

INDEPENDENT AUDITOR'S REPORT

To the Members of **CHOICE MERCHANDISE BROKING PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Choice Merchandise Broking 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 profit, 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



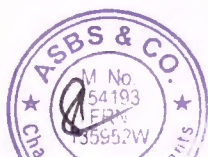
per Sushil Goyal
Partner

Membership Number: 154193
Place of Signature: Mumbai
Date: May 28th, 2018



**ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON
THE FINANCIALS STATEMENTS CHOICE MERCHANDISE BROKING
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 has not defaulted in repayment of dues to a 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, 2018

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHOICE MERCHANDISE BROKING 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 Merchandise Broking 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 28th, 2018

Choice Merchandise Broking Private Limited

Balance Sheet as at March 31, 2018

(Amount in ₹)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I Equity & Liabilities			
1. Shareholders' funds			
(a) Share Capital	2	14,000,000	14,000,000
(b) Reserves and Surplus	3	110,172,902	40,658,770
		124,172,902	54,658,770
2. Non - Current Liabilities			
(a) Other Long Term Liabilities	4	729,135	399,099
(b) Long - Term Provisions	5	258,187	291,164
		987,322	690,263
3. Current Liabilities			
(a) Short - Term Borrowings	6	-	6,162,867
(b) Trade Payables	7	-	-
(i) Dues to Micro, Small and Medium Enterprises		-	-
(ii) Other than Micro, Small and Medium Enterprises		7,490,384	4,984,980
(c) Other Current Liabilities	8	142,967,572	80,697,623
(d) Short - Term Provisions	9	11,834,379	754,189
		162,292,335	92,599,659
TOTAL		287,452,559	147,948,692
II Assets			
1. Non - Current Assets			
(a) Property, Plant & Equipments	10		
(i) Tangible Assets		26,745	49,056
(ii) Intangible Assets		-	13,369
(b) Non Current Investments	11	4,178,419	37,455,137
(c) Deferred tax assets (net)	12	65,100	81,210
(d) Long - Term Loans and Advances	13	16,454,500	4,834,500
		20,724,764	42,433,272
2. Current Assets			
(a) Trade Receivables	14	958,674	15,309,507
(b) Cash and Cash Balances	15	122,681,462	84,283,284
(c) Short - Term Loans and Advances	16	131,987,222	3,865,448
(d) Other Current Assets	17	11,100,437	2,057,181
		266,727,795	105,515,420
TOTAL		287,452,559	147,948,692

The accompanying notes are an integral part of the financial statements

Significant Accounting Policies 1
Notes forming part of financial statements 2-25

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952

Sushil Goyal
Partner

Membership 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 Merchandise Broking Private Limited

Statement of Profit and Loss

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue			
Revenue from Operations	18	41,241,621	32,106,120
Other Income	19	75,634,252	6,679,903
Total Revenue		116,875,873	38,786,023
II Expenses			
Operating Expenses	20	14,786,940	12,150,330
Employee Benefits Expense	21	9,183,308	6,718,061
Finance Costs	22	4,343,869	3,325,547
Depreciation & Amortization Expenses	10	35,680	98,607
Other Expense	23	16,484,623	11,970,937
Total Expense		44,834,420	34,263,482
III Profit Before Tax (I-II)		72,041,453	4,522,541
IV Tax Expense:			
(a) Current Tax		12,850,000	1,364,000
(b) Earlier year Tax		281,211	137,641
(c) MAT Tax		(10,620,000)	-
(d) Deferred Tax		16,118	(87,481)
		2,527,321	1,414,160
V Profit for the Year (III-IV)		69,514,132	3,108,381
VI Earnings Per Equity Share (Face Value ₹ 10 Per Share):	24		
(1) Basic (₹)		49.65	2.37
(2) Diluted (₹)		49.65	2.37

The accompanying notes are an integral part of the financial statements

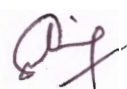
Significant Accounting Policies 1
Notes forming part of financial statements 2-25

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W




Sushil Goyal
Partner


Membership 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 Merchandise Broking Private Limited

Cash Flow Statement for the year ended March 31, 2018

(Amount in ₹)

Particulars	As at 31-Mar-18	As at 31-Mar-17
A. Cash flow from Operating Activities		
Net profit before extra-ordinary items and tax	72,041,453	4,522,541
<u>Adjustments for:</u>		
Depreciation on Property, Plant & Equipments	35,680	98,607
Interest Income	(5,966,678)	(6,396,883)
Dividend Income	(9,047,937)	(281,250)
Finance costs	4,343,869	3,325,547
Provision for Gratuity	(36,964)	226,409
<i>Operating profit before Working Capital changes</i>	61,369,423	1,494,971
<u>Changes in Working Capital</u>		
-Trade Payables & other current liabilities	64,775,353	(81,860,632)
-Other Long term liabilities	330,036	68,246
-Trade Receivables	14,350,833	(10,343,638)
<i>Cash generated from operations</i>	140,825,645	(90,641,053)
-Income tax paid	8,572,966	(774,347)
Net cash flow from/(used in) from Operating Activities	149,398,611	(91,415,400)
B. Cash flow from Investing Activities		
Purchase/Sale of Investments	33,276,718	(37,455,137)
Movement in loans and advances	(148,899,214)	63,874,402
Movement in other bank balances	(34,142,756)	(62,168,411)
Interest received	6,080,862	7,042,417
Dividend received	9,047,937	281,250
Net cash flow from/(used in) Investing Activities	(134,636,453)	(28,425,479)
C. Cash flow from Financing Activities		
Finance costs paid	(4,343,869)	(3,325,547)
Movement in borrowings	(6,162,869)	6,162,867
Proceeds form share capital	-	4,000,000
Proceeds form share premium	-	36,000,000
Net cash flow from/(used in) Financing Activities	(10,506,738)	42,837,320
Net increase/(decrease) in Cash and Cash Equivalents	4,255,420	(77,003,559)
Opening Cash and Cash Equivalents	4,607,108	81,610,667
Closing Cash and Cash Equivalents	8,862,528	4,607,108

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W



Sushil Goyal

Partner

Membership No. : 154193

Mumbai, 28th May 2018



For and on behalf of Board of Directors

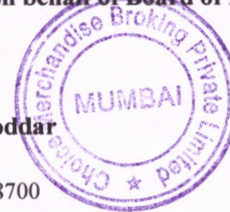


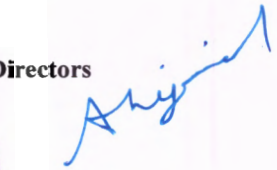
Kamal Poddar

Director

DIN-01518700

Mumbai, 28th May 2018





Ajay Kejriwal

Director

DIN- 03051841

Mumbai, 28th May 2018

Choice Merchandise Broking 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 (IGAAP) under the historical cost convention on accrual basis. These financial statements have been prepared in compliance with all material aspects of the accounting standards Specified under section 133 and the other relevant provisions of the Companies Act, 2013 ("The Act"). All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Act. The Accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B Use of estimates

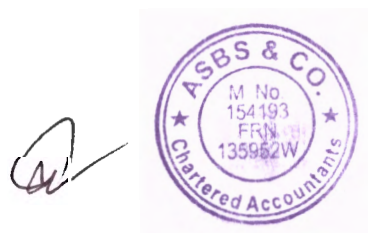
The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual 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 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 Merchandise Broking Private Limited

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

E Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. In respect of computer softwares which are amortised over a period of five years in accordance with the Accounting Standard 26 "Accounting for Intangible Assets". Depreciation on addition to Property, Plant & Equipments is provided on a pro-rata basis from the date of addition.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

F Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

Brokerage income in relation to stock broking activity is recognised on trade date basis.

Gain/Losses on dealing in securities are recognised on trade date basis.

Interest and other income is accounted on accrual basis.

Dividend is accounted when the right to receive payment is established.

G Property, Plant & Equipments

Tangible assets

Property, Plant & Equipments are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant & Equipments includes interest on borrowings attributable to acquisition of qualifying Property, Plant & Equipments up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.



Choice Merchandise Broking Private Limited

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

H Investments

Investments are valued in accordance with accounting standard 13 on "Accounting for investments". Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

I Employee benefits

(i) **Short-term:** Short-term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company. These includes Salary, Compensated leave encashment, Bonus, etc.

(ii) **Long-term:** The Company has both defined-contribution and defined-benefit plans, of which some have assets in special funds or securities. The plans are financed by the company and in the case of some defined contribution plans by the Company along with its employees

• Defined-contribution Plans

These are plans in which a company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise of contributions to the Employees' Provident Fund and Family Pension Fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

• Defined-benefit Plans

Expenses for defined-benefit plans are calculated as at the balance sheet date by independent actuary. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees. Incremental liability based on the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss. The actuarial gains / losses are accounted in the Statement of Profit and Loss.



Choice Merchandise Broking Private Limited

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

J Earnings per share

Basic earnings per share is calculated by dividing the Net Profit for the year attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the Net Profits for the year attributable to equity shareholders of the Company by weighted average number of equity shares determined by assuming conversion on exercise of conversion rights for all potential dilutive securities.

K 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 each Balance Sheet date for their realisability.



Choice Merchandise Broking Private Limited

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

L Impairment of assets

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

M Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognised when there is a present legal or constructive obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation but the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets" is made. Contingent Assets are neither recognised nor disclosed in the Financial Statements.

N Borrowing cost

Interest cost is recognised as expenses in the period in which the cost is incurred. Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying Property, Plant & Equipments are capitalised up to the date when such assets are ready for its intended use. Other borrowing costs are charged to profit & loss.

O Inventories

Inventories are valued at cost (on FIFO basis) or the net realisable whichever is lower non cumulatively for all shares. Cost includes all incidental cost of acquisition.



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

Authorised Capital

15,00,000 (PY 15,00,000) Equity Shares of ₹ 10/- each	15,000,000	15,000,000
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Issued Capital

14,00,000 (PY 14,00,000) Equity Shares of ₹ 10/- each	14,000,000	14,000,000
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Subscribed and Paid up Capital

14,00,000 (PY 14,00,000) Equity Shares of ₹ 10/- each	14,000,000	14,000,000
	14,000,000	14,000,000

Rights, preferences and restrictions attached to each class of shares -

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 year

No. of shares at the beginning of the year	1,400,000	1,000,000
Add : shares issued during the year	-	400,000
No. of shares at the end of the year	1,400,000	1,400,000

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

Choice International Ltd. & its nominee	Holding Company	1,400,000	1,400,000
		100.00%	100.00%

3 RESERVES AND SURPLUS

Surplus in Statement of Profit and Loss

Opening Balance	4,658,770	1,550,389
Add : Profit for the year	69,514,132	3,108,381
Closing Balance	74,172,902	4,658,770

Securities Premium Reserve -

Opening Balance	36,000,000	-
Add : During the year	-	36,000,000
Closing Balance	36,000,000	36,000,000
	110,172,902	40,658,770



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

4 OTHER LONG TERM LIABILITIES

Franchisee and other deposits	729,135	399,099
	729,135	399,099

5 LONG-TERM PROVISIONS

Provision for employee benefits	258,187	291,164
	258,187	291,164

6 SHORT TERM BORROWINGS

Unsecured loans

Loans taken from Holding Company	-	6,162,867
	-	6,162,867

7 TRADE PAYABLES

Dues to Micro, Small and Medium Enterprises*	-	-
Other than Micro, Small and Medium Enterprises	7,490,384	4,984,980
	7,490,384	4,984,980

*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.



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

8 OTHER CURRENT LIABILITIES

(a) Advance received from customers*	140,071,918	78,147,746
(b) Others		
(1) Margin Money deposit	400,000	400,000
(2) Statutory dues	1,527,438	697,977
(3) Other liabilities	968,216	1,451,900
	142,967,572	80,697,623

*Note : The above includes amounts payable to customers aggregating Rs. 66,56,081 on account of their sales made which are due for receipt after March 31, 2018 from the exchanges, based on settlement falling due post March 31,2018.

9 SHORT TERM PROVISIONS

Provision for employee benefits	2,152	6,139
Provision for Tax (net of advances)	11,832,227	748,050
	11,834,379	754,189



Choice Merchandise Broking Private Limited

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

Note-10: Property, Plant & Equipments

(Amount in ₹)

	Gross Block				Depreciation Block				Net Block	
Description	As at April 1,2017	Addition	Deduction /Adjustments	As at March 31,2018	As at April 1,2017	Charged For the Year	Deduction /Adjustments	As at March 31,2018	As at March 31,2017	As at March 31,2018
Tangible Assets										
Computer Hardware	628,875	-	-	628,875	615,509	13,316	-	628,825	13,366	50
Server & Network	69,825	-	-	69,825	34,135	8,995	-	43,130	35,690	26,695
Intangible Assets										
Computer Software	100,000	-	-	100,000	86,631	13,369	-	100,000	13,369	-
TOTAL	798,700	-	-	798,700	736,275	35,680	-	771,955	62,425	26,745

Previous Year	798,700	-	-	798,700	637,668	98,607	-	736,275	161,032	62,425
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Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

11 NON CURRENT INVESTMENT

Investments in quoted equity shares fully paid-up

1,50,000 (PY-2,25,000) shares of ₹1/- each of Vakrangee Ltd

4,178,419 37,455,137

4,178,419 **37,455,137**

Aggregate book value of -

Quoted fully paid-up investments

4,178,419 37,455,137

Aggregate market value of -

Quoted fully paid-up investments

33,202,500 74,058,750

12 DEFERRED TAX LIABILITIES (NET)

The major component of deferred tax liabilities/seets as recognized in the financial statements is as follows:

Deffered Tax Assets

Provision for Gratuity

67,700 91,867

Deffered Tax Liabilities

On difference between book balance & tax balance of Property,
Plant & Equipment

(2,600) (10,657)

65,100 **81,210**

13 LONG-TERM LOANS AND ADVANCES

Unsecured Advances considered good

(a) Security Deposits to stock exchanges

5,800,000 4,800,000

(b) Other Security Deposit

34,500 34,500

(c) MAT credit entitlement

10,620,000 -

16,454,500 4,834,500



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

14 TRADE RECEIVABLES

Unsecured, considered good

(a) Outstanding for a period exceeding six months from the date they are due for payments	1,390,465	1,234,323
(b) Others	958,674	14,075,184
Less:- Provision for Doubtful debts	(1,390,465)	-
	958,674	15,309,507

15 CASH AND BANK BALANCES

Cash & Cash Equivalents

Cash on Hand	175	2,073
Cheques on Hand	-	260,000

Bank Balances:

In current accounts	8,862,353	4,345,033
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Other Bank Balances

Fixed Deposits *	113,818,934	79,676,178
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122,681,462	84,283,284
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* Fixed Deposits are under Lien with Banks for Bank Guarantees (with maturity of more than of 3 Months but less than 12 Months)

16 SHORT-TERM LOANS AND ADVANCES

Unsecured Advances considered good

(a) Margin Money with stock exchange	19,887,000	1,087,000
(b) Loans and Advances to Related Parties	109,895,824	-
(c) Loans and Advances to employees	286,974	22,920
(d) Advances to Vendors	321,944	57,871
(e) Prepaid expenses	1,169,645	2,060,184
(f) Balance with statutory/revenue authorities	425,835	637,473

131,987,222	3,865,448
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Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

17 OTHER CURRENT ASSETS

Receivables from Exchanges	11,095,383	1,937,943
Other assets	5,054	119,238
	<u>11,100,437</u>	<u>2,057,181</u>

*Note : The above includes amounts receivable from stock exchanges aggregating Rs. 71,02,278 on account of sales made by customers which are due for payment after March 31, 2018, based on settlement falling due post March 31, 2018.

18 REVENUE FROM OPERATIONS

Brokerage Income	39,259,712	31,383,689
Other Operating Revenues	1,981,909	722,431
	<u>41,241,621</u>	<u>32,106,120</u>

19 OTHER INCOME

Interest on deposits	5,966,678	6,396,883
Interest on Loans	4,223,993	-
Income from dividend	9,047,937	281,250
Capital Gain from Sale of Shares	56,315,865	-
Other Non operating Income	79,779	1,770
	<u>75,634,252</u>	<u>6,679,903</u>

20 OPERATING EXPENSES

Membership & Subscription Charges	109,617	44,293
Computer & Software Expenses	203,490	7,960
Sub-brokerage & Referral fees	13,701,536	11,309,697
Lease Line Expenses	497,022	693,600
Other Operating Expenses	275,275	94,780
	<u>14,786,940</u>	<u>12,150,330</u>



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

21 EMPLOYEE BENEFIT EXPENSES

Salaries Bonus & allowances	8,931,766	6,605,896
Staff Welfare Expenses	89,370	79,122
Contribution to provident fund & othes Funds	162,172	33,043
	9,183,308	6,718,061

22 FINANCE COST

Bank Guarantee Charges	3,095,025	1,969,623
Interest on loan	794,249	488,163
Other borrowing charges	454,595	867,761
	4,343,869	3,325,547

23 OTHER EXPENSES

Rent including lease rental	8,400,000	8,400,000
Business Support Services	3,037,527	2,100,000
Provision for Doubtful Debts	1,390,465	-
Bad Debts Written off	2,416,150	-
Business Promotion expenses	305,901	611,002
Communication expenses	107,848	16,471
Claims & Dispute Expenses	231,920	168,289
Legal and professional fees	142,190	97,942
Rates & Taxes	61,224	214,705
Printing and stationery	202,837	150,424
Travelling & Conveyance Expenses	61,687	1,200
Other Expenses	86,874	170,904
Payment to Auditors		
Audit Fees	20,000	20,000
Tax Audit Fees	20,000	20,000
	16,484,623	11,970,937



Choice Merchandise Broking Private Limited

Accompanying notes to the financial statements

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

24 EARNINGS PER EQUITY SHARE

Profit attributable to Equity shareholders	69,514,132	3,108,381
Weighted average number of equity shares	1,400,000	1,311,233
Basic Earnings Per Share	49.65	2.37
Face value per Share	10	10
Profit after adjusting interest on potential equity shares	69,514,132	3,108,381
Weighted average number of equity share after considering potential equity shares	1,400,000	1,311,233
Dilutive Earnings per Share	49.65	2.37



Choice Merchandise Broking Private Limited

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

NOTE 25 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS

A Contingent Liabilities not provided for:

Particulars	As at March 31, 2018	As at March 31,2017
Bank Guarantees given to:		
National Commodity & Derivative Exchange Limited	750,000	750,000
Multi Commodity Exchange of India Limited	750,000	750,000
ISSL Settlement & Transaction Services Limited	198,500,000	148,500,000
Total	200,000,000	150,000,000

B The Company is in the business of providing Broking services. As such, all activities undertaken by the Company are incidental to the main business segment. There is no separate reportable business segment as per Accounting Standard 17 "Segment reporting".

C Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary

D Employee Benefits

The Company has classified the various benefits provided to employees as under:

1. Defined Contribution Plan

During the year, the Company has incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	As on 31.03.2018	As on 31.03.2017
Employers' Contribution to Provident Fund	162,172	33,043
Total	162,172	33,043

2. Defined benefit plans

The Company offers the Gratuity as employee benefit schemes to its employees:

The following table sets out the funded status of the Gratuity and the amount recognised in the financial statements:

Particulars	(Amount in ₹)	
	As on 31.03.2018	As on 31.03.2017
Components of employer expense		
Current service cost	132,767	42,959
Interest cost	21,773	5,630
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Past service cost	-	2,728
Actuarial losses/(gains)	(199,153)	61,862
Total expense recognised in the Statement of Profit and Loss	(44,613)	113,179



Choice Merchandise Broking Private Limited

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

Net asset / (liability) recognised in the Balance Sheet	As on 31.03.2018	As on 31.03.2017
Present value of defined benefit obligation	277,136	297,302
Fair value of plan assets	-	-
Funded status [Surplus/(Deficit)]	-	-
Unrecognised past service costs	(16,798)	-
Net asset / (liability) recognised in the Balance Sheet	260,338	297,302

Change in fair value of defined benefits obligation representing reconciliation of the the opening and closing balances thereof are as follows:	As on 31.03.2018	As on 31.03.2017
Opening Defined Benefit Obligation	297,302	70,893
Transfer in/(out) obligation	59,918	113,230
Service cost	132,767	42,959
Interest cost	21,773	5,630
Actuarial (gain) / loss	(199,153)	61,862
Past service cost	16,798	2,728
Benefits paid	(52,269)	-
Closing Defined Benefit Obligation	277,136	297,302

Experience Adjustments	As at March 31,				
	2018	2017	2016	2015	2014
Experience adjustments on plan liabilities	(185,222)	40,133	670	6,351	82,155
Actuarial loss/(gain) due to change in demographic assumptions	-	-	-	-	-
Actuarial loss/(gain) due to change in financial assumptions	(13,931)	21,729	(1,249)	8,723	(3,214)
Experience adjustments on plan assets	-	-	-	-	-
Net Actuarial loss/(gain) for the year	(199,153)	61,862	(579)	15,074	78,941

Actuarial assumptions	As on 31.03.2018	As on 31.03.2017
Discount rate	7.70%	8.00%
Salary escalation	6.00%	6.00%
Withdrawal Rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

Note:-The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



Choice Merchandise Broking Private Limited

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

E Related Party Disclosure

a. 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 Capital Advisors Private Limited Choice Corporate Services Private Limited Choice Wealth Management Private Limited Choice Equity Broking Private Limited Choice E-Commerce Private Limited (till March 26,2018) Choice Peers International Private Limited Choice Techlab Solutions Private Limited Choice Finserv Private Limited Choice Portfolio Management Services Private Limited (Formerly known as Choice Stock Trade Private Limited Pvt. Ltd.) Choice Retail Solutions Private Limited (w.e.f. December 06,2017)
c. Key Management Personnel (KMP)	Kamal Poddar (Director) Ajay Kejriwal (Director) Vijay Kejriwal (Director)
d. Enterprise over which KMP having Significant influence	Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services Pvt Ltd VSC Consulting Private JV with Choice Consultacny Services Private Limited(wef.15.01.2018) S. K. Patodia & Associates Choice Insurance Broking India Private Limited (Formerly known as Satyan Insurance Brokers Private Limited) Samank Consumer Products Private Limited Samank Apparels Private Limited Farmer's Evolvment Foundation Ajay R. Kejriwal HUF Kamal Poddar HUF



Choice Merchandise Broking Private Limited

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

Details of Related Party transactions:

(Amount in ₹)

Particulars	Holding Company	Fellow Subsidiaries	KMP	Total
Loan Taken from	55,634,367 (58,779,643)	-	-	55,634,367 (58,779,643)
Loan repaid	61,797,231 (52,616,776)	-	-	61,797,231 (52,616,776)
Loan Given to	113,874,230 -	-	-	61,797,231
Loan repayment recd from	3,978,406 -	-	-	3,978,406 -
Rent including lease rentals	8,400,000 (8,400,000)	-	-	8,400,000 (8,400,000)
Business Support Service	3,037,527 (2,100,000)	-	-	3,037,527 (2,100,000)
Interest on Loans	4,223,993 -	-	-	4,223,993 -
Brokerage Income	- -	98,585 -	-	98,585 -
Salaries & Perquisites	- -	-	720,000 (527,991)	720,000 (527,991)
Finance costs	660,925 (488,163)	-	-	660,925 (488,163)
<u>Balances outstanding at the end of the year</u>				
Trade receivables	3,417,171 (3,074,740)	-	55,731 (54,999)	3,472,902 (3,129,739)
Short term Loans and Advances	109,895,824 (6,162,867)	-	-	109,895,824 (6,162,867)

* Previous year figures are in brackets

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W



Sushil Goyal
Partner

Membership No. :154193

Mumbai, 28th May 2018

For and on behalf of Board of Directors

Kamal Poddar
Director
DIN-01518700



Ajay Kejriwal
Director
DIN- 03051841

Mumbai, 28th May 2018

Mumbai, 28th May 2018