (from) Stage 1	-	-
Transfers to/ (from) Stage 2	-	-
Transfers to/ (from) Stage 3	-	-
Assets written off	-	-
Net Recovery	(242.13)	-
Gross Carrying Amount at the end of the year	970.54	242.13



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B Reconciliation of Expected Credit Loss on Advance to Dealers

Amount(In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Expected Credit Loss at the beginning of the year	-	-
On Amount written off	-	-
On New Assets originated or purchased	4.85	-
Impact on Expected Credit Loss of Exposure transferred between stages during the year	-	-
Increase/(decrease) in provision on financial assets (net of recovery)	4.85	-
Expected Credit Loss on off Balance sheet item	-	-
Increase/(Decrease) in Expected Credit Loss during the year	4.85	-
Expected Credit Loss at the end of the year*	4.85	-

(iv) Reconciliation of Gross Carrying Amount of Other Receivables ((Other Financial Assets) and Expected Credit Loss on Other Receivables (Other Financial Assets)

A. Reconciliation of Gross Carrying Amount of Other Receivables (Other Financial Assets)

Amount(In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Gross Carrying Amount at the beginning of the year	-	-
New Assets originated or purchased	811.22	-
Transfers to/ (from) Stage 1	-	-
Transfers to/ (from) Stage 2	-	-
Transfers to/ (from) Stage 3	-	-
Assets written off	-	-
Net Recovery	-	-
Gross Carrying Amount at the end of the year	811.22	-

B Reconciliation of Expected Credit Loss on Advance to Dealers

Amount(In Lakhs)

Particular	As at	As at
	31 March 2024	31 March 2023
Expected Credit Loss at the beginning of the year	-	-
On Amount written off	-	-
On New Assets originated or purchased	4.06	-
Impact on Expected Credit Loss of Exposure transferred between stages during the year	-	-
Increase/(decrease) in provision on financial assets (net of recovery)	4.06	-
Expected Credit Loss on off Balance sheet item	-	-
Increase/(Decrease) in Expected Credit Loss during the year	4.06	-
Expected Credit Loss at the end of the year*	4.06	-

39 The Group and its Managing Director, Mr. Kapil Garg entered into a Share Purchase Agreement on February 03, 2024 with the promoters of LKP Finance Limited ("Target Company") to acquire 56,96,312 Equity shares representing 45.32% of paid-up Equity share capital of the Target Company for consideration of Rs.14,240.78 lakhs. In compliance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("SEBI (SAST) Regulations"), Company has made an open offer for acquisition of equity shares from the shareholders of Target Company on February 15, 2024, which has been withdrawn on April 16, 2024 after return of application for approval of change in Control and Management by the Reserve Bank of India on April 03, 2024. The expenses related to this open offer have been shown as "Exceptional Items"



40 EMPLOYEE STOCK OPTION

The stock compensation expense recognised for employee services received during the year ended March 31, 2024 and March 31, 2023 are Rs.4.07 Lakhs and Rs. 0 Lakhs respectively

ESOP SCHEME 2023

The ESOP 2023 has been formulated and approved on 26th June, 2023 by the Board (as defined hereinbelow) of the Group and approved on 30th September, 2023 by the Shareholders of Group.

ESOP 2023 is the primary arrangement under which shared plan service incentives are provided to certain specified employees of the Group and its' subsidiaries in India.

No Eligible Employee shall be granted Options, during any 1 (One) year, equal to or exceeding 1% (One percent) of the issued share capital of the Group (excluding outstanding warrants and conversions) at the time of Grant of such Options, except with the specific approval of the Shareholders. 25% of the grant would vest at the end of the each year for the period of 5 years from the date the ESOP has been grant with a vesting condition that the employee is in continuous employment with the Group till the date of vesting.

The exercise price is determined by the NRC committee. A total of 2,50,000 options are available for grant to the eligible employees of the Group+. These options are equity settled and are accounted for in accordance with the requirement applying to equity settled transactions

The outstanding position as at 31 March 2024 is summarised below:

Particulars	1st Grant
Date of grant	01-10-2023
No. of options granted	32873
Exercise price	105
Average fair value on date of grant	350
Outstanding as on 1 April 2022	-
Forfeited during the year	-
Lapsed during the year	-
Exercised during the year	-
Outstanding as on 31st March 2023	-
Forfeited during the year	-
Lapsed during the year	-
Exercised during the year	-
Granted during the year	32873
Outstanding as on 31st March 2024	32873
- Vested Outstanding options	-
- Unvested Outstanding options	32873
Vesting period (in years)	5 years from the date of grant
Exercise Period	1 year from each vesting date
Weighted average remaining Life	4.5 years from the date of grant
Exercise Price	105
Share Price	350
Method to estimate the fair value of options.	Black-Scholes Options pricing mode
Expected volatility	Volatility was calculated using standard deviation of daily change in Nifty Financial services Index
Expected option life	5 years from the date of grant
Expected dividends	Nil
Risk-free interest rate	Zero coupon yield bond yields were utilised with maturity equal to expected term of the option

41 Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits"

a) Defined Contribution Plans

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

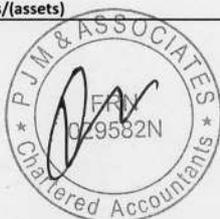
Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Contribution to provident fund	70.34	36.17
Contribution to ESI	13.39	7.11
Total	83.73	43.28

b) Post Retirement Benefit Plan

(i) Amount recognized in the Balance Sheet

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Grauity		
Present value of plan liabilities	26.27	11.39
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	-	-
Unfunded plans	-	-
Net plan liabilities/(assets)	26.27	11.39

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Compensated Absence		
Present value of plan liabilities	22.22	7.19
Fair value of plan assets	-	-
Deficit/(Surplus) of funded plans	-	-
Unfunded plans	-	-
Net plan liabilities/(assets)	22.22	7.19



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

Amount(In Lakhs)

Particular	As at		As at	
	31 March 2024		31 March 2023	
	Grauity	Compensated Absence	Grauity	Compensated Absence
Current service cost	18.89	16.40	6.71	7.07
Past service cost	-	0.53	-	0.12
Interest cost	0.84	-	0.26	-
Expected return on plan assets	-	-	-	-
Actuarial (Gains)/Losses	-4.78	-1.91	2.98	-
Total	14.95	15.02	9.95	7.19

(iii) Assumptions

Particular	As at	As at
	31 March 2024	31 March 2023
Gratuity		
Financial Assumption		
Discount rate	7.25	7.39
Salary Escalation Rate #	5%	5%
Demographic Assumptions		
Retirement age (Years)	60	60
Mortality rates inclusive of provision for disability – (Gratuity)	100 % of IALM (2012-14)	100 % of IALM (2012-14)
Attrition at ages		
- Up to 30 years	44	44
- From 31 to 44 years	44	44
- Above 44 years	44	44

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

Amount(In Lakhs)

Particular	As at			As at		
	31 March 2024			31 March 2023		
	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						
Salary Escalation Rate	0.50%	(1.82)	2.03	0.50%	(0.70)	0.77
Discount rate	0.50%	2.06	(1.87)	0.50%	0.79	(0.72)
Compensated Absence						
Salary Escalation Rate	0.50%	(1.47)	1.60	0.50%	(0.51)	0.54
Discount rate	0.50%	1.64	(1.49)	0.50%	0.56	(0.51)

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 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 as compared with the previous period.

(v) The defined benefit obligations maturing after end of reporting Period

Amount(In Lakhs)

Maturing within	As at		As at	
	31 March 2024		31 March 2023	
	Grauity	Compensated Absence	Grauity	Compensated Absence
0 – 1 year	0.08	1.91	0.42	0.28
1 – 2 years	0.29	0.69	0.32	6.91
2 – 3 years	0.33	0.64	0.67	
3 – 4 years	0.78	0.61	0.25	
4 – 5 years	2.00	0.86	0.36	
5 – 6 years	0.70	0.54	0.32	
6 year onwards	22.10	16.95	8.96	



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

Amount(In Lakhs)

Particular	As at 31 March 2024	As at 31 March 2023
Current tax		
Current tax on taxable income for the year	231.87	455.26
Total Current tax	231.87	455.26
Deferred tax		
Deferred tax charge/(credit)	381.44	(248.08)
Total Deferred tax charge/(credit)	381.44	(248.08)
Tax expense for the year	613.31	207.18
Tax related to earlier year	(5.05)	54.63
Total tax expense recognized for the year	608.27	261.81

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

Amount(In Lakhs)

Particular	As at 31 March 2024	As at 31 March 2023
Effective Tax Rate	27.82%	27.82%
Profit before tax	2,458.97	1,493.70
Current tax expense on profit before tax expense at the enacted income tax rate in India	684.09	415.55
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income	-452.22	(208.37)
Tax Expense for the year	231.87	207.18
Effect of earlier year tax adjustment	-5.05	54.63
Tax Expense recognised in the Statement of Profit and Loss	226.82	261.81

C) Deferred Tax Assets and Liabilities

Amount(In Lakhs)

Particular	As at April 1, 2022 - Deferred tax Asset/ (Liabilities)	(Credit)/ charge in statement of consolidated profit and loss	(Credit)/ charge in other comprehensive Income	As at March 31, 2023 - Deferred tax Assets/ (Liabilities)	(Credit)/ charge in statement of consolidated profit and loss	(Credit)/ charge in other comprehensive Income	Impact on Other Equity (issue of CCD)	As at March 31, 2024 -Deferred tax Asset/ (Liabilities)
Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	80.65	115.28	-	195.93	302.15	-		498.08
Deferred Tax Assets / (liabilities)(A)	80.65	115.28	-	195.93	302.15	-		(106.22)
Impact of Provision of income tax act, 1961	2.94	132.80	0.76	136.44	79.29	0.68	255.69	312.16
Deferred Tax Assets / (liabilities)(B)	2.94	132.80	0.76	136.44	79.29	0.68	255.69	312.16
Deferred tax (Liabilities) / Assets (Net) (A+B)	83.59	248.08	0.76	332.37	381.44	0.68	255.69	205.94



43 Related Party disclosures as required by Ind AS-24

43.1 List of related parties and relationship:

S.no.	Relation	Name	Particular
1	Key management Personnel	Kapil Garg Tanvi Jawa Mayank Pratap Singh Ruby Chauhan Adish Kumar Jain Mayank Pratap Singh Pankaj Gupta Gunjan Jain	Managing Director of Holding & Subsidiary Company Chief Financial Officer w.e.f. January 13, 2023 of Holding company Company Secretary from May 05, 2022 to May 23, 2024 of holding company Company Secretary w.e.f. May 23, 2024 of holding company Chief Financial Officer till September 30, 2022 of subsidiary company Company Secretary w.e.f. March 09, 2022 subsidiary company Chief Executive Officer w.e.f. May 18, 2022 subsidiary company Chief Financial Officer w.e.f. November 14, 2022 subsidiary company
2	Non Executive Director and independent director	Sandeep jain Luv Khanna Pradip Kumar kar Neha Agarwal Amol Sinha Hemant Bhageria Manoj Kumar Bhatt Abhinav Tambi Nitin Goel Hemant Bhageria Aishwarya Mani Kachhal Srishti Agarwal Neha Agarwal Mohit Gupta Hanut Mehta Shelly Garg Ankush Julka Rajesh Jindal	Non- Executive Director of Holding Company Non- Executive Director of Holding and subsidiary Company Independent Director of Holding Company Non- Executive Director of Holding and Subsidiary Company (up to March 31, 2024) Independent Director of Holding Company Independent Director of Holding Company w. e.f. January 12, 2023 Independent Director of Subsidiary Company w.e.f. March 09, 2022 Independent Director of Subsidiary Company till August 23, 2023 Independent Director of Subsidiary Company w.e.f. March 09, 2022 Independent Director of Subsidiary Company w.e.f. March 09, 2022 Independent Director of Subsidiary Company w.e.f. February 17, 2023 Non- Executive Director of Subsidiary Company w.e.f. August 11, 2023 Non- Executive Director of subsidiary Company (up to March 31, 2024) Non- Executive Director of Subsidiary Company Non- Executive Director of Subsidiary Company Additional Director of Subsidiary Company w.e.f. March 31, 2024 Additional Director of Subsidiary Company w.e.f. August, 2024 Non- Executive Director Subsidiary Company- W.e.f August 12, 2023
3	Entities over which Directors/KMPs have significant influence / Relatives of Directors/KMP with whom transactions have taken place	Electric Mobility Financiers Association of India w.e.f. March 09, 2022 Shelly Garg Saurabh Garg Pooja Garg Bima Pay Technology Private Limited	

43.2. The following transactions were carried out with Related parties in the ordinary course of business

Amount(In Lakhs)

Name of the Related party	Nature of transaction	For the Year ended March 31, 2024	For the Year ended March 31, 2023
Amol Sinha	Director sitting fees	-	0.15
Kapil Garg	Director remuneration	86.14	167.34
	Loan repaid	-	135.00
	Loan received	-	135.00
	Money received against share warrants	151.25*	-
	Share issued	-	955.96
	Interest paid on loan	-	0.17
Luv Khanna	Professional Fees	17.70	0.22
Nitin Goel	Director Sitting fees	1.20	-
Hemant Bhageria	Director Sitting fees	1.35	58.13
Manoj Kumar Bhatt	Director Sitting fees	1.35	-
Srishti Agarwal	Director Sitting fees	0.60	-
Shelly Garg	Money received against share warrants	151.25*	-
Saurabh Garg	Money received against share warrants	151.25*	-
Pooja Garg	Money received against share warrants	151.25*	-
Electric Mobility Financiers Association of India	Membership fees	0.21	1.00
Mayank Pratap Singh	Remuneration	11.14	10.35
Pankaj Gupta	Remuneration	35.90	25.75
Tanvi Jawa	Remuneration	21.11	4.56
Gunjan Jain	Remuneration	18.94	7.73
Pradeep Kumar Kar	Director sitting fees	5.00	-
	Director remuneration	-	4.00
Sandeep Jain	Share issued	-	79.20
	Interest paid on loan	-	0.20
Shelly garg	Loan repaid	-	100.00
	Share issued	-	325.00
	Loan received	-	100.00
	Loan Given	644.32	-
Bimapay Technology Private Limited	Loan Repaid	644.32	-
	Money received against share warrants	151.25*	-
	Interest Income Received	5.68	-

*balance 75% i.e. 453.75 lakhs to be paid by each in future.



43.3 Outstanding balances with Related parties

Name of the Related party	Nature of transaction	Amount(In Lakhs)	
		For the Year ended March 31, 2024	For the Year ended March 31, 2023
Bimapay Technology Private Limited	Advance Outstanding	100.00	-
Mayank Pratap Singh	Remuneration	0.85	-
Pankaj Gupta	Remuneration	2.50	-
Gunjan Jain	Remuneration	1.27	-

43.4 Particulars of Remuneration to Key Management Personnel

Particular	For the Year ended March 31, 2024					
	Adish Kumar jain	Gunjan Jain	Pankaj Gupta	Mayank Pratap Singh	Kapil Garg	Tanvi Jawa
Salary and allowance	-	17.84	35.68	10.93	85.92	20.89
Contribution to PF	-	1.10	0.22	0.22	0.22	0.22

Particular	For the Year ended March 31, 2023					
	Adish Kumar jain	Gunjan Jain	Pankaj Gupta	Mayank Pratap Singh	Kapil Garg	Tanvi Jawa
Salary and allowance	9.9	7.64	25.55	10.13	167.34	4.06
Contribution to PF	0.11	0.09	0.2	0.22	-	0.50

43.5 No amount pertaining to related parties has been provided for as doubtful debts or written off related party relationship is as identified by the Company.

44 Earnings per Share (EPS)

Particular	Amount(In Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Net Profit for the year (before OCI) (Rs. in lakhs)	1,290.45	887.16
Weighted average number of Equity Shares	1,47,92,634	1,47,92,634
Diluted average number of Equity Shares	1,59,15,645	1,58,92,634
Basic earnings per share (Rs.)	8.72	6.00
Diluted earnings per share (Rs.)	8.11	5.58
Face value of each share (Re)	10.00	10.00

45 Change in Liabilities arising from Financial Activities

Particulars	Amount(In Lakhs)				
	As at April 01, 2023	Cash flows	Others	New Leases	As at March 31,
Debt Securitie	5,827.19	1,685.36	-	-	7,512.55
Borrowings other than debt	20,862.05	41,051.44	(1,128.33)	-	60,785.16
Lease Liabilitie	299.86	447.91	-	-	747.77
Total	26,989.10	43,184.71	(1,128.33)	-	69,045.48

Particulars	Amount(In Lakhs)				
	As at April 01, 2022	Cash flows	Others	New Leases	As at March 31,
Debt Securitie	-	5,747.87	79.32	-	5,827.19
Borrowings other than debt	-	16,755.25	16.53	-	16,771.78
Lease Liabilitie	-	(38.00)	9.03	274.06	245.09
Total	-	22,465.12	104.88	274.06	22,844.06

- Others column represents the effect of interest accrued but not due on borrowing, amortization of processing fees etc.
- Liabilities represents of Debt securities, Borrowings (other than debt securities) and Lease Liabilities.

46 Disclosures of Leases pursuant to Ind AS 116

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

46.2 Amounts recognized in Statement of Profit and Loss

Particular	Amount(In Lakhs)	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Depreciation Expenses	125.22	69.43
Rent	3.61	-
Interest Expenses	40.54	15.47
Total	169.37	84.90



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

Amount(In Lakhs)

Particular	Building	
	For Year ended 31st march 2024	For Year ended 31st march 2023
Balance at the beginning of the year	292.89	83.06
Additions	584.10	279.26
Deletion/Adjustment	-	-
Depreciation	(125.21)	(69.43)
Balance at the end of the year	751.78	292.89

The aggregate depreciation expense on ROU asset is included under depreciation and amortization expense in the statement of profit and loss

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

Amount(In Lakhs)

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
Current lease liabilities	174.07	93.86
Non-current lease liabilities	573.70	206.00
Total	747.77	299.86

46.5 The movement in lease liabilities

Amount(In Lakhs)

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
Balance at the beginning of the year	448.45	84.62
Additions	584.10	274.06
Interest Expenses	40.54	15.47
Deletions	-	-
Payment of lease liabilities	(325.32)	(74.30)
Balance at the end of the year	747.77	448.45

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

Amount(In Lakhs)

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
Less than one year	243.23	117.06
One to five years	696.04	237.62
More than five years	-	-
Total	747.77	354.68

46.7 Group as Lessor(Finance lease)

- i) The Group has given certain property, plant and equipment on finance leases. The lease is for a fixed period and is cancellable subject to fulfillment of certain conditions. There are no exceptional/ restrictive covenants in the lease agreement. There are no significant risks associated with rights that the Group retains in underlying assets.
- ii) Maturity analysis of minimum undiscounted lease receivables and the present value of minimum lease payments receivable is as under:

Particular	For Year ended 31st march 2024	For Year ended 31st march 2023
Receivable not later than 1 year	4,488.99	1,256.16
Receivable later than 1 year but not later than 2 year	4,337.43	1,262.06
Receivable later than 2 year but not later than 3 year	3,037.62	1,592.89
Receivable later than 3 year but not later than 4 year	2,846.63	332.94
Receivable later than 4 year but not later than 5 year	1,853.68	332.94
Receivable later than 5 years	112.29	161.89
Gross investment in lease	16,676.64	4,938.88
Less: Unearned finance income	-4,213.46	(1,216.93)
Present value of minimum lease payment receivable *	12,463.18	3,721.95
Less: Impairment loss allowance	-62.59	-
Total Net Receivables	12,400.59	-

*Including Processing fees of Rs.85.64 Lakhs (31st March, 2024: Rs.48.81 Lakhs) and other Charges of Rs. Nil (31st March, 2024 : Rs. 6.20 Lakhs to be amortized in future)

- iii) Finance lease income on net investment in lease recognized in Consolidated Statement of Profit and Loss during the financial year ended March 31, 2024 is Rs. 1,157.93 lakhs (31st march, 2023 : Rs. 182.61 Lakhs)
- iv) Finance lease income relating to variable lease payments not depending on index/rate – Nil
- v) Changes in carrying amount of net investment in finance lease.

Particular	Current	Non-Current	Total
Opening value of Lease Receivables as on April 1,2022			
Add: Additions	201.76	3,666.94	3,868.70
Add: Finance lease income recognized in Consolidated statement of profit and loss	182.61	-	182.61
Less: Lease rental received (cash payment)	(384.37)	-	(384.37)
Add/Less: Change on account of any other factors	784.56	(784.56)	-
Opening value of Lease Receivables as on March 31, 2023	784.56	2,882.38	3,666.94
Add: Additions during the year	661.04	9,478.19	10,139.23
Add: Finance lease income recognized in Consolidated statement of profit and loss	1,157.93	-	1,157.93
Less: Lease rental received (cash payment)	(2,586.56)	-	(2,586.56)
Add/Less: Change on account of any other factors	2,871.51	(2,871.51)	-
Opening value of Lease Receivables as on March 31, 2024	2,888.48	9,489.06	12,377.54



47 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:

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Debt Securities	7512.55	5827.19
Borrowings (other than Debt Securities)	60,785.16	20,862.05
Other financial liabilities	4,542.63	1,431.17
Less: Cash and cash equivalents	-9,930.32	-3,174.77
Net Debt (A)	62,910.02	24,945.64
Total Equity (B)	26,939.43	17,722.73
Capital and Net debt (C)=(A+B)	89,849.45	42,668.37
Gearing ratio (%) (A/C)	70.02%	58.46%

48 Financial Risk Management

The Group is mainly engaged in Investment and Finance Activities. The Groups principal financial liabilities comprise debt securities, borrowings (other than debt securities) 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, term deposits with banks, Investments, 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:

48.1 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 financing activities towards Loans to various customers. 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 statement of Consolidated profit and loss.

The Group measures the expected credit loss of other receivables/loans based on historical trend, available external and internal credit risk factors such as financial condition, ageing of accounts receivable etc., regulatory norms, industry practices and the business environment in which the Group operates.

As at March 31, 2024, 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 financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

48.2 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 term deposits with banks.

48.2.1 Interest Rate Risk

The interest rate risk exposure is mainly from changes in the interest rates. The interest rates are disclosed in the respective notes to the 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

Particular	As at	
	31 March 2024	31 March 2023
Financial assets		
Non-interest bearing-		
Cash and cash equivalents	9930.32	3174.77
Trade receivables	84.08	54.46
Other Recivables	3.75	33.6
Investments	514.41	404.58
Others Financial Assets	3014.97	258.6
Loans		



Interest bearing-		
Deposits with Bank	17040.56	11254.13
Loans	65740.26	29075.36
Investment	50.77	22.74
Financial liabilities		
Non-interest bearing-		
Trade Payable		-
Other Financial Liability	4542.63	1431.17
Interest bearing-		
Debt Securities	7512.55	5827.19
Borrowings (other than Debt Securities)	60785.16	20862.05

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

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
50 bp increase would decrease the profit before tax by	(341.49)	(133.45)
50 bp decrease would increase the profit before tax by	341.49	133.45

b) Interest rate sensitivity - Loans

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
50 bp increase would decrease the profit before tax by	328.70	145.38
50 bp decrease would increase the profit before tax by	(328.70)	(145.38)

c) Interest rate sensitivity - Fixed Deposits with Bank

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
50 bp increase would decrease the profit before tax by	85.20	56.27
50 bp decrease would increase the profit before tax by	(85.20)	(56.27)

48.2.2 Foreign Currency Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk arising from foreign currency borrowings [ECB]. Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Group's functional currency (INR).

Foreign Currency Risk Management

The Group's risk management committee is responsible to frame, implement and monitor the risk management plan of the Group. The committee carry out risk assessment with regard to foreign exchange variances and suggests risk minimization procedures and implement the same.

Foreign Currency Exposure

The Group's exposure to foreign currency at the end of the reporting period expressed in INR are as follows

Particular	As at 31 March 2024	As at 31 March 2023
Debt securities	5,904.01	5,895.60
Borrowings other than debt securities	515.76	-

Foreign Currency Risk Sensitivity Analysis

There is no risk of foreign fluctuation on the Company as the amount of loan is fixed in Indian rupees (INR) and hence, sensitive analysis is not given.

48.2.3 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 group, market risk primarily impacts financial instruments such as Investment in Mutual Funds, Equity Shares etc.

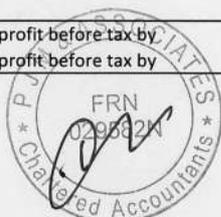
The group exposure to market price risk arising from Investments held by the Group and is classified in the financial statements at cost as the investmenta are made in subsidiaries.

The Market value of the investment (quoted mutual fund) is Rs.451.45 Lakh as at march 31, 2024 (As at March 31, 2023 - Rs. 299.99 laks)

48.3 Sensitivity Analysis

The table below summaries the impact of increase and decrease of the index on the Group'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.

Particular	As at 31 March 2024	As at 31 March 2023
5% increase would decrease the profit before tax by	22.57	1,640.81
5% decrease would increase the profit before tax by	(22.57)	(1,640.81)



48.4 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	Amount(In Lakhs)			
	Less than 1 year/ On demand	1 to 5 years	> 5 years	Total
As At 31st March 2024				
Debt Securities	589.67	5942.75		6532.42
Borrowings other than Debt Securities*	12,238.70	49,170.79	504.00	61,913.49
Subordinated Debts	-	-	-	-
Other financial liabilities	1,966.66	2,575.97	-	4,542.63
As At 31st March 2023				
Debt Securities	77.85	5817.75		5,895.60
Borrowings other than Debt Securities*	11,872.58	8,607.20	600.00	20,479.78
Subordinated Debts	-	-	-	-
Other financial liabilities	1,244.54	186.63	-	462.26

* Gross of processing fees of Rs. 1,128.33 Lakhs (31st March 2023 Rs. 217.73 lakhs)

49 Other Financial Instruments Disclosures

49.1 Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as at March 31, 2024 are as follows:

Particulars	Amortized cost	Amount(In Lakhs)			
		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 mutual fund (quoted)		451.45	-	451.45	451.45
(b) Investment in equity shares (unquoted)	113.73	-	-	113.73	113.73
(c) Trade receivables	84.08	-	-	84.08	84.08
(d) Other receivables	3.75	-	-	3.75	3.75
(e) Loans	65,740.26	-	-	65,740.26	65,740.26
(f) Other financial assets	3,014.97	-	-	3,014.97	3,014.97
(g) Cash and cash equivalents	9,930.32	-	-	9,930.32	9,930.32
(h) Bank balance other than cash and cash equivalents	17,040.56	-	-	17,040.56	17,040.56
Liabilities:					
(a) Debt Securities	7,512.55	-	-	7,512.55	7,512.55
(b) Borrowings other than Debt Securities*	60,785.16	-	-	60,785.16	60,785.16
(c) Other financial liabilities	4,542.63	-	-	4,542.63	4,542.63

The carrying value and fair value of financial instruments by categories as at March 31, 2023 are as follows:

Particulars	Amortized cost	Amount(In Lakhs)			
		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 mutual fund (quoted)		299.99	-	299.99	299.99
(b) Investment in equity shares (unquoted)	127.33	-	-	127.33	127.33
(c) Trade receivables	54.46	-	-	54.46	54.46
(d) Other receivables	33.60	-	-	33.60	33.60
(d) Loans	29,075.36	-	-	29,075.36	29,075.36
(e) Other financial assets	258.60	-	-	258.60	258.60
(f) Cash and cash equivalents	3,174.77	-	-	3,174.77	3,174.77
(g) Bank balance other than cash and cash equivalents	11,254.13	-	-	11,254.13	11,254.13
Liabilities:					
(a) Debt Securities	5,827.19	-	-	5,827.19	5,827.19
(a) Borrowings other than Debt Securities*	21,079.78	-	-	21,079.78	21,079.78
(b) Other financial liabilities	1,431.17	-	-	1,431.17	1,431.17

* Gross of processing fees of Rs. 1,128.33 Lakhs (31st March 2023 Rs. 217.73 lakhs)



49.2 Fair Value Hierarchy

49.2.1 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.

Particular	Amount(In Lakhs)					
	March 31, 2024			March 31, 2023		
	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 Mutual Fund (quoted)	451.45			299.99		
b) Investment in equity Shares (unquoted)			62.96			104.59
c) Investment in other debt instrument (unquoted)			50.77			22.74
Liabilities						
Financial Assets and Liabilities which are measured at amortized cost for which fair values are disclosed						
Assets:						
Liabilities:						
a) Lease Liabilities	747.77			299.86		

49.2.2 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: -

Particular	Amount(In Lakhs)	
	As at 31 March 2024	As at 31 March 2023
Lease Liabilities	747.77	299.86

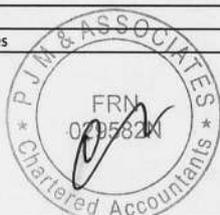
The fair value of the financial assets is included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

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

- 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 Group based on parameters such as interest rates and individual credit worthiness of the counterparty.

50 Maturity profile of Assets and Liabilities

Particulars	Amount(In Lakhs)			
	As At March 31, 2024		As At March 31, 2023	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial Assets				
Cash and cash equivalents	9,930.32	-	3,174.77	-
Bank balance other than cash and cash equivalents	15,759.11	1,281.46	11,254.13	-
Trade receivable	84.08	-	84.08	-
Other Receivable	3.75	-	3.75	-
Loans	34,610.76	31,129.50	19,803.16	9,272.20
Investments	451.45	113.73	299.99	127.22
Others Financial Assets	2,985.43	29.54	228.89	29.71
Non-Financial Assets				
Current tax assets (Net)	280.89	-	74.15	-
Deferred Tax Assets (Net)	-	205.94	-	332.37
Property, plant & equipment	-	64.05	-	66.95
Right of use assets	73.80	677.98	-	292.89
Intangible assets under development	202.72	495.91	179.12	-
Other Intangible assets	-	121.29	-	22.50
Goodwill	-	49.15	-	49.15
Other non-financial assets	1,445.21	77.29	1,364.52	-
Closing Stock	1.47	-	-	-
Financial Liabilities				
Debt Securities	578.25	6,934.30	77.85	5,749.34
Borrowing other than Debt Securities	12,238.70	48,546.46	11,872.58	9,207.20
Other financial liabilities	1,966.66	2,575.97	1,244.54	186.63
Non-Financial Liabilities				
Current tax liabilities (net)	-	-	5.63	-
Provisions	1.92	46.58	-	18.58
Deferred tax liabilities (net)	-	-	-	-
Other Non-Financial Liabilities	237.90	-	237.51	555.03



HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

51 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 Group as at March 31, 2024, for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016), as amended and rules made thereunder.

(ii) Borrowing secured against current assets

The Group has borrowed money from the banks and financial institutions (including NBFCs) against security of current assets of loan portfolio and term deposits with banks.

The Quarterly/monthly statements of current assets for the financial year ended 31 March 2024, filed by the Group with banks and financial institutions are in agreement with books of accounts.

(iii) Willful defaulter

The Group has not been declared willful defaulter by any bank, financial institution or lender as at March 31, 2024.

(iv) Relationship with struck off companies

There is no transaction during the year with or outstanding balance of the struck off companies as at March 31, 2024.

(v) Compliance with number of layers of companies

The Group has complied with number of layers of companies as per the provisions of Companies Act, 2013.

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

During the year, no scheme of arrangements in relation to the Group has been approved by the competent authority in terms of Section 232 to 237 of the Companies Act, 2013.

(vii) Utilization of borrowed funds and share premium

During the year the Group 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 Group (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group 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 Group 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 Group 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 Group has not traded or invested in crypto currency or virtual currency during the year ended March 31, 2024.

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

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year ended March 31, 2024.

(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, 2024.

Other Statutory information

(i) The Group have spent Rs. 21.15 lakhs towards CSR activities during the year ended 31 March 2024 and there is no shortfall at the end of the year.

(ii) There was no amount outstanding and due for transfer to the Investor Education and Protection Fund during the year ended March 31, 2024.

(iii) The Group has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long-term contracts has been made in the books of accounts. The Group has not entered into any derivative contract.

(iv) The Group has not received any whistleblower complaint during the year ended March 31, 2024.

(iv) There are no pending litigations as at March 31, 2024 having impact on the financial position of the Group.



HINDON MERCANTILE LIMITED

CIN: U34300DL1985PLC021785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(v) 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, 2024 (March 31, 2023 – Nil). Accordingly, no disclosures are required to be given under 'MSMED Act'.

(vi) There is no Core Investment Group within the group as defined in the regulations made by the Reserve Bank of India.

52 Ratio Analysis of Holding Company

Ratio	As at	As at	Variance (%)	Reason for variance
	March 31,2024	March 31,2023		
Capital to risk-weighted assets ratio (CRAR)	24.98%	65.55%	-40.5700%	Due to increase in loans given to the customer and borrowings during the
Tier I CRAR	24.32%	64.94%	-40.6200%	
Tier II CRAR	0.66%	0.61%	0.0500%	
Amount of subordinated debt raised as Tier-II capital	Nil	Nil	Not Applicable	Not Applicable
Amount raised by issue of Perpetual Debt Instruments	Nil	Nil	Not Applicable	Not Applicable
Liquidity Coverage Ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable

53 The Group is not required to comply with the guidelines on Liquidity Coverage Ratio (LCR) in line with the disclosures as required by Master Direction-Reserve Bank of India (Non-Banking Financial Group - Scale Based Regulation) Directions, 2023 as amended from time to time.

54 Income in foreign currency- Nil (31st March 2023: Nil)
Expenditure in Foreign Currency:

Nature	For the year ended March 31, 2024	For the year ended March 31, 2023
Professional Fees	30.78	58.18
Sponsorship Fees	2.75	2.79
Travelling Expenses	14.70	2.93
Interest Expenses	11.76	-

55 The Group is using accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software. Further, no instance of audit trail feature being tampered with has been noticed during the year in respect of the accounting software.

56 List of subsidiaries included in the Consolidated Financial Statements:

S.no.	Name of the subsidiary	Country of incorporation	% shareholding as at March 31, 2024	% shareholding as at March 31, 2023
1	Mufin Green Finance Limited (Formerly Knowns as APM Finvest Limited)	India	54.44%	57.83%
2	Hindon Account Aggregator Services Private Limited	India	100%	100%
3	Hindon Peer to Peer Finance Private Limited	India	100%	100%
4	Mufin Pay Payment Solutions Private Limited	India	100%	100%
5	Bimapay finsure Private Limited	India	70%	70%

57 Particulars of Subsidiary having material Non-controlling Interests:

S.no.	Name	Country of incorporation	As at 31 March 2024		As at 31 March 2023	
			Group % of holding	NCI % of holding	Group % of holding	NCI % of holding
1	Mufin Green Finance Limited (Formerly Knowns as APM Finvest Limited)	India	54.44%	45.56%	57.83%	42.17%
2	Bimapay finsure Private Limited	India	70%	30.00%	70%	70%

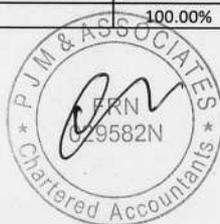


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58 Other Disclosures pursuant to Schedule III of the Companies Act, 2013:

Particulars	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 (in lakhs)	As a % of consolidated profit or loss	Amount (in lakhs)	As a % of consolidated other comprehensive income	Amount (in lakhs)	As a % of consolidated total comprehensive income	Amount (in lakhs)
Parent								
Hindon Mercantile Limited	57.03%	9,436.16	16.95%	218.79	57%	1.49	17.04%	220.28
Subsidiaries (Indian)								
Mufin Green Finance Limited (Formerly Knowns as APM Finvest Limited Less Minority interest in subsidiary)	85.45%	14,139.70	124.47%	1606.2	42%	1.10	124.30%	1,607.29
Hindon Account Aggregator Services Private Limited	0.06%	9.94	-0.03%	-0.3	0%	-	-0.03%	-0.33
Hindon Peer to Peer Finance Private Limited	2.64%	436.08	1.25%	16.1	0%	-	1.25%	16.14
Mufin Pay Payment Solutions Private Limited	0.01%	0.83	-0.59%	-7.6	0%	-	-0.59%	-7.63
Bimapay finsure Private Limited (Less Minority interest in subsidiary)	2.51%	414.98	-2.39%	-30.9	0%	-	-2.39%	-30.87
(less Inter- Group elimination)	-47.69%	-7,891.27	-39.66%	-511.8	0%	-	-39.59%	-511.85
Total	100	16,546.42	100	1,290.45	100	2.59	100	1,293.03

Particulars	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 (in lakhs)	As a % of consolidated profit or loss	Amount (in lakhs)	As a % of consolidated other comprehensive income	Amount (in lakhs)	As a % of consolidated total comprehensive income	Amount (in lakhs)
Parent								
Hindon Mercantile Limited	75.46%	9,211.80	25.88%	229.64	13.24%	-0.18	25.90%	229.46
Subsidiaries (Indian)								
Mufin Green Finance Limited (Formerly Knowns as APM Finvest Limited Less Minority interest in subsidiary)	125.89%	15368.14	91.49%	811.67	150.00%	-2.04	91.40%	809.63
Hindon Account Aggregator Services Private Limited	0.08%	9.94	-0.02%	-0.18	0.00%	-	-0.02%	-0.18
Hindon Peer to Peer Finance Private Limited	3.44%	419.93	20.56%	182.39	0.00%	-	20.59%	182.39
Mufin Pay Payment Solutions Private Limited	0.01%	0.83	-0.02%	-0.17	0.00%	-	-0.02%	-0.17
Bimapay finsure Private Limited (Less Minority interest in subsidiary)	0.78%	94.79	0.32%	2.81	0.00%	-	0.32%	2.81
(less Inter- Group elimination)	-105.65%	-12897.56	-38.21%	-339.00	-63.24%	0.86	-38.17%	-338.14
Total	100.00%	12,207.88	100.00%	887.16	100.00%	-1.36	100.00%	885.80



59 Movement in non-controlling interests

Movement in non-controlling interests	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	5,514.85	3318.74
Add/(Less):		
Contribution towards equity	4,184.60	1,833.37
Profit/(loss) for the year	560.25	363.60
Other comprehensive income for the year	0.93	-0.86
Equity Portion of CCD	132.38	
Closing balance	10,393.01	5,514.85

60 Previous Year figure have been regrouped /rearranged to confirm current year presentation wherever necessary.

61 All the Amount in the Financial Statement and notes have been presentted in Indian Rupees in lakhs rounded off to two decimal places as permitted by schedule III except per share data and as otherwise stated

Significant Accounting Policies and Notes Forming part of Consolidated Financial Statements

As Per our report of even date attached

For PJM Associates

Firm Registration No. 029582N



Vikas Dua
Partner
Membership No. 535712
Paice : Delhi
Date : August 30, 2024



Tanvi Jawa
Chief Financial Officer

For and on behalf of the board of Directors

Ruby Chauhan
Company Secretary
M. No. A69210

Kapil Garg
Managing Director
DIN: 01716987

Luv Khanna
Director
DIN: 07723426