

## INDEPENDENT AUDITOR'S REPORT

To the Members of **CHOICE FINSERV PRIVATE LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **CHOICE FINSERV PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the 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 and cash flows of the Company in accordance with 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 a 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 the 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 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 state of affairs of the Company as at March 31, 2018 its profits and its cash flows for the year ended on that date.

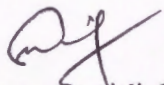
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under 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, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 2" to this report;
  - (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 did not have any pending litigations which can have any impact on its financial position in its financial statements to the financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For A S B S & CO  
Chartered Accountants  
ICAI Firm Registration Number: 135952W



per Sushil Goyal  
Partner  
Membership Number: 154193  
Place of Signature: Mumbai  
Date: May 28<sup>th</sup>, 2018





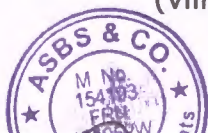
**ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON  
THE FINANCIALS STATEMENTS CHOICE FINSERV PRIVATE LIMITED**

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regards to size of the Company and nature of its assets. No material discrepancies were identified on such verification.
- (ii) The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- (iii) The Company has not granted loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii) of the said Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon.

In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. ◆
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (viii) In our opinion and according to the information and explanations given by the management, the Company does not have any dues to any financial institution, bank, debenture holders or government.



- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, 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 reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For A S B S & CO  
Chartered Accountants  
ICAI Firm Registration Number: 135952W



per Sushil Goyal  
Partner

Membership Number: 154193  
Place of Signature: Mumbai  
Date: May 28<sup>th</sup>, 2018



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHOICE FINSERV PRIVATE LIMITED**

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

We have audited the internal financial controls over financial reporting of **CHOICE FINSERV PRIVATE LIMITED** ("the Company") as of March 31, 2018 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified 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 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

For A S B S & CO  
Chartered Accountants  
ICAI Firm Registration Number: 135952W



per Sushil Goyal  
Partner  
Membership Number: 154193  
Place of Signature: Mumbai  
Date: May 28<sup>th</sup>, 2018

Choice Finserv Private Limited

Balance Sheet as at March 31, 2018

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
<b>I Equity &amp; Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	20,600,000	600,000
(b) Reserves and Surplus	3	428,535	(336,820)
		21,028,535	263,180
<b>2. Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		-	-
(b) Long - Term Provisions	4	40,552	-
		40,552	-
<b>3. Current Liabilities</b>			
(a) Trade Payables	5		
(i) Dues to Micro, Small and Medium Enterprises		-	-
(ii) Other than Micro, Small and Medium Enterprises		212,300	5,170
(b) Other Current Liabilities	6	194,287	-
(c) Short - Term Provisions	7	150,659	-
		557,246	5,170
<b>TOTAL</b>		21,626,333	268,350
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Property, Plant & Equipment		-	-
(b) Deffered Tax Assets	8	13,436	-
		13,436	-
<b>2. Current Assets</b>			
(a) Cash and Cash Equivalents	9	930,902	268,350
(b) Short - Term Loans and Advances	10	20,681,995	-
		21,612,897	268,350
<b>TOTAL</b>		21,626,333	268,350

The accompanying notes are an integral part of the financial statements

Significant Accounting Policies

1

Notes forming part of financial statements


2-16

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W

  
Sushil Goyal  
Partner

Mem. No. :154193

Mumbai  
28<sup>th</sup> May 2018



For and on behalf of Board of Directors

  
Kamal Poddar  
Director

DIN :- 01518700

Mumbai  
28<sup>th</sup> May 2018



  
Ajay Kejriwal  
Director

DIN :- 03051841

Mumbai  
28<sup>th</sup> May 2018



**Choice Finserv Private Limited**

**Statement of Profit and Loss for the year ended March 31, 2018**

				(Amount in ₹)
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>I Revenue from Operations</b>	11	<b>1,424,262</b>	-	
<b>II Other Income</b>		<u>-</u>	-	
<b>III Total Revenue (I + II)</b>		<b>1,424,262</b>	-	
<b>IV Expenses</b>				
Employee Benefits Expense	12	442,139	-	
Other Expense	13	<u>67,174</u>	<u>336,820</u>	
<b>Total Expense</b>		<b>509,313</b>	<b>336,820</b>	
<b>V Profit /(Loss) Before Tax (III-IV)</b>		<u><b>914,949</b></u>	<u>(336,820)</u>	
<b>VI Tax Expense:</b>				
(a) Current Tax Expense		174,340	-	
(b) MAT Tax Expense		(11,310)	-	
(c) Deferred Tax		<u>(13,436)</u>	-	
		<b>149,594</b>	-	
<b>VII Profit/(Loss) for the Period (V-VI)</b>		<u><b>765,355</b></u>	<u>(336,820)</u>	
<b>VII Earnings Per Equity Share (Face Value ₹ 10 Per Share):</b>	14			
(1) Basic (₹)		<b>0.44</b>	<b>(5.61)</b>	
(2) Diluted (₹)		<b>0.44</b>	<b>(5.61)</b>	

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

Significant Accounting Policies

1

Notes forming part of financial statements

2-15

In terms of our report of even date

**For ASBS & Co.**

Chartered Accountants

F.R.No. : 135952W

*Sushil Goyal*

**Sushil Goyal**

Partner

Mem. No. :154193



Mumbai

28<sup>th</sup> May 2018

**For and on behalf of Board of Directors**

*Kamal Poddar*

**Kamal Poddar**

Director

DIN :- 01518700

Mumbai

28<sup>th</sup> May 2018



*Ajay Kejriwal*

**Ajay Kejriwal**

Director

DIN :- 03051841

Mumbai

28<sup>th</sup> May 2018

**Choice Finserv Private Limited**

**Cash Flow Statement for the year ended March 31, 2018**

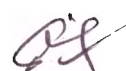
	(Amount in ₹)	(Amount in ₹)
Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>A. Cash flow from Operating Activities</b>		
Net profit before extra-ordinary items and tax	914,949	(336,820)
<i>Operating profit before Working Capital changes</i>	914,949	(336,820)
<i>Changes in Working Capital</i>		
- Trade Payables	207,130	5,170
- Other Current Liabilities & provisions	286,516	-
<i>Cash generated from operations</i>	1,408,595	(331,650)
-Income tax paid	(75,358)	-
<b>Net cash flow from/(used in) from Operating Activities</b>	<b>1,333,237</b>	<b>(331,650)</b>
<b>B. Cash flow from Investing Activities</b>		
Deposits, Loans & advances (given)/realised	(20,670,685)	-
<b>Net cash flow from/(used in) Investing Activities</b>	<b>(20,670,685)</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from issue of share capital	20,000,000	600,000
<b>Net cash flow from/(used in) Financing Activities</b>	<b>20,000,000</b>	<b>600,000</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>662,552</b>	<b>268,350</b>
<b>Opening Cash and Cash Equivalents</b>	<b>268,350</b>	<b>-</b>
<b>Closing Cash and Cash Equivalents</b>	<b>930,902</b>	<b>268,350</b>

In terms of our report of even date

**For ASBS & Co.**

*Chartered Accountants*

**F.R.No. : 135952W**



**Sushil Goyal**

Partner

**Mem. No. :154193**

Mumbai  
28th May 2018



**For and on behalf of Board of Directors**



**Kamal Poddar**

Director

DIN :- 01518700

Mumbai  
28th May 2018




**Ajay Kejriwal**

Director

DIN :- 03051841

Mumbai  
28th May 2018



## Choice Finserv Private Limited

*Accompanying notes to the financial statements as at March 31, 2018*

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### A Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared in compliance with all material aspects of the accounting standards notified under section 133 and the other relevant provisions of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current as per the criteria set out in the Schedule III to the Act.

#### B Use of estimates

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

#### C Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### D Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. For the purpose of Cash Flow Statement, cash and cash equivalents includes fixed deposits which are freely remissible but excludes interest accrued on fixed deposits.



## Choice Finserv Private Limited

### *Accompanying notes to the financial statements as at March 31, 2018*

#### **E Revenue recognition**

Revenue and cost are generally accounted on accrual basis as they are earned/incurred, except in case significant uncertainties.

Interest and other income is accounted on accrual basis.

#### **F Employee benefits**

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefits like salary, short term compensated absences, etc. and the expected cost of bonus, ex-gratia are recognized in the period in which the employee renders the related service.

#### **G Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.





## Choice Finserv Private Limited

### *Accompanying notes to the financial statements as at March 31, 2018*

#### **H Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at the end of the financial year for their realisability.

#### **I Provision and Contingencies**

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



Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2018

Particulars	(Amount in ₹)	
	As at 31-Mar-18	As at 31-Mar-17

2 SHARE CAPITAL

(a) Details of authorised, issued and subscribed share capital

<b>Authorised Capital</b>		
20,600,000 (PY 20,500,000) Equity Shares of ₹ 10/- each	206,000,000	205,000,000
<b>Issued Capital</b>		
20,60,000 (PY 60,000) Equity Shares of ₹ 10/- each	20,600,000	600,000
<b>Subscribed and Paid up Capital</b>		
20,60,000 (PY 60,000) Equity Shares of ₹ 10/- each	20,600,000	600,000
	20,600,000	600,000

The company has only one class of share capital, i.e. equity shares having face value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

No. of shares at the beginning of the period	60,000	-
Add : shares issued during the period	2,000,000	60,000
No. of shares at the end of the period	2,060,000	60,000

(c) Shareholders holding more than 5% of equity shares as at the end of the

Choice International Limited	Holding Company	2,060,000	60,000
& its nominee		100.00%	100.00%

3 RESERVES AND SURPLUS

a) Statutory reserve -

Opening Balance	-	-
Add : Transferred from statement of profit & loss	153,100	-
Closing Balance	153,100	-

b) Surplus in Statement of Profit and Loss

Opening Balance	(336,820)	-
Add : profit/(loss) for the period	765,355	(336,820)
Less- transfer to statutory reserve	153,100	-
	275,435	(336,820)
<b>Total (a+b)</b>	<b>428,535</b>	<b>(336,820)</b>





**Choice Finserv Private Limited**

*Accompanying notes to the financial statements as at March 31, 2018*

(Amount in ₹)

Particulars	As at 31-Mar-18	As at 31-Mar-17
<b>4 LONG TERM PROVISIONS</b>		
Provision for Gratuity	40,552	-
	<u>40,552</u>	<u>-</u>
<b>5 TRADE PAYBLES</b>		
Dues to Micro, Small and Medium Enterprises*	-	-
Other than Micro, Small and Medium Enterprises	212,300	5,170
	<u>212,300</u>	<u>5,170</u>
*There are no parties who have been identified as micro, small and medium enterprises based on the confirmations circulated and responses received by the management.		
<b>6 OTHER CURRENT LIABILITIES</b>		
Other Liabilities & Statutory Dues	194,287	-
	<u>194,287</u>	<u>-</u>
<b>7 SHORT TERM PROVISIONS</b>		
Provision of tax (net of tax paid)	98,982	-
Contingent provision against standard loan assets	51,677	-
	<u>150,659</u>	<u>-</u>
<b>8 DEFERRED TAX ASSETS</b>		
Deferred tax assets	13,436	-
	<u>13,436</u>	<u>-</u>
<b>9 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on Hand	-	-
Bank Balances:		
In current account	930,902	268,350
	<u>930,902</u>	<u>268,350</u>
<b>10 SHORT TERM LOANS &amp; ADVANCES</b>		
Unsecured, Considered Good		
Loan given	20,670,685	-
Mat Credit Entitlement	11,310	-
	<u>20,681,995</u>	<u>-</u>



**Choice Finserv Private Limited**

*Accompanying notes to the financial statements as at March 31, 2018*

Particulars	(Amount in ₹)	
	As at 31-Mar-18	As at 31-Mar-17

**11 REVENUE FROM OPERATIONS**

Interest on loans & Deposits	1,424,262	-
	<u>1,424,262</u>	<u>-</u>

**12 EMPLOYEE BENEFIT EXPENSES**

Salaries and allowances	442,139	-
	<u>442,139</u>	<u>-</u>

**13 OTHER EXPENSES**

Legal & Professional Fees	9,597	326,320
Preliminary Expenses Written off	-	5,500
Provision against standard loan assets	51,677	-
Payment to Auditors		
Audit Fees	5,900	5,000
	<u>67,174</u>	<u>336,820</u>

**14 EARNINGS PER EQUITY SHARE**

Profit/(Loss) attributable to equity shareholders	765,355	(336,820)
Weighted average number of equity shares	1,725,753	60,000
<b>Basic Earnings Per Share</b>	<u>0.44</u>	<u>(5.61)</u>
<b>Face value per Share</b>	10	10
Profit after adjusting interest on potential equity shares	765,355	(336,820)
Weighted average number of equity share after considering potential equity shares	1,725,753	60,000
<b>Dilutive Earnings per Share</b>	<u>0.44</u>	<u>(5.61)</u>



**Choice Finserv Private Limited**

*Accompanying notes to the financial statements as at March 31, 2018*

**NOTE 15 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS**

- A** The company is a Non-Banking Financial Company registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in investment, lending and allied activities. The company received the certificate of registration from the RBI on January 12, 2018, enabling the company to carry on business as a Non-Banking Finance Company.
- B Statutory reserve :**  
The management has created a statutory reserve of Rs. 153300/- as per the provisions of section 45-IC of Reserve Bank of India Act, 1934.
- C** Balances of the trade receivables, trade payables, advances and balances of deposits are subject to confirmation, reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- D** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.





# Choice Finserv Private Limited

## Accompanying notes to the financial statements as at March 31, 2018

- E Schedule as required in terms of paragraph 18 Master Direction - Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

Liabilities side	Amount Outstanding	Amount Overdue
<b>(1) Loans &amp; advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures Secured	NIL	NIL
Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred credits	NIL	NIL
(c) Term loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial paper	NIL	NIL
(f) Public Deposits		
(g) Other loans (specify nature)		
Bank overdraft	NIL	NIL
Financial institutions loan against shares & securities	NIL	NIL
Other- related party	NIL	
Total -	NIL	NIL

\*As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

- (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	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	
(c) Other public deposits	NIL	NIL

Assets side	Amount Outstanding
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- (3) Break-up of loans and advances including bills receivables (other than those included in (4) below):

(a) Secured	-
(b) Unsecured	20,670,685
	20,670,685



(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	NIL
(b) Operating lease	NIL

(ii) Stock on hire including hire charges under sundry debtors:

(a) Assets on hire	NIL
(b) Repossessed assets	NIL

(iii) Other loans counting towards AFC activities:

(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

**(5) Break-up of investments -**

Current investments -

1) Quoted -

(i) Shares	(a) Equity	NIL
	(b) Preference	NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government securities		NIL
(v) Others (please specify)		NIL

2) Unquoted -

(i) Shares	(a) Equity	NIL
	(b) Preference	NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government securities		NIL
(v) Others (please specify)		NIL

Long term investments -

1) Quoted -

(i) Shares	(a) Equity	NIL
	(b) Preference	NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government securities		NIL
(v) Others (please specify)		NIL

2) Unquoted -

(i) Shares	(a) Equity	NIL
	(b) Preference	NIL
(ii) Debentures and bonds		NIL
(iii) Units of mutual funds		NIL
(iv) Government securities		NIL
(v) Others (please specify)		NIL

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NIL



(6) **Borrower group-wise classification of assets financed as in (2) and (3) above:**

Category	Amount net of provisions*		
	Secured	Unsecured	Total
1. Related parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	20,619,008	NIL	20,619,008
Total -	20,619,008	NIL	20,619,008

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

Category	Market value / Break-up or fair value or NAV	Book value (Net of provisions)
1. Related parties**		
(a) Subsidiaries***	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	NIL	NIL
Total -	NIL	NIL

(8) **Other information**

	Amount
(i) Gross non-performing assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net non-performing assets	
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debt	NIL

\*Provisioning norms shall be applicable as prescribed in these Directions.

\*\* As per accounting standard of ICAI.





## Choice Finserv Private Limited

*Accompanying notes to the financial statements as at March 31, 2018*

### F Related Party Disclosure

#### Details of Related Parties

Description of Relationship	Names of Related Parties
a. Holding Company	Choice International Limited
b. Fellow Subsidiaries	Choice Consultancy Services Private Limited Choice Merchandise Broking Private Limited Choice Portfolio Management Services Private Limited (Formerly known as Choice Stock Trade Private Limited) Choice Capital Advisors Private Limited Choice Corporate Services Private Limited Choice Wealth Management Private Limited Choice Equity Broking Private Limited Choice Peers International Private Limited Choice E-Commerce Private Limited* Choice Techlab Solutions Private Limited Choice Retail Solutions Private Limited**
Key Management Personnel (KMP)	Kamal Poddar (Director) Ajay Kejriwal (Director)
d. Enterprises over which KMP have significant influence	Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L VSC Consulting Private JV with Choice Consultacny Services Private Limited*** Samank Consumer Products Private Limited Samank Apperals Private Limited Choice Insurance Broking India Private Limited Wheresmypandit.com Pvt Ltd Gravotix Technology Private Limited De Starvings Couriers LLP Farmer's Evolvment Foundation Kamal Poddar HUF Arun Poddar HUF

\*Choice International Ltd has sold its stake in Choice E-Commerce Private Limited wef. March 26th, 2018.

\*\*Choice International Ltd has invested in 100% shareholding of Choice Retail Solutions Private Limited wef. December 06th, 2017.

\*\* Wholly owned subsidiary of Choice International Ltd ie. Choice Consultancy Services Private Limited has entered into joint venture wef. January 15th, 2018.



**Choice Finserv Private Limited**

*Accompanying notes to the financial statements as at March 31, 2018*

**Details of Related Party transactions -**

Particulars	Holding Company	Fellow Subsidiary Company	KMP	Total
Infusion of share capital	20,000,000 (600,000)		-	20,000,000 (600,000)
Loans taken from	20,000,000 (325,000)		-	20,000,000 (325,000)
Loan repaid	20,000,000 (325,000)		-	20,000,000 (325,000)
Salary & perquisites	-		300,000	300,000
	-			-
<b><u>Balance at the end of year</u></b>				
Trade Payable	-	-	207,300	207,300
	-	-	-	-
Other Current liabilities	-	101,587	-	101,587
	-	-	-	-

Previous year figures in brackets

In terms of our report of even date

**For ASBS & Co.**

*Chartered Accountants*

**F.R.No. : 135952W**

  
**Sushil Goyal**

Partner

**Mem. No. :154193**



Mumbai  
28th May 2018

**For and on behalf of Board of Directors**



**Kamal Poddar**

Director

DIN :- 01518700

Mumbai  
28th May 2018



**Ajay Kejriwal**

Director

DIN :- 03501841

Mumbai  
28th May 2018

