

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **CHOICE WEALTH MANAGEMENT PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Choice Wealth Management Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 there under. 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 28<sup>th</sup>, 2018





**ANNEXURE 1 TO INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON  
THE FINANCIALS STATEMENTS CHOICE WEALTH MANAGEMENT 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.



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, 2018



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CHOICE WEALTH MANAGEMENT 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 Wealth Management 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.

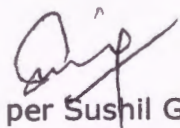
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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 Wealth Management 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	100,000	100,000
(b) Reserves and Surplus	3	(20,476,497)	(255,227)
		(20,376,497)	(155,227)
<b>2. Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities	4	115,000	-
(b) Long - Term Provisions	5	201,626	123,409
		316,626	123,409
<b>3. Current Liabilities</b>			
(a) Short Term Borrowings	6	18,225,000	250,000
(b) Trade Payables	7		
(i) Dues to Micro, Small and Medium Enterprises			
(ii) Other than Micro, Small and Medium Enterprises		6,901,905	117,645
(c) Other Current Liabilities	8	509,699	62,486
(d) Short - Term Provisions	9	5,732	4,956
		25,642,336	435,087
<b>TOTAL</b>		<b>5,582,464</b>	<b>403,269</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Property, Plant & Equipment	10		
Tangible assets		149,387	-
Intangible assets		2,124,658	4,002
Intangible assets under development		26,000	-
		2,300,045	4,002
(b) Deferred Tax Assets (Net)	11	-	38,621
		2,300,045	42,623
<b>2. Current Assets</b>			
(a) Trade Receivables	12	-	248,453
(b) Cash and Cash Equivalents	13	97,098	98,348
(c) Short - Term Loans and Advances	14	3,185,322	13,846
		3,282,419	360,646
<b>TOTAL</b>		<b>5,582,464</b>	<b>403,269</b>

The accompanying notes are an integral part of the financial statements

Significant Accounting Policies 1

Notes forming part of financial statements 2-20

In terms of our report of even date

For ASBS & Co.

Chartered Accountants

F.R.No. : 135952W

Sushil Goyal  
Partner  
Mem. No. : 154193



For and on behalf of Board of Directors

Kamal Poddar  
Director  
DIN :- 01518700



Ajay Rajendra Kejriwal  
Director  
DIN :- 03051841

Mumbai, May 28, 2018

Mumbai, May 28, 2018

Mumbai, May 28, 2018



**Choice Wealth Management 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>	15	4,218,642	1,770,251
<b>II Other Income</b>		-	-
<b>III Total Revenue (I + II)</b>		4,218,642	1,770,251
<b>IV Expenses</b>			
Operating Expenses	16	102,648	10,476
Employee Benefits Expense	17	3,381,642	1,756,490
Depreciation	10	409,804	5,319
Other Expense	18	20,392,198	199,434
<b>Total Expense</b>		24,286,292	1,971,719
<b>V Profit/(Loss) Before Tax (III-IV)</b>		(20,067,650)	(201,468)
<b>VI Tax Expense:</b>			
(a) Current Tax Expense		-	-
(b) Deferred Tax		153,621	(11,520)
		153,621	(11,520)
<b>VII Profit/(Loss) for the Period (V-VI)</b>		(20,221,271)	(189,948)
<b>VIII Earnings Per Equity Share (Face Value ₹ 10 Per Share):</b>	19		
(1) Basic (₹)		(2,022.13)	(18.99)
(2) Diluted (₹)		(2,022.13)	(18.99)

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

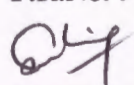
Significant Accounting Policies 1  
Notes forming part of financial statements 2-20

In terms of our report of even date

**For ASBS & Co.**

*Chartered Accountants*

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



**Sushil Goyal**  
Partner

**Mem. No. :154193**



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

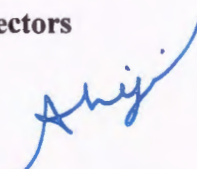


**Kamal Poddar**  
Director

DIN :- 01518700



Mumbai, May 28, 2018



**Ajay Rajendra Kejriwal**  
Director

DIN :- 03051841

Mumbai, May 28, 2017

Mumbai, May 28, 2018

Choice Wealth Management Private Limited

Cash Flow Statement for the year ended March 31, 2018

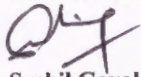
Particulars	(Amount in ₹)	
	As at 31-Mar-18	As at 31-Mar-17
<b>A. Cash flow from Operating Activities</b>		
Net profit before extra-ordinary items and tax	(20,067,650)	(201,468)
<u>Adjustments for:</u>		
Depreciation	409,804	5,319
Provision for Gratuity	78,993	32,894
<i>Operating profit before Working Capital changes</i>	<i>(19,578,853)</i>	<i>(163,255)</i>
<u>Changes in Working Capital</u>		
- Trade Receivables	248,453	(189,136)
- Short term loans & advances and other current assets	(3,171,476)	22,725
- Trade Payables	6,784,260	96,121
- Other current liabilities	447,213	31,483
<u>Cash generated from operations</u>	<u>(15,270,403)</u>	<u>(202,062)</u>
- Income tax paid	-	-
<b>Net cash flow from/(used in) from Operating Activities</b>	<b>(15,270,403)</b>	<b>(202,062)</b>
<b>B. Cash flow from Investing Activities</b>	<b>(2,705,847)</b>	<b>-</b>
<b>Net cash flow from/(used in) Investing Activities</b>	<b>(2,705,847)</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>		
Money borrowed/(repaid)	17,975,000	250,000
<b>Net cash flow from/(used in) Financing Activities</b>	<b>17,975,000</b>	<b>250,000</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>(1,250)</b>	<b>47,938</b>
<b>Opening Cash and Cash Equivalents</b>	<b>98,348</b>	<b>50,410</b>
<b>Closing Cash and Cash Equivalents</b>	<b>97,098</b>	<b>98,348</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, May 28, 2018

For and on behalf of Board of Directors



Kamal Poddar  
Director

DIN :- 01518700





Ajay Rajendra Kejriwal  
Director

DIN :- 03051841

Mumbai, May 28, 2018      Mumbai, May 28, 2018



## Choice Wealth Management 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 to comply in all material aspects with 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 Revised 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 Wealth Management 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 Property, Plant & Equipment**

##### **Tangible assets**

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

##### **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.

#### **G Depreciation and amortisation**

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

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

#### **H Provision and Contingencies**

A provision is recognised when there is a present obligation as a result of a 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.





## Choice Wealth Management Private Limited

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

### **I 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.

The Company has a Defined Benefit Plan viz. Gratuity, for all its employees. Gratuity liability is unfunded. Liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method. Actuarial gains and losses, which comprise experience adjustment and the effect of changes in actuarial assumptions, are recognised in the Statement of Profit and Loss.

### **J 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 Wealth Management Private Limited

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

### **K 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.

### **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.





**Choice Wealth Management 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>		
10,000 (PY 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
<b>Issued Capital</b>		
10,000 (PY 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
<b>Subscribed and Paid up Capital</b>		
10,000 (PY 10,000) Equity Shares of ₹ 10/- each	100,000	100,000
	100,000	100,000

**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 period**

No. of shares at the beginning of the year	10,000	10,000
Add : shares issued during the year	-	-
No. of shares at the end of the year	10,000	10,000

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

Choice International Ltd. & its nominee	Holding Company	10,000	10,000
		100.00%	100.00%

**3 RESERVES AND SURPLUS**

Surplus in Statement of Profit and Loss -		
Opening Balance	(255,227)	(65,278)
Add : profit/(loss) for the year	(20,221,271)	(189,948)
	(20,476,497)	(255,227)



**Choice Wealth Management 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

**4 DEFERRED TAX LIABILITIES (NET)**

The major components of deferred tax liabilities / assets (net) as recognised in the financial statements is as follows:

Deferred tax liability -

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

169,000                      -

Deferred tax asset -

Provision for Employee benefit expenses

54,000                      -

115,000                      -

**5 LONG-TERM PROVISIONS**

Provision for employee benefits

Provision for gratuity

201,626                      123,409

201,626                      123,409

**6 SHORT TERM BORROWINGS**

Unsecured, Considered Good

Loan taken from related parties\*

18,225,000                      -

Loan taken from others

-                      250,000

18,225,000                      250,000

\*The loan taken from related parties are interest free and repayable on demand, refer to Note No.20(E) "Related Party Disclosure".

**7 TRADE PAYABLES**

Dues to Micro, Small and Medium Enterprises\*

-                      -

Other than Micro, Small and Medium Enterprises

6,901,905                      117,645

6,901,905                      117,645

\*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 Wealth Management 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
<b>8 OTHER CURRENT LIABILITIES</b>		
Statutory liabilities payable	509,699	62,486
	<u>509,699</u>	<u>62,486</u>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for gratuity	5,732	4,956
	<u>5,732</u>	<u>4,956</u>
<b>11 DEFERRED TAX ASSETS</b>		
Deferred tax asset		
Employee benefits	-	39,665
Deferred tax liability		
Depreciation and amortisation	-	(1,044)
	<u>-</u>	<u>38,621</u>
<b>12 TRADE RECEIVABLES</b>		
Unsecured, considered good		
Outstanding for a period exceeding six months	-	-
Others	-	248,453
	<u>-</u>	<u>248,453</u>
<b>13 CASH AND BANK BALANCES</b>		
Cash & Cash Equivalents -		
Cash on Hand	57,836	57,836
Bank Balances:		
In current accounts	39,262	40,512
	<u>97,098</u>	<u>98,348</u>



Choice Wealth Management 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

**14 SHORT-TERM LOANS AND ADVANCES**

Unsecured, considered good		
Advance to employees	74,100	13,846
Advance to others	17,986	-
Prepaid Expenses	167,021	-
Balance with revenue authorities		
Direct taxes	-	-
Indirect taxes	2,926,215	-
	<u>3,185,322</u>	<u>13,846</u>

**15 REVENUE FROM OPERATIONS**

Income from services rendered	4,218,642	1,770,251
	<u>4,218,642</u>	<u>1,770,251</u>

**16 OPERATING EXPENSES**

Sub Brokerage	102,648	10,476
	<u>102,648</u>	<u>10,476</u>

**17 EMPLOYEE BENEFIT EXPENSES**

Salaries and incentives	3,295,510	1,692,305
Staff Welfare	35,382	31,291
Gratuity	50,750	32,894
	<u>3,381,642</u>	<u>1,756,490</u>





**Choice Wealth Management 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

**18 OTHER EXPENSES**

Audit fees	20,000	20,000
Bank charges	351	695
Business Support Service Expenses	2,345,183	-
Claims & Dispute Exp	62,654	-
Legal and professional	272,306	17,374
Marketing & advertisement	17,296,974	-
Printing and stationery	4,090	1,381
Rates and taxes	43,603	17,104
Repair & Maintenance	188,651	-
Rent including lease rentals	120,000	120,000
Traveling & Conveyance expenses	38,386	22,881
	<b>20,392,198</b>	<b>199,434</b>

**19 EARNINGS PER EQUITY SHARE**

Profit/(Loss) attributable to equity shareholders	(20,221,271)	(189,948)
Weighted average number of equity shares	10,000	10,000
<b>Basic Earnings Per Share</b>	<b>(2,022.13)</b>	<b>(18.99)</b>
<b>Face value per Share</b>	<b>10</b>	<b>10</b>
Profit after adjusting interest on potential equity shares	(20,221,271)	(189,948)
Weighted average number of equity share after considering potential equity shares	10,000	10,000
<b>Dilutive Earnings per Share</b>	<b>(2,022.13)</b>	<b>(18.99)</b>



**Choice Wealth Management Private Limited**

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

**NOTE 20 : OTHER NOTES FORMING PART OF FINANCIAL STATEMENTS**

- A** In the opinion of the Board, all the assets other than Property, Plant & Equipment and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The Provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.
- B** 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.
- C** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**D Employee benefit plans :**

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:

(Amount in ₹)		
Particulars	As on 31.03.2018	As on 31.03.2017
<b>Components of employer expense</b>		
Current service cost	22,924	25,855
Interest cost	9,316	7,480
Expected return on plan assets	-	-
Past service cost Vested	3,622	3,865
Past service cost-Unvested	8,909	
Actuarial losses/(gains)	5,979	(4,306)
<b>Total expense recognised in the Statement of Profit &amp; Loss</b>	<b>50,750</b>	<b>32,894</b>
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Present value of Unfunded Obligation	207,358	128,365
Unrecognised past service costs	-	-
Unrecognised Actuarial Loss	-	-
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>207,358</b>	<b>128,365</b>





**Choice Wealth Management Private Limited**

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

<b>Change in fair value of defined benefits obligation representing reconciliation of the the opening and closing balances thereof are as</b>	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Opening Defined Benefit Obligation	128,365	95,471
Transfer In/ (Out) Obligation	28,243	-
Service cost	22,924	25,855
Interest cost	9,316	7,480
Actuarial (gain) / loss	5,979	(4,306)
Past service cost	12,531	3,865
<b>Closing Defined Benefit Obligation</b>	<b>207,358</b>	<b>128,365</b>

<b>Experience Adjustments</b>	<b>As at March 31,</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Experience adjustments on plan liabilities	15,843	(15,089)	(23,535)	(3,571)	19,787
Actuarial loss/(gain) due to change in financial assumptions	(9,864)	10,783	(1,572)	10,107	(2,838)
Experience adjustments on plan assets	-	-	-	-	-
<b>Net Actuarial loss/(gain) for the</b>	<b>5,979</b>	<b>(4,306)</b>	<b>(25,107)</b>	<b>6,536</b>	<b>16,949</b>

<b>Actuarial assumptions</b>	<b>As on 31.03.2018</b>	<b>As on 31.03.2017</b>
Discount rate	7.70%	7.40%
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.

**E Related Party Disclosure**

Details of Related Parties -

<b>Description of Relationship</b>	<b>Names of Related Parties</b>
a. Holding Company	Choice International Limited
b. Fellow Subsidiaries	Choice Consultancy Services Private Limited Choice Merchandise Broking Private Limited Choice Capital Advisors Private Limited Choice Corporate Services Private Limited Choice Portfolio Management Services Private Limited (Formerly known as Choice Stock Trade Private Limited) Choice Equity Broking Private Limited Choice E-Commerce Private Limited* Choice Peers International Private Limited Choice Finserv Private Limited Choice Techlab Solutions Private Limited Choice Retail Solutions Private Limited*



## Choice Wealth Management Private Limited

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

c. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Director) Ajay Kejriwal (Director wef. 16.09.2017) Mohan Aravandekar (Director)
d. Enterprises over which KMP exercise significant influence	Thought Consultants Jaipur P L in JV with Choice Consultancy Service P L VSC Consulting Private JV with Choice Consultancy Services Private Limited *** Samank Consumer Products Private Limited Samank Apparels Private Limited Choice Insurance Broking India Private Limited Farmer's Evolvment Foundation Kamal Poddar HUF De Starvings Couriers LLP

\*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. 15.01.2018.





**Choice Wealth Management Private Limited**

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

**Details of Related Party transactions during the year ended March 31, 2018-**

(Amount in ₹)

Particulars	Holding Company	Fellow Subsidiary	Total
Loan Taken from	18,500,000 (100,000)	- -	18,500,000 (100,000)
Loan repaid	275,000 (100,000)	- -	275,000 (100,000)
Lease rental paid to	120,000 (120,000)	- -	120,000 (120,000)
Business Support Service Charges paid to	1,461,463 -	883,720 -	2,345,183 -
Payment for Software	- -	2,500,000 -	2,500,000 -
<b><u>Balance at the end of year</u></b>			
Trade Payable	672,391 -	1,155,712 -	1,828,103 -
Other Advances	- -	17,986 -	17,986 -
Computer Software	- -	2,500,000 -	2,500,000 -
Short Term Borrowings	18,225,000 -	- -	18,225,000 -

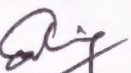
\* Previous year figures are in brackets

In terms of our report of even date

**For ASBS & Co.**

Chartered Accountants

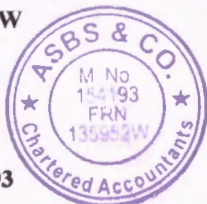
F.R.No. : 135952W



**Sushil Goyal**

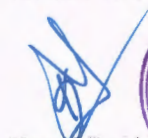
Partner

Mem. No. :154193



Mumbai, May 28, 2018

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

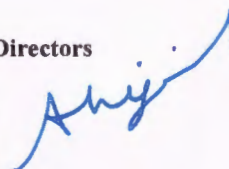


**Kamal Poddar**

Director

DIN :- 01518700





**Ajay Rajendra Kejriwal**

Director

DIN :- 03051841

Mumbai, May 28, 2018

Mumbai, May 28, 2018