

Independent Auditors' Report

The Members,
Paul Merchants Finance Private Limited,
Chandigarh

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Paul Merchants Finance Private Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2019 and the statement of Profit and Loss, Changes in Equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.



Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at March 31, 2019, and its financial performance including other comprehensive Income , Changes in Equity & its Cash Flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements:


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us ;
 - c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

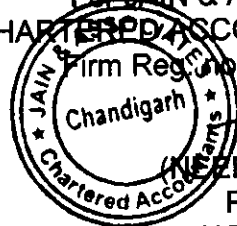


g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would materially impact 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: CHANDIGARH
DATE: 10.05.2019

For JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS,
Firm Reg. No. -01361N,
Chandigarh

(NISHRAJ JAIN)
PARTNER
M. NO. 089477

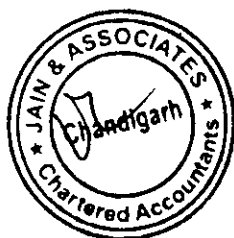


“ANNEXURE A” TO THE AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- I. In respect of its fixed assets:
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) According to the information and explanations given to us by the management, the company has a system of physical verification of all its fixed assets during the year. In our opinion having regard to the size of the company and the nature of its assets, the program of verification is reasonable. No discrepancies have been noticed in respect of assets physically verified.
 - c) The company does not own any immoveable property.
- II. In respect of its inventories:

Since the company is a Non Banking Finance Company, it does not carry any kind of Inventory. Hence, this clause is not applicable. Securities in the shape gold ornaments, although do not form part of inventories, are physically verified by the management on quarterly basis.
- III. According to the information and explanations given to us, the Company has granted unsecured loans to relative of the director, covered in the register maintained under Section 189 of the Companies Act, 2013. The terms and conditions of the grant of such loan are not prejudicial to the company’s interest. The repayments and receipts are regular.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security, as applicable.
- V. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013.
- VII. According to the information and explanations given to us in respect of Statutory and other dues:



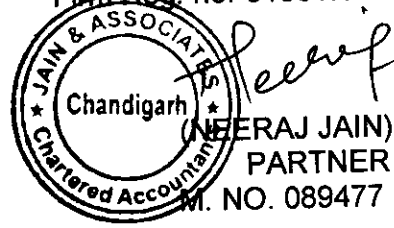
- a) According to the records of the Company, undisputed statutory dues including Income-tax and service tax, to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities.
- b) As per the information and explanation given to us, no disputed amounts payable in respect of Income Tax, Service tax, value added tax and TDS were outstanding as on 31.03.2019 for a period more than six months from the date of becoming payable.
- VIII. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- IX. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- X. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- XII. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- XIII. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- XV. In our Opinion and according to information and explanations provided to us, the company has not entered into any non-cash transactions with directors or



persons connected with him during the year. Hence provisions of section 192 of the companies Act, 2013 are not applicable

XVI. The company is carrying on the business of financing against gold ornaments, for the purpose the company has obtained permission from RBI and is registered under Section 45-IA of Reserve Bank of India Act.

For JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. no.-01361N



PLACE: CHANDIGARH
DATE: 10.05.2019

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

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

We have audited the internal financial controls over financial reporting of Paul Merchants Finance Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

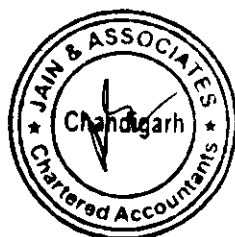
Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

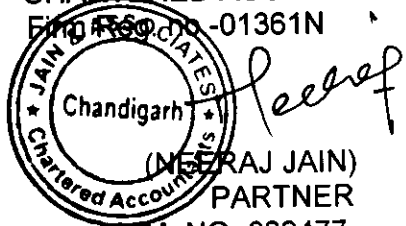
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: CHANDIGARH
DATE: 10.05.2019

For JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No. -01361N
Chandigarh
(NEERAJ JAIN)
PARTNER
M. NO. 089477



A. Basis of Preparation of Financial Statements

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

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

B. Basis of measurement

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

C. Use of Estimates

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

D Plant and Equipment

The items of Plant & equipment are measured at Cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment are stated at cost net of recoverable taxes and includes amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. All costs, including financing costs, attributable to the fixed assets are capitalized. The Company has opted to measure all its property, plant and equipment and intangible assets at the Previous GAAP (IGAAP) carrying amount as its deemed cost as on the date of transition to Ind AS.

E Depreciation

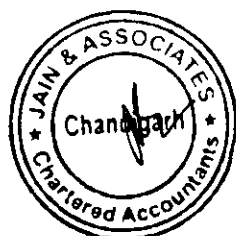
Depreciation on fixed assets is provided to the extent of depreciable amount on written down value method (WDV) in the manner prescribed in Schedule II to the Companies Act, 2013 over their remaining useful life on pro-rata basis.

F Cash and cash equivalents

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

G Revenue Recognition

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



H Employee Benefits

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

Gratuity Liability as on 31st March 2019 has been provided for on basis of actuarial valuation basis Projected unit credit method in accordance with IND AS-19.

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

I Borrowing Costs

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

J Provision for Current and Deferred Tax

Current income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

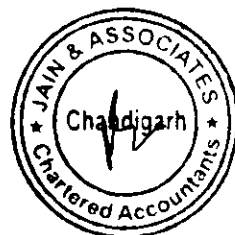
Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty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

K Provisions, Contingent Liabilities and Contingent Assets

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

L Classification of Current / Non Current Assets

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



PAUL MERCHANTS FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS PAUL FINCAP PRIVATE LIMITED)
 Balance Sheet as on 31st Mar 2019
 CIN-U65921CH2010PTC032462

Particulars	Note	Current Year as on 31st March 19	Previous Year as on 31st March 18
ASSETS			
(1) Financial Assets			
(a) Cash and Cash Equivalents	1	5,44,54,855.99	4,66,89,077.34
(b) Bank Balance Other than (a) above	1	4,62,989.95	7,80,440.12
(c) Derivative Financial Instruments		-	-
(d) Receivables		-	-
(i) Trade Receivables		-	-
(ii) Other Receivables		-	-
(e) Loans	2	1,76,75,55,951.70	57,42,61,940.00
(f) Investments		-	-
(g) Other Financial assets (to be specified)		-	-
(2) Non - Financial Assets			
(a) Inventories		-	-
(b) Current Tax Assets (Net)	3	2,85,16,340.21	34,88,532.22
(c) Deferred Tax Asset(Net)	4	4,63,165.93	2,67,271.87
(d) Investment Property		-	-
(e) Biological Assets Other than bearer plants		-	-
(f) Property, Plant and Equipment	5	99,03,302.69	49,10,930.94
(g) Capital Work in Progress	5	-	3,54,000.00
(h) Intangible Assets Under Development		-	-
(i) Goodwill		-	-
(j) Other Intangible Assets	5	3,46,616.38	4,77,832.16
(k) Other Non Financial Assets	6	53,18,818.76	31,16,719.00
TOTAL		1,86,70,22,041.61	63,43,46,743.65
LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
(a) Derivative Financial Instruments		-	-
(b) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		42,86,429.32	1,42,30,756.18
(c) Debt Securities			
(d) Borrowing (other than Debt Securities)	7	51,83,10,875.88	4,28,57,142.88
(e) Deposits			
(f) Subordinate Liabilities			
(g) Other Financial Liabilities			
Interest Due On Loan from HDFC Bank		1,50,932.27	3,48,424.65
(2) Non Financial Liabilities			
(a) Current Tax Liabilities (Net)			
(b) Provisions	8	3,30,77,921.93	49,98,268.04
(c) Deferred Tax Liabilities(Net)			
(d) Other Non Financial Liabilities (to be specified)	9	68,06,011.17	32,15,653.91
(3) EQUITY			
a) Equity Share Capital	10	31,01,71,750.00	17,29,00,000.00
b) Other Equity	11	99,42,18,121.04	39,57,96,497.99
TOTAL		1,86,70,22,041.61	63,43,46,743.65

Accounting Policies and Notes referred to above form an integral part of the standalone financial statements
 For and on behalf of the Board of Directors

RAJNEESH KANSAL
 (Director)

DIN - 00077230
 #749, Sector 8,
 Chandigarh

AMAN TAL BINGH
 Company Secretary
 Membership No. - A42581
 #5540, Street No.4, Shiva ji
 Nagar, Ludhiana

SHAIBU GBEVARGHESE CHEMAN
 (Whole Time Director)

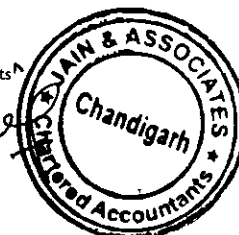
DIN 07319125
 Puthenparambil, Karipuram,
 Mukkoodu P.O., Kerala

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

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

For Jain & Associates
 Chartered Accountants
 FRN - 01361N

CA. Neeraj Jain
 Partner
 M. No. 089477



PAUL MERCHANTS FINANCE PRIVATE LIMITED
(FORMERLY KNOWN AS PAUL FINCAP PRIVATE LIMITED)
Profit and Loss Statement for the year ended on 31st Mar 2019
CIN-U65921CH2010PTC032462

Particulars	Note No.	Figures for the current reporting period 31.03.2019	Figures for the previous reporting period 31.03.2018
Revenue from Operations			
(i) Interest Income	12	17,43,57,778.36	4,18,20,759.11
(ii) Dividend Income		-	3,03,978.16
(iii) Rental Income		7,90,660.00	8,25,600.00
(iv) Fees and commission Income	13	54,78,052.62	77,97,602.74
(I) Total Revenue from operations		18,06,26,490.98	5,07,47,940.01
(II) Other Income	14	11,99,373.25	14,49,212.59
III. Total Income (I+II)		18,18,25,864.23	5,21,97,152.60
Expenses:			
(i) Finance Costs	15	1,00,57,548.57	57,93,282.04
(ii) Employee Benefits Expenses	16	3,88,42,477.70	1,65,18,446.00
(iii) Depreciation, amortization and im	5	23,57,719.58	17,70,715.38
(iv) Others expenses	17	3,82,81,981.02	1,94,82,963.58
IV. Total Expenses (IV)		8,95,39,726.87	4,35,65,407.00
V. Profit before exceptional & extraordinary items & tax (IV-V)		9,22,86,137.36	86,31,745.60
VI. Exceptional Items		-	-
VII. Profit before tax (V-VI)		9,22,86,137.36	86,31,745.60
VIII. Tax Expense:			
(1) Current tax		2,61,31,705.30	25,90,393.00
(2) Deferred tax		(1,95,894.06)	(86,915.66)
IX. Profit/(Loss) for the period from continuing operations (VII-VIII)		6,63,50,326.12	61,28,268.25
X. Profit/(Loss) for the period from discontinued operations		-	-
XI. Tax Expense of Discontinuing operations		-	-
Profit/(Loss) for the period from discontinued operations after tax (X-XI)		-	-
XII. (XI)		-	-
XIII. Profit (Loss) for the year (IX + XII)		6,63,50,326.12	61,28,268.25
XIV. OTHER COMPREHENSIVE INCOME			
A(i) Items that will not be reclassified to profit or loss-Remeasurement Gain(Loss) on defined employee benefit plans		(9,42,595.00)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		2,62,229.93	-
B(i) Items that will be reclassified to profit or loss		-	-
ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (XIII+XIV)		6,56,69,961.05	61,28,268.25
XVI Earnings per equity share (for continuing operations):			
(1) Basic(Rs.)		2.14	0.35
(2) Diluted(Rs.)		2.14	0.35
XVII Earnings per equity share (for discontinued operations)			
(1) Basic(Rs.)		-	-
(2) Diluted(Rs.)		-	-
XVIII Earnings per equity share (for continuing and discontinued operations)			
(1) Basic(Rs.)		2.14	0.35
(2) Diluted(Rs.)		2.14	0.35

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

For and on behalf of the Board of Directors

RAJNEESH BANSAL
(Director)

DIN - 00077230

#749, Sector 8,
Chandigarh

AMAN PAL SINGH
Company Secretary

Membership No. . A42581

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

Place: Chandigarh

Date : 10.05.2019

SHAIBU GIEVARSHIE C P SRIAN
(Whole Time Director)

DIN 67319125

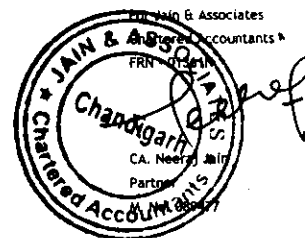
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

RAJESH GARG
CFO

Membership no 096484

472 , Mamta Enclave, Dhakoli
Zirakpur

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



NOTES ON FINANCIAL STATEMENTS

Note 1: CASH & BANK BALANCE

A. Cash and cash equivalents		
Balance with banks in Current Accounts	4,86,77,636.93	4,06,99,873.28
Cash in Hand	57,77,219.06	59,89,204.06
Total (1)	5,44,54,855.99	4,66,89,077.34
B. Other Balances with Banks		
i) In Term Deposit Accounts with > 3 month and <12 months maturity	4,62,989.95	7,80,440.12
Total (2)	4,62,989.95	7,80,440.12
Total (1+2)		

Note 2 : LOANS

Loans Receivables considered good - Secured;	1,53,34,19,357.70	38,25,35,105.00
Loans Receivables considered good - Unsecured	21,02,94,826.00	18,77,50,000.00
Interest Receivable	2,38,41,768.00	39,76,835.00
Total		

Note 3 : CURRENT TAX ASSETS

Advance Tax & TDS	2,70,30,490.01	30,90,108.55
Input Credit	14,85,850.20	3,98,423.67
Total		

Note 4: DEFERRED TAX LIABILITIES/TAX ASSET

Particulars		
Opening Balances	2,67,271.87	1,80,356.22
Add : Deffered Tax Asset	1,95,894.06	86,915.66
Total		

Note 6 : OTHER NON FINANCIAL ASSETS

Prepaid Expenses	27,11,458.58	9,02,283.00
Security and Advance	26,07,360.18	22,14,436.00
Total		



Note 7 : BORROWINGS

Particulars		
SECURED		
A. Loans payable on demand		
From Banks		
a. Term Loan from HDFC Bank (Secured by Receivables of the Company)	17,657,142.88	42,857,142.88
b. Overdraft Facility from Kotak Bank (Secured by Tax Free Bonds held by M/s Paul Merchants Limited)	141,381,897.00	
B. UNSECURED		
(a) Loans and advances from related parties	359,271,836.00	
(b) Loans and advances from others	-	
Total		

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

Note 8: PROVISIONS

Particulars		
Provision for Taxes	25,869,475.37	2,590,393.00
Provision for NPA	1,720,296.10	796,088.00
Contigent Provision Against Standard Assets	3,856,394.46	977,861.04
Gratuity Payable	1,631,756.00	633,926.00
Total		

Note 9 : OTHER NON FINANCIAL LIABILITIES

Particulars	As on 31	
	March	April
Expenses Payable	3,142,972.17	1,357,474.91
Salary Payable	3,663,039.00	1,858,179.00
Total		

Note 12 : INTEREST INCOME

Particulars		
Interest Income on Loans	174,357,778.36	41,820,759.11
Total Revenue From Operations		

Note 13 : FEES AND COMMISSION INCOME

Particulars	For the Year ended	
	March	April
Income from Money Transfer Service	5,478,052.62	7,797,602.74
Total		

Note 14: OTHER INCOME

Particulars	For the Year ended	
	March	April
Profit on sale of Investments	1,114,218.25	949,212.59
Miscellaneous Income	85,155.00	500,000.00
Total		



Note 10 : EQUITY CAPITAL

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

Particulars	As on 31-Mar-2019		Number	
	Rs.	Number		
Authorised				
Equity Shares of Rs. 10 each	45,000,000.00	450,000,000.00	30,000,000	300,000,000
Issued				
Equity Shares of Rs. 10 each	31,017,175.00	310,171,750.00	17,290,000	172,900,000
Subscribed & fully Paid up				
Equity Shares of Rs. 10 each	31,017,175.00	310,171,750.00	17,290,000	172,900,000
Total				

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

Particulars	Number	Rs.
Shares outstanding at the beginning of the year	17,290,000.00	5,160,000.00
Shares Issued during the year	13,727,175.00	12,130,000.00
Shares bought back during the year	-	-
Shares outstanding at the end of the year		

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

Shareholder (Mr./Mrs./Ms.)	No. of Shares	Rs.	%
Mr. Rajneesh Bansal	-	2,127,546.00	12.31
Mr. Sat Paul Bansal	1.00	843,518.00	4.88
Mrs. Sarita Rani Bansal	-	843,518.00	4.88
Paul Merchants Ltd (Holding Co.)	31,017,174.00	13,475,418	77.94

The Board of Directors have recommended a dividend of 1.6% i.e. Rs. 0.16 per Equity share of Rs. 10 each aggregating to Rs. 49.62 lakh and dividend distribution tax thereon is Rs. 10.50 lakh for the financial year 2018-19.

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amount, in proportion to their shareholding.

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

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

Note 11: OTHER EQUITY

Particulars	2018-19	2017-18
A. Statutory Reserve		
Opening Balance	2,728,846.99	1,503,193.33
(+) Current Year Transfer	13,133,992.21	1,225,653.65
Closing Balance	15,862,839.20	2,728,846.99
B. General Reserve		
Opening Balance	12,308,051.00	7,405,436.40
(+) Current Year Transfer	52,535,968.84	4,902,614.60
Closing Balance	64,844,019.84	12,308,051.00
C. Securities Premium Account		
Opening Balance	380,759,600.00	5,700,000.00
Add : Securities premium credited on Share issue	532,751,662.00	375,059,600.00
Less : Premium Utilised	-	-
Closing Balance	913,511,262.00	380,759,600.00
D. Surplus		
(+) Net Profit For the current year	65,669,961.05	6,128,268.25
(-) Prior Period Provision	-	-
(-) Transfer to General Reserve	52,535,968.84	4,902,614.60
(-) Transfer to Statutory Reserve as per RBI require	13,133,992.21	1,225,653.65
Closing Balance	-	-
Total	994,218,121.04	895,796,497.99



Note 15: FINANCE COSTS

Interest on borrowings	86,22,738.42	44,45,889.07
Other Finance Expenses:		
Bank Charges	14,34,810.15	13,47,392.97
Total		

Note 16: EMPLOYEE BENEFIT EXPENSES

Salaries & Allowances	3,27,24,984.00	1,43,86,515.00
Leave Encashment	5,22,656.00	2,67,135.00
Staff Welfare Expenses	23,71,414.00	3,66,174.00
Contribution to ESI & EPF	17,78,966.00	8,17,886.00
Gratuity	4,20,242.00	2,09,941.00
Bonus	10,24,215.70	4,70,795.00
Total		

Note 17 : OTHER EXPENSES

Computer Expenses	16,80,288.14	13,35,574.12
Travelling & Conveyance Expenses	33,37,710.72	13,21,609.55
Insurance	10,65,311.00	5,34,000.00
Legal, Professional & Consultancy Charges	7,85,300.00	27,82,960.00
Payments to auditors (Refer Note (i) below)	65,000.00	35,000.00
Stationery & Telephone expenses	10,99,099.10	5,00,109.89
Rates and taxes	15,34,069.00	21,90,309.48
Rent	1,13,73,998.00	39,05,849.64
Security Expenses	79,35,123.04	40,25,454.05
Advertisement & Publicity	18,47,247.64	5,89,909.04
Contingent Provision on Standard Assets	28,78,533.42	5,85,426.00
Provision on NPA	9,24,208.10	3,40,323.00
Water & Electricity Expenses	10,81,162.00	3,31,029.00
Repair & Maintenance	14,34,415.26	1,90,343.00
Misc Office Expenses	12,40,515.60	8,15,066.81
Total		

NOTE (i)

Statutory Audit Fees	50,000.00	23,000.00
Tax Audit Fees	15,000.00	17,250.00
Total		



Note 18: Related Party Disclosures
(As per Ind AS 24 issued by ICAI)

A. List of Related Parties having control or significant influence	
Sh. Sat Paul Bansal	Director
Sh. Rajneesh Bansal	Director
Sh. Sandeep Bansal	Relative of Director
Paul Merchants Limited	Holding Company
Sh. Shaibu Geevarghese Cherian	Whole Time Director (w.e.f 20 Apr, 2018)
Sh. Ashish Narula	Company Secretary (upto 30th May, 2018)
Sh. Aman Pal Singh	Company Secretary (w.e.f 2nd July, 2018)
Sh. Rajesh Garg	CFO (w.e.f 1st Mar 2019)
Ms. Bhupinder Kaur	CFO (w.e.f 20th Apr 18 to 6th Feb 19)
PAUL DISTRIBUTORS	Proprietorship firm in which relative of Director is proprietor

B. List of Related Party along with Transactions in Ordinary Course of Business			
Rent paid		23,83,084.00	
Rent received		8,08,660.00	
Service Charge Expenses		10,28,573.00	
Loan taken from Paul merchants ltd.		39,90,00,000.00	
Repayment of loan to Paul merchants ltd.		5,00,00,000.00	
Interest paid on loan to Paul merchants ltd		28,25,480.00	
Advance Taken from Directors			4,51,00,000.00
Advance repaid to Directors			3,70,00,000.00
Interest income on Advance given to director			7,99,979.00
Advance Given to relative of Director			3,15,00,000.00
Advance repaid by relative of Director			2,15,00,000.00
Interest income on advance given to relative of Director			41,32,798.00
Outstanding Balance of advance given to Relative of Director			6,00,00,000.00
Managerial Remuneration			24,09,986.00
Remuneration paid to Key Management Personnel	18,67,300.00		
Total			

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

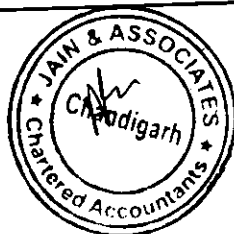
Note 19: Loan to Assets Ratio

As per Master Circular - "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015", the Company is maintaining Loan to Assets Ratio of 82.13% for loans granted against collateral security of Gold Jewellery.

Advances against security of Gold Jewellery	1,53,34,19,357.70
Total Assets of the Company	1,86,70,22,041.61

Note 19 : Disclosure Required as per Reserve Bank Master Circular. RBI/DNBR/2016-17/44 Dated Sep 01, 2016 On "Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016"
For the Period ended 31st March 2019 For the Period ended 31st March 2019

(1)	Loans & advances availed by NBFC inclusive of interest accrued thereon but not paid		
	(a) Borrowing From Bank/FI	15,91,89,972.17	NIL
	(b) Loan From Related Party	35,92,71,836.00	NIL
	- Assets Side		
	Breakup of loan & Advances including Bill Receivables		
	(a) Secured		1,55,72,61,125.70
	(b) Unsecured		21,02,94,826.00
	Total		
(3)	- Other Information		
	(i) Gross Non Performing Assets		
	(a) Related Parties		1,49,52,961.00
	(b) Other than Related Parties		
	(ii) Net Non Performing Assets		
	(a) Related Parties		1,32,32,664.90
	(b) Other than Related Parties		



Note 20 : Disclosure Required as per Reserve Bank Master Circular. RBI/ 2015-16/23 DNBR (PD) CC. No.044/03.10.119/2015-16 Dated July 01,2015

As per the company Policy ,the Company auctioned 176 defaulter loan accounts during the financial year (previous year 47 defaulter loan accounts). The outstanding dues on these loan accounts were Rs. 1,05,06,677/- till respective date of auction (previous year Rs. 20,82,542/-). The Company realised Rs.1,04,34,865/- on auctioning of gold jewellery taken as collateral security on these loans (previous year Rs.19,74,603/-) . Company confirms that none of its sister concerns participated in the above auctions.

Note 21. Earnings per Share

Net Profit for the Year (Rs.)	6,63,50,326	61,28,268
Number of Equity Shares (Nos.)	3,10,17,175	1,72,90,000
Basic & Diluted EPS (Rs per Share)	2.14	0.35

Note 22. Deferred Tax
(As per Ind AS 22 issued by ICAI)

Depreciation	-81,941	2,84,703	2,02,762
Bonus	1,22,156	1,25,213	2,47,369
Gratuity	1,63,236	-1,50,201	13,035
Leave Encashment	63,821	-63,821	
Net Deferred Tax Asset	2,67,272	1,95,894	4,63,166

Note 23: Minimum Revenue from Operations

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

Note 24. Other Notes

- As per information available to the company there are no outstanding dues owed to Small Scale undertakings as on 31.03.2019.
- Balance under Sundry Debtors, Sundry Creditors, Loans & Advances and Other Receivable and Payables are subject to confirmation and reconciliation.
- Additional information pursuant to Schedule III , Division III of the Companies Act. 2013 other than stated above is either NIL or NOT APPLICABLE.

Accounting Policies and Notes 1 to 24 form integral part of Accounts for the year ending 31st March 2019.

For and on behalf of the Board of Directors

RAJNEESH BANSAL
(Director)
DIN - 00077230
#749, Sector 8,
Chandigarh

SHAIBU GEEVARGHESE CHERIAN
(Whole Time Director)
DIN 07819125
Puthenparambil, Karipuram,
Mukkoodu P.O.,Kerala

Auditor's Report

As per our separate reports of even date attached

For Jain & Associates
Chartered Accountants

FRN: 01361N

Chandigarh
Neeraj Jain
Partner
M. No. 089477

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

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

Place: Chandigarh
Date : 10.05.2019

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

A Equity Share Capital

Changes in equity share capital for the year ended 31st March, 2019

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	17,29,00,000
Changes in equity share capital during the year	13,72,71,750
Balance at the end of the reporting period	31,01,71,750

Changes in equity share capital for the year ended 31st March, 2018

Particulars	Amount (Rs)
Balance at the beginning of the reporting period	5,16,00,000
Changes in equity share capital during the year	12,13,00,000
Balance at the end of the reporting period	17,29,00,000

B Other Equity

Changes in other equity for the year ended 31st March, 2019

Particulars	Reserves and Surplus			Total
	Security premium Account	Retained Earnings	Statutory reserve	
Balance as on 01.04.2018	38,07,59,600	1,23,08,051	27,28,847	39,57,96,498
Net Profit / Loss for the year		5,30,80,261	1,32,70,065	6,63,50,326
Security premium during the year	53,27,51,662			53,27,51,662
Remeasurements of net defined benefit plans		(5,44,292)	(1,36,073)	(6,80,365)
Balance as on 31.03.2019	91,35,11,262	6,48,44,020	1,58,62,839	99,42,18,121

Changes in other equity for the year ended 31st March, 2018

Particulars	Reserves and Surplus			Total
	Security premium Account	Retained Earnings	Statutory reserve	
Balance as on 01.04.2017	57,00,000	74,05,436	15,03,193	1,46,08,630
Net Profit / Loss for the year		49,02,615	12,25,654	61,28,268
Security premium during the year	37,50,59,600			37,50,59,600
(a) Remeasurements of net defined benefit plans				-
Balance as on 31.03.2018	38,07,59,600	1,23,08,051	27,28,847	39,57,96,498

For and on behalf of the Board of Directors

RAJNEESH ANSAL
(Director)
DIN - 00077230
#749, Sector 8,
Chandigarh

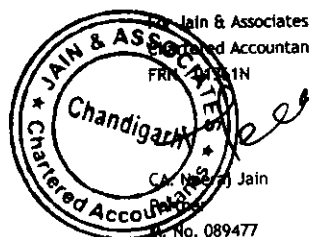
SHAIBU GEEVARGHESE CHERIAN
(Whole Time Director)
DIN 07319125
Puthenparambil, Karipuram,
Mukkoodu P.O., Kerala

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

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

Auditor's Report

As per our separate reports of even date attached

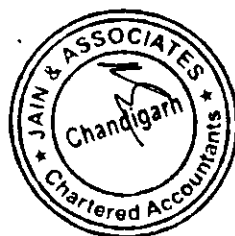


Place: Chandigarh
Date : 10/05/2019

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

Note 05: FIXED ASSETS

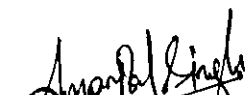
PARTICULARS	Rate	Gross Block (Amount in Rupees)				Accumulated Depreciation (Amount in Rupees)				Net Block (Amount in Rupees)	
		Balance as at 1 April 2018	Additions	Disposals	Balance as at 31st Mar 2019	Balance as at 1 April 2018	Depreciation charge for the year	On disposals	Balance as at 31st Mar 2019	Balance as at 31st Mar 2018	Balance as at 31st Mar 2019
Plant & Equipment											
Safes	18.10%	34,91,791.00	31,82,460.00	0.00	66,74,251.00	10,62,736.51	7,14,454.99	0.00	17,77,191.49	24,29,054.49	48,97,059.51
CCTV Cameras	18.10%	91,481.00	1,63,083.50	0.00	2,54,564.50	33,954.64	32,135.01	0.00	66,089.65	57,526.36	1,88,474.85
Digital Video Recorder	18.10%	6,500.00	0.00	0.00	6,500.00	4,073.38	439.22	0.00	4,512.60	2,426.62	1,987.40
Computer & Accessories	63.16%	9,12,716.98	10,66,491.54	0.00	19,79,208.52	5,18,406.28	6,00,632.93	0.00	11,19,039.21	3,94,310.70	8,60,169.31
Weighing Scale	18.10%	2,73,835.00	2,67,860.00	0.00	5,41,695.00	77,184.55	59,597.93	0.00	1,36,782.48	1,96,650.45	4,04,912.52
Almirah	25.89%	25,985.00	0.00	0.00	25,985.00	16,002.24	2,584.54	0.00	18,586.77	9,982.76	7,398.23
Furniture & Fixture	25.89%	20,56,935.80	17,15,241.51	0.00	37,72,177.31	5,92,663.72	4,81,424.65	0.00	10,74,088.38	14,64,272.08	26,98,088.93
Invertor	25.89%	2,01,520.00	3,45,891.00	0.00	5,47,411.00	10,137.25	79,059.60	0.00	89,196.85	1,91,382.75	4,58,214.15
Air Conditioner	18.10%	1,86,300.00	1,86,848.00	0.00	3,73,148.00	20,975.28	49,595.32	0.00	70,570.60	1,65,324.72	3,02,577.40
currency counting machine	25.89%	0.00	91,000.00	0.00	91,000.00	0.00	6,579.61	0.00	6,579.61	0.00	84,420.39
Total		72,47,064.78	70,18,875.55	0.00	1,42,65,940.33	23,36,133.84	20,26,503.80	0.00	43,62,637.64	49,10,930.94	99,03,302.69
Intangible Assets											
Software	63.16%	37,08,500.00	2,00,000.00	0.00	39,08,500.00	32,30,667.84	3,31,215.78	0.00	35,61,883.62	4,77,832.16	3,46,616.38
Total Intangible Assets		37,08,500.00	2,00,000.00	0.00	39,08,500.00	32,30,667.84	3,31,215.78	0.00	35,61,883.62	4,77,832.16	3,46,616.38
Capital Work in Progress		3,54,000.00	0.00	3,54,000.00	0.00	0.00	-	0.00	0.00	3,54,000.00	0.00
Total Current Year		1,13,09,564.78	72,18,875.55	3,54,000.00	1,81,74,440.33	55,66,801.68	23,57,719.58	0.00	79,24,521.26	57,42,763.10	1,02,49,919.07
Total Last Year		83,92,843.00	29,16,721.78	0.00	1,13,09,564.78	37,96,086.30	17,70,715.38	0.00	55,66,801.68	45,96,756.70	57,42,763.10



PAUL MERCHANTS FINANCE PRIVATE LIMITED
CASH FLOW STATEMENT AS ON 31ST MAR , 2019

Amount in Rs.

A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax and Extraordinary items	9,51,46,284	95,57,495
	Adjustment for:		
	Depreciation	23,57,720	17,70,715
	Profit before working Capital Changes	9,75,04,003	1,13,28,210
	Adjustment for :		
	Net changes in operating Assets & Liabilities		
	Short Term Loans & Advances	(1,19,54,96,111)	(41,29,26,477)
	Other Current Assets	(2,50,27,808)	(34,61,773)
	Long Term Provisions	-	-
	Trade Payables	(99,44,327)	(3,09,75,734)
	Other Current Liabilities	33,92,865	6,86,801
	Short Term Provisions	2,42,76,912	11,63,078
	Cash generated from operations	(1,20,27,98,469)	(44,55,14,105)
	Income Taxes Paid	(2,58,69,475)	(25,90,393)
	Cash generated from operation before extraordinary items	(1,13,11,63,941)	(43,67,76,288)
	Dividend Received		
	Net Cash flow from operating activities	(1,13,11,63,941)	(43,67,76,288)
B.	CASH FLOW FROM LENDING AND INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(68,64,876)	(29,16,722)
	Increase/Decrease in Non Current Investments		
	Net cash used in lending and investing activities	(68,64,876)	(29,16,722)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase in Capital	67,00,23,412	49,63,59,600
	Borrowings (Net of Repayments)		
	Long Term Borrowings	47,54,53,733	(3,16,42,857)
	Short Term Borrowings	1,14,54,77,145	46,47,16,743
	Net cash flow after financing activities	74,48,328	2,50,23,733
	Cash and Cash equivalent at the beginning of the year	4,74,69,517	2,24,45,785
	Cash and Cash equivalents at the end of the year	5,49,17,846	4,74,69,518

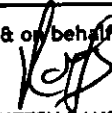

AMAN PAL SINGH
Company Secretary

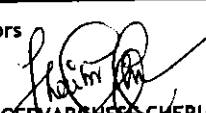
Membership No. . A42581
#5540, Street No.4, Shiva Ji
Nagar, Ludhiana


RAJESH GARG
CFD

Membership no 096484
472 , Mamta Enclave, Dhakoli
Zirakpur

For & on behalf of Board of Directors


RAJNEESH BANSAL
(Director)
DIN - 00077230
#749, Sector 8,
Chandigarh


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

AUDITOR'S CERTIFICATE

We have examined the Cash flow Statement of Paul Merchants Finance Private Limited for the year ended 31st March 2019. The Statement is in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

Place: Chandigarh
Date : 10.05.2019

