

## **INDEPENDENT AUDITOR'S REPORT To The Members of Choice Equity Broking Private Limited Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of Choice Equity Broking Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Emphasis of Matter**

We draw attention to Note 34 to the financial statements, which describes the merger of Choice Merchandise Broking Private Limited with the Company in accordance with scheme of Amalgamation approved by Hon'ble National Company Law Tribunal (NCLT) of Mumbai Bench, vide its order dated September 06, 2018 and its effect given to in the financial statements for the year ended March 31, 2019.

Our report is not qualified in respect of this matter.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the financial statements and our auditor's report thereon. The Board report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

### **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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

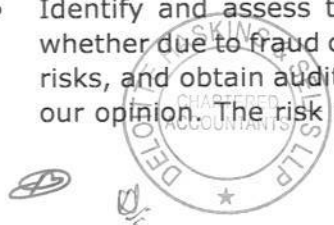
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

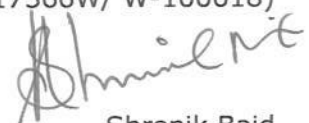
1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company/companies so far as it appears from our examination of those books.



## **Deloitte Haskins & Sells LLP**

- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations that would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)



Shrenik Baid  
Partner  
(Membership No. 103884)

Place: Mumbai  
Date: May 29, 2019



**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Choice Equity Broking Private Limited for the year ended March 31, 2019)**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of



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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, to the best of our information, 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, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins and Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)



Shrenik Baid  
Partner  
(Membership No. 103884)

Place: Mumbai  
Date: May 29, 2019



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Choice Equity Broking Private Limited for the year ended March 31, 2019)**

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification of fixed assets once in three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanation given to us, the fixed assets have been physically verified during the year.
  - (c) Immovable property of building whose title deed has been pledged as security for bank overdraft facility taken by the Holding Company is held in the name of the Company based on the confirmation received by us from the lender. The Company does not have immovable properties of leasehold land and buildings as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no amount overdue for more than 90 days at the balance sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year as provided under Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Accordingly, the provisions of clause (v) of the Order are not applicable. There are no unclaimed deposits with the Company any time during the year.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013.



## **Deloitte Haskins & Sells LLP**

- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income-tax and Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Service Tax and Goods and Services Tax as on March 31, 2019 which have not been deposited on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. Further, the Company does not have any loans or borrowings from government; and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private limited company and hence the provisions of Section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) The Company is a private company and hence the provisions of Section 177 and Section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.





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- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/ W-100018)



Shrenik Baid  
Partner  
(Membership No. 103884)

Place: Mumbai  
Date: May 29, 2019



Choice Equity Broking Private Limited

Balance Sheet as at March 31, 2019

(Amount in ₹)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I Equity and Liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share Capital	2	80,178,000	66,500,000
(b) Reserves and Surplus	3	581,212,058	448,611,621
		661,390,058	515,111,621
<b>2. Non - Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	6,855,000	1,068,000
(b) Other Long -Term Liabilities	5	21,856,438	10,580,567
(c) Long - Term Provisions	6	11,461,848	4,536,432
		40,173,286	16,184,999
<b>3. Current Liabilities</b>			
(a) Short - Term Borrowings	7	714,649,263	821,829,457
(b) Trade Payables	8	-	-
(i) micro enterprises and small enterprises; and		-	-
(ii) others		53,963,695	40,632,771
(c) Other Current Liabilities	9	1,114,372,642	456,334,726
(d) Short - Term Provisions	10	4,827,050	15,156,542
		1,887,812,650	1,333,953,496
<b>TOTAL</b>		<b>2,589,375,994</b>	<b>1,865,250,116</b>
<b>II Assets</b>			
<b>1. Non - Current Assets</b>			
(a) Property, Plant and Equipment	11	-	-
(i) Tangible Assets		120,796,610	25,828,479
(ii) Intangible Assets		129,162,661	6,552,909
(iii) Intangible Assets under Development		3,033,665	40,901,754
(b) Non - Current Investments	12	64,375,769	197,350
(c) Long - Term Loans and Advances	13	51,790,802	21,991,208
(d) Other Non-Current Assets	14	2,743,054	2,587,230
		371,902,561	98,058,930
<b>2. Current Assets</b>			
(a) Inventories	15	249,524,673	174,660,044
(b) Trade Receivables	16	541,780,049	1,106,213,317
(c) Cash and Bank Balances	17	157,207,200	450,574,695
(d) Short - Term Loans and Advances	18	1,025,280,602	26,038,361
(e) Other Current Assets	19	243,680,909	9,704,769
		2,217,473,433	1,767,191,186
<b>TOTAL</b>		<b>2,589,375,994</b>	<b>1,865,250,116</b>

Notes 1 to 39 forms part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
F.R.No. : 117366W/W-100018



Shrenik Baid  
Partner

Mem. No. : 103884

Mumbai: May 29, 2019

For and on behalf of Board of Directors

  
Kamal Poddar  
Director  
(DIN-01518700)

  
Ajay Kejriwal  
Director  
(DIN-03051641)

  
Hanuman Patel  
Company Secretary  
Mem No.:-A 55616

Mumbai: May 29, 2019

Mumbai: May 29, 2019



Choice Equity Broking Private Limited

Statement of Profit and Loss

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Revenue</b>			
Revenue from Operations	20	708,241,052	730,043,161
Other Income	21	71,735,267	13,663,363
<b>Total Revenue</b>		<b>779,976,319</b>	<b>743,706,524</b>
<b>II Expenses</b>			
Purchases	22	270,400,208	299,365,095
Changes in Inventories	23	(74,864,629)	(83,393,820)
Operating Expenses	24	137,927,653	96,532,236
Employee Benefits Expense	25	219,791,052	172,337,492
Finance Costs	26	97,792,736	103,799,918
Depreciation & Amortisation	11	18,242,890	10,561,573
Other Expenses	27	85,521,348	82,862,009
<b>Total Expense</b>		<b>754,811,258</b>	<b>682,064,503</b>
<b>III Profit Before Tax (I-II)</b>		<b>25,165,061</b>	<b>61,642,021</b>
<b>IV Tax Expense / (Benefit):</b>			
(a) Current Tax		5,170,000	23,300,000
(b) (Excess) / Short Provision of Earlier Year Tax		(9,558,274)	2,997,746
(c) MAT Tax		1,595,700	-
(d) Deferred Tax		5,852,100	(1,459,133)
		<b>3,059,526</b>	<b>24,838,613</b>
<b>V Profit for the Year (III-IV)</b>		<b>22,105,535</b>	<b>36,803,408</b>
<b>VI Earnings Per Equity Share (Face Value ₹ 10 Per Share):</b>	28		
(1) Basic (in ₹)		2.76	6.51
(2) Diluted (in ₹)		2.76	6.51

Notes 1 to 39 forms part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
F.R.No. : 117366W/W-100018



**Shrenik Baid**  
Partner  
Mem. No. :103884  
Mumbai: May 29, 2019

For and on behalf of Board of Directors

  
**Kamal Poddar**  
Director  
(DIN-01518700)

Mumbai: May 29, 2019

  
**Ajay Kejriwal**  
Director  
(DIN-03051841)

  
**Hanuman Patel**  
Company Secretary  
Mem No.:-A 55616  
Mumbai: May 29, 2019



## Choice Equity Broking Private Limited

## Cash Flow Statement

(Amount in ₹)

Particulars	For the Year March 31, 2019	For the Year March 31, 2018
<b>A. Cash flow from Operating Activities</b>		
Profit Before Tax	25,165,061	61,642,021
<u>Adjustments for:</u>		
Depreciation and Amortisation	18,242,890	10,561,573
Interest income	(70,928,519)	(13,249,967)
Dividend income	(37,500)	-
Finance costs	97,792,736	103,799,918
Profit on Sale of Long Term Investment	-	(68,130)
Profit on Sale of Property, Plant and Equipment	(57,350)	-
Balances written off	555,468	1,476,290
Provision for Doubtful Trade Receivables	645,000	1,800,000
<b>Operating Profit before Working Capital changes</b>	<b>71,377,786</b>	<b>165,961,705</b>
<u>Changes in Working Capital</u>		
- (Increase) in Inventories	(74,864,629)	(83,393,820)
- (Increase) in Trade receivables	564,746,942	(15,393,140)
- Decrease/(Increase) in Loans and Advances (Current and Non-Current)	(880,350,155)	66,830,240
- (Increase)/Decrease in Other Current Assets	(222,875,703)	(7,373,438)
- Increase in Trade payables	5,840,540	18,586,676
- Increase in Other Liabilities (Current and Non-Current)	491,392,608	86,704,411
- Increase in Provisions (Current and Non-Current)	11,008,713	1,654,854
<u>Cash generated from operations</u>	<u>(33,723,898)</u>	<u>233,577,488</u>
- Income Tax Paid (Net)	(24,927,526)	(20,521,650)
<b>Net cash flow (used in) / from Operating Activities (A)</b>	<b>(58,651,424)</b>	<b>213,055,838</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipments (including CWIP)	(163,713,247)	(32,910,547)
Proceeds from Sale of Property, Plant and Equipments	69,130	-
Purchase of Long Term Investments	(60,000,000)	49,755,000
Movement in Other Bank Balances (Net) (Note 1)	271,488,803	56,637,653
Dividend received	37,500	-
Interest received	70,772,695	8,738,254
<b>Net cash flow from Investing Activities (B)</b>	<b>118,654,881</b>	<b>82,220,360</b>
<b>C. Cash flow from Financing Activities</b>		
Net Repayment of Short Term Borrowings from Banks and Financial Institutions (Net) (Note 2)	(65,193,388)	(184,736,768)
Net Proceeds from Short Term Borrowings from Holding Company (Net) (Note 3)	(41,986,806)	183,061,014
Finance costs paid	(97,792,736)	(98,747,667)
<b>Net cash flow (used in) Financing Activities (C)</b>	<b>(204,972,930)</b>	<b>(100,423,421)</b>
<b>D. Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(144,969,473)</b>	<b>194,852,776</b>
Opening Cash and Cash Equivalents	208,484,009	13,631,233
Add:- Cash and Cash Equivalents of CMBPL on account of Merger	8,862,528	-
<b>Closing Cash and Cash Equivalents</b>	<b>72,786,383</b>	<b>208,484,009</b>



Choice Equity Broking Private Limited

Cash Flow Statement

(Amount in ₹)

Particulars	For the Year March 31, 2019	For the Year March 31, 2018
<b>Components of Cash and Bank Balances (Note No. 17)</b>		
Cash on Hand	8,288	3,851
Balances in Current Accounts	72,778,095	208,480,158
<b>Cash and Cash Equivalents</b>	<b>72,786,383</b>	<b>208,484,009</b>
Fixed Deposits with Banks (under Lien)	84,420,817	242,090,686
<b>Cash and Bank Balances</b>	<b>157,207,200</b>	<b>450,574,695</b>

Note 1 : During the year ended March 31, 2019, the Company has created / renewed fixed deposits with banks aggregating ₹ 781,966,086/- (PY : ₹ 217,975,000/-) and placed in lien against Bank Guarantee and received repayment of fixed deposits aggregating ₹ 948,133,412/- (PY: ₹ 270,100,274/-)

Note 2 : During the year ended March 31, 2019, the Company has taken loan from Banks and Financial Institutions aggregating ₹ 11,113,848,105/- (PY : ₹ 30,504,336,384/-) and repaid loans aggregating ₹ 11,179,041,493/- (PY : ₹ 30,689,073,152/-) , thereby net cash outflow (PY : net cash inflow) of ₹ 65,193,388/- (PY: ₹ 184,736,768/-) shown above.

Note 3 : During the year ended March 31, 2019, the Company has taken loan aggregating of ₹ 6,221,936,978 /- (PY : ₹ 1,208,413,125/-) and repaid loan aggregating of ₹ 62,633,923,784 (PY : ₹ 1,125,352,111/-) to related party thereby net cash outflow of ₹ 41,986,806/- (PY: ₹ 83,061,014/-) is shown above.


Note 4 : During the year CMBPL merged with the Company with effect from 1st April 2017, and the book value of Assets and liabilities were takeover for a consideration of ₹100,136,638/-, for consideration other than cash, by way of issue of 1,367,800 fully paid Equity shares of ₹ 10 each at a premium of ₹ 63.21 per share.

Note 5 : During the Previous Year the Company has converted loan given to its wholly owned subsidiary aggregating ₹100,000,000/- from Holding Company into 1,000,000 Equity Shares of ₹10/- each fully paid up at a ₹ 90/- premium. Thus, the impact has not been given in the cash flow statement above.

Notes 1 to 39 forms part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
F.R.No. : 117366W/W-100018

  
Shrenik Baid  
Partner  
Mem. No. :103884


Mumbai: May 29, 2019

For and on behalf of Board of Directors

  
Kamal Poddar  
Director  
(DIN-01518700)

Mumbai: May 29, 2019

  
Ajay Kejriwal  
Director  
(DIN-03051841)

  
Hanuman Patel  
Company Secretary  
Mem No. :-A 55616  
Mumbai: May 29, 2019



**Choice Equity Broking Private Limited**

*Accompanying notes to the financial statements*

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**Background**

Choice Equity Broking Private Limited ("CEBPL" / the "Company") is a wholly owned subsidiary of Choice International Limited. The Company is incorporated in India as a private limited company. The Company is engaged in providing Broking and other ancillary services. The Company holds licenses to trade on the stock exchanges.

**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 setout 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 the 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 recognized 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 Equity Broking Private Limited

*Accompanying notes to the financial statements*

**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. Software developed and used in business is being amortised over a period of ten years. Computer software and Goodwill arising on acquisition of Business from other entities are being amortised over a period of five years.

**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**

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.

**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. Quoted current investments are valued at lower of cost and market value of investments on a category basis.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

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. The defined-contribution plans are financed 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**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes

J Earnings per share

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

Diluted earnings per share is calculated by dividing the Net Profits / (Loss) for the period 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.





## Choice Equity Broking Private Limited

### Accompanying notes to the financial statements

#### 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.

#### 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.

#### 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 Finance Cost

Interest cost is recognised as expenses in the period in which the cost is incurred. Other finance Charges includes origination fees and other ancillary costs with respect to funds mobilised by the Company which are amortised over the tenure of such borrowings.

#### O Inventories

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



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>2 SHARE CAPITAL</b>		
<b>(a) Details of authorised, issued and subscribed equity share capital</b>		
<b>Authorised Capital</b>		
9,500,000 (PY:-8,000,000) Equity Shares of ₹ 10/- each	95,000,000	80,000,000
<b>Issued Capital</b>		
8,017,800 (PY:-6,650,000) Equity Shares of ₹ 10/- each	80,178,000	66,500,000
<b>Subscribed and Paid up Capital</b>		
8,017,800 (PY:- 6,650,000) Equity Shares of ₹ 10/- each fully paid-up	80,178,000	66,500,000
	80,178,000	66,500,000

**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. The shareholders are entitled to interim dividend if proposed by the Board of Directors. The final dividend is subject to approval of the shareholder in the Annual General Meeting.

1,367,800 (PY:Nil) Ordinary Shares of ₹10 each, fully paid, were issued pursuant to Scheme of Merger of Choice Merchandise Broking Private Limited with the Company for consideration other than cash. (Refer Note no.34).

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

Number of equity shares at the beginning of the year	6,650,000	5,650,000
Add : Equity shares issued during the year	1,367,800	1,000,000
Number of equity shares at the end of the year	8,017,800	6,650,000

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

Choice International Ltd. and its nominee	Holding Company	8,017,800 100.00%	6,650,000 100.00%
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**(d) Note on Issue of Equity Shares:-**

1) During the FY-2017-18, the company has allotted 1,000,000 Equity shares to its Holding Company at ₹ 100 Per Equity Share (including Securities premium of ₹ 90 per share) by way of conversion of loan of ₹ 100,000,000 into equity shares.

2) The Board of Directors of CEBPL, on October 1, 2018, issued and allotted 1,367,800 fully paid Equity Shares of ₹10/- each of CEBPL at a premium of ₹ 63.21 per share to the CIL aggregating to ₹ 100,136,638 against its holding of 1,400,000 fully paid Equity Shares of ₹ 10/- each of CMBPL, in the ratio of 0.977:1 i.e. the Share Exchange Ratio, provided under the Scheme. (Refer Note no. 34)



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>3 RESERVES AND SURPLUS</b>		
<u>General Reserve</u>		
Opening Balance	397,000	397,000
Add : Transferred from statement of profit & loss	-	-
Closing Balance	397,000	397,000
<u>Securities Premium -</u>		
Opening Balance	324,900,000	234,900,000
Add: Received on equity shares issued during the year	86,458,638	90,000,000
Closing Balance	411,358,638	324,900,000
<u>Surplus in Statement of Profit and Loss -</u>		
Opening Balance	123,314,621	86,511,213
Add : Profit for the year	22,105,535	36,803,408
Add: On account of Merger (Refer Note No. 34)	24,036,264	-
Closing Balance	169,456,420	123,314,621
	581,212,058	448,611,621



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in `)

Particulars	As at March 31, 2018	Movement for the year	As at March 31, 2019
<b>4 DEFERRED TAX LIABILITIES (NET)</b>			
Details of major component of deferred tax liabilities arising on account of timing difference as recognised in the financial statements is as follows:			
Deferred Tax Assets			
Provision for Gratuity	(1,283,000)	(836,000)	(2,119,000)
Provision for Doubtful Debts	(501,000)	(169,000)	(670,000)
Deferred tax liability -			
On difference between book & tax depreciation of Property, Plant & Equipments	2,852,000	6,792,000	9,644,000
	<u>1,068,000</u>	<u>5,852,100</u>	<u>6,855,000</u>



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>5 OTHER LONG TERM LIABILITIES</b>		
Franchisee and other deposits	21,856,438	10,580,567
	<u>21,856,438</u>	<u>10,580,567</u>
<b>6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits - Provision for Gratuity (Refer Note No. 30)	11,461,848	4,536,432
	<u>11,461,848</u>	<u>4,536,432</u>
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured loans</b>		
Bank Overdraft *	371,134,322	569,621,210
Loan from Financial Institutions **	302,440,733	169,147,233
<b>Unsecured loans</b>		
Loans taken from Related Party (Refer Note 29)	41,074,208	83,061,014
	<u>714,649,263</u>	<u>821,829,457</u>

\* Bank overdraft is secured against hypothecation of receivables as mentioned in Section 19(2) & 19(3) of the Banking Regulation Act 1949.

\*\* Borrowing from Financial Institutions are secured against shares and securities placed as collateral by clients.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>8 TRADE PAYABLES</b>		
Dues to Micro, Small and Medium Enterprises*	-	-
Other than Micro, Small and Medium Enterprises	53,963,695	40,632,771
	<u>53,963,695</u>	<u>40,632,771</u>

\*There are no parties who have been identified as micro, small and medium enterprises based on the confirmations circulated and responses received by the management.

**9 OTHER CURRENT LIABILITIES**

(a) Advance received from customers (Note 1)	1,044,553,364	369,915,279
(b) Payables towards capital assets	39,600,000	5,375,528
(c) Franchisee and other deposits	6,100,000	-
(d) Others	-	-
1) Margin money deposit	-	1,100,000
2) Statutory dues (Note 2)	15,226,608	9,396,350
3) Other liabilities (Note 3)	8,892,670	70,547,569
	<u>1,114,372,642</u>	<u>456,334,726</u>

Note 1 : The above includes amounts payable to customers aggregating ₹ 204,938,015 (PY : ₹36,043,374) on account of their sales made which are due for receipt after March 31, 2019 from the exchanges, based on settlement falling due post balance sheet date.

Note 2 : The above includes amounts payable to Government Authority aggregating ₹ 812,206 (PY: ₹ 473,522) on account of purchases and Sales made by customers which are due for payment after March 31, 2019, based on settlement falling due post balance sheet date.

Note 3 : The above includes amounts payable to stock exchanges aggregating ₹ 1,770,686 (PY: ₹69,004,162) on account of purchases made by customers which are due for payment after March 31, 2019, based on settlement falling due post balance sheet date.

**10 SHORT TERM PROVISIONS**

**Provision for employee benefits**

- Provision for compensated absence	409,319	-
- Provision for Gratuity (Refer Note No. 30)	4,417,731	74,095
- Provision for Tax (net of advances)	-	15,082,447
	<u>4,827,050</u>	<u>15,156,542</u>



Choice Equity Broking Private Limited

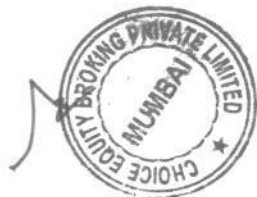
Accompanying notes to the financial statements

11 Property, Plant & Equipment

Description	Gross Block				Depreciation & Amortisation				Net Block	
	As at April 1, 2018	Additions	Deductions	Acquisitions through business combinations	As at March 31, 2019	Charged For the year	Deductions	Acquisitions through business combinations	As at March 31, 2019	As at March 31, 2018
<b>Tangible Assets:</b>										
Buildings (Note 1)	-	95,310,600	-	-	95,310,600	173,648	-	-	173,648	95,136,952
Computer Hardwares	19,746,491	511,604	3,381,803	34,685,228	51,561,820	3,894,198	3,370,023	33,058,043	47,430,268	5,898,441
Server & Network	17,478,123	900,414	239,450	69,825	18,208,912	2,903,053	239,450	43,130	7,607,621	12,577,235
Furniture & Fixtures	1,807,767	9,500	-	26,591,746	28,409,013	324,937	-	23,696,946	24,497,384	1,332,266
Office Equipment	7,165,531	875,812	-	17,156,820	25,198,163	1,646,312	-	15,152,231	18,717,529	5,246,545
Motor Car	1,880,892	-	-	-	1,880,892	231,538	-	-	1,378,832	733,598
Motor Cycle	80,000	-	-	-	80,000	7,602	-	-	47,208	40,394
<b>TOTAL</b>	<b>48,158,804</b>	<b>97,607,930</b>	<b>3,621,253</b>	<b>78,503,619</b>	<b>220,649,100</b>	<b>9,181,288</b>	<b>3,609,473</b>	<b>71,950,350</b>	<b>99,852,490</b>	<b>25,828,479</b>
<b>Intangible Assets:</b>										
Computer Software (Note-2)	12,762,974	48,887,089	-	86,401,260	148,051,323	4,894,935	-	86,116,995	97,221,995	6,552,909
Goodwill	-	82,500,000	-	-	82,500,000	4,166,667	-	-	4,166,667	-
<b>TOTAL</b>	<b>12,762,974</b>	<b>131,387,089</b>	<b>-</b>	<b>86,401,260</b>	<b>230,551,323</b>	<b>9,061,602</b>	<b>-</b>	<b>86,116,995</b>	<b>101,388,662</b>	<b>6,552,909</b>
<b>Intangible Assets under development</b>	<b>40,901,754</b>	<b>989,000</b>	<b>38,857,089</b>	<b>-</b>	<b>3,033,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,901,754</b>
<b>GRAND TOTAL</b>	<b>101,823,532</b>	<b>229,984,019</b>	<b>42,478,342</b>	<b>164,904,879</b>	<b>454,234,088</b>	<b>18,242,890</b>	<b>3,609,473</b>	<b>159,067,345</b>	<b>201,241,152</b>	<b>73,283,142</b>

Note-1. Property has been hypothecated with Punjab national bank for overdraft facility taken by Choice International limited (Holding company).

Note-2. Addition to Computer Software represent internally generated assets.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

Property, Plant & Equipment

Description	Gross Block			Depreciation & Amortisation			Net Block		
	As at April 1, 2017	Additions	Deductions	As at March 31, 2018	As at April 1, 2017	Charged For the Year	Deductions	As at March 31, 2018	As at March 31, 2017
<b>Tangible Assets:</b>									
Computer Hardwares	17,248,909	2,497,582	-	19,746,491	9,549,720	4,298,330	-	13,848,050	7,699,189
Server & Network	17,427,523	50,600	-	17,478,123	2,049,825	2,851,063	-	4,900,888	15,377,698
Furniture & Fixtures	1,517,432	290,335	-	1,807,767	312,749	162,752	-	475,501	1,204,683
Office Equipment	5,393,774	1,771,757	-	7,165,531	746,718	1,172,268	-	1,918,986	4,647,056
Motor Car	1,880,892	-	-	1,880,892	915,758	231,536	-	1,147,294	965,134
Motor Cycle	80,000	-	-	80,000	32,005	7,601	-	39,606	47,995
<b>TOTAL -</b>	<b>43,548,530</b>	<b>4,610,274</b>	<b>-</b>	<b>48,158,804</b>	<b>13,606,775</b>	<b>8,723,550</b>	<b>-</b>	<b>22,330,325</b>	<b>29,941,755</b>
<b>Intangible Assets:</b>									
Computer Software	11,886,907	876,067	-	12,762,974	4,372,042	1,838,023	-	6,210,065	7,514,865
<b>TOTAL -</b>	<b>11,886,907</b>	<b>876,067</b>	<b>-</b>	<b>12,762,974</b>	<b>4,372,042</b>	<b>1,838,023</b>	<b>-</b>	<b>6,210,065</b>	<b>7,514,865</b>
<b>Intangible Assets under development</b>	<b>8,102,020</b>	<b>32,799,734</b>	<b>-</b>	<b>40,901,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,901,754</b>	<b>8,102,020</b>
<b>GRAND TOTAL</b>	<b>63,537,457</b>	<b>38,286,075</b>	<b>-</b>	<b>101,823,532</b>	<b>17,978,817</b>	<b>10,561,573</b>	<b>-</b>	<b>28,540,390</b>	<b>45,558,640</b>





Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>12 NON-CURRENT INVESTMENTS</b>		
<b>Investments in quoted equity shares fully paid-up</b>		
(a) 980 (PY : 980) equity shares of ₹ 10/- each of GSL Securities Limited	5,740	5,740
(b) 22,023 (PY : 22,023) equity shares of ₹ 10/- each of Lawreshwar Polymers Limited	191,610	191,610
(c) 1,50,000 (PY: Nil) equity shares of ₹1/- each of Vakrangee Ltd	4,178,419	-
<b>Total (A)</b>	<b>4,375,769</b>	<b>197,350</b>
<b>Investments in unquoted equity shares fully paid-up</b>		
(d) 25,00,000 (PY : NIL) equity shares of ₹ 10/- each of Choice Finserv Private Limited.	50,000,000	-
(e) 10,00,000 (PY : NIL) equity shares of ₹ 10/- each of Choice Portfolio Management Services Private Limited.	10,000,000	-
<b>Total (B)</b>	<b>60,000,000</b>	<b>-</b>
<b>Total (A+B)</b>	<b>64,375,769</b>	<b>197,350</b>
<b>Aggregate book value of -</b>		
Quoted fully paid-up investments	4,375,769	197,350
<b>Aggregate market value of -</b>		
Quoted fully paid-up investments	8,213,735	772,040
<b>13 LONG-TERM LOANS AND ADVANCES</b>		
Unsecured Advances considered good		
Security deposits to stock exchange	31,820,001	18,100,000
Other Security deposits	8,397,835	3,088,500
Prepaid Expenses	147,540	802,708
MAT credit entitlement	9,024,300	-
AdvanceTax (net of provisions)	2,401,126	-
<b>Total</b>	<b>51,790,802</b>	<b>21,991,208</b>
<b>14 OTHER NON-CURRENT ASSETS</b>		
Fixed deposit (with Maturity of more than 12 Months)*	2,500,000	2,500,000
Interest Accrued on deposits	243,054	87,230
<b>Total</b>	<b>2,743,054</b>	<b>2,587,230</b>
*Note:- The above Fixed Deposit Receipt is under Lien with ICICI Bank Limited for the purpose of Bank Guarantee		
<b>15 INVENTORIES</b>		
<b>Stock-in-trade</b>		
Shares and Securities	249,524,673	174,660,044
<b>Total</b>	<b>249,524,673</b>	<b>174,660,044</b>



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>16 TRADE RECEIVABLES</b>		
<b><u>Secured, considered good*</u></b>		
(a) Outstanding for a period exceeding six months from the date they are due for payments	4,783,713	7,177,953
(b) Others**	474,209,830	1,026,990,129
<b><u>Unsecured, considered good</u></b>		
(a) Outstanding for a period exceeding six months from the date they are due for payments	37,996,347	12,265,667
(b) Others	24,790,159	59,779,568
<b><u>Unsecured, considered Doubtful</u></b>		
Outstanding for a period exceeding six months from the date they are due for payments	2,408,836	1,800,000
Less:- Provision for Doubtful debts	(2,408,836)	(1,800,000)
	<b>541,780,049</b>	<b>1,106,213,317</b>

\* Secured against Securities given as collateral by the customers

\*\*Note: The above includes amounts receivable from customers aggregating ₹ 23,672,386 (PY: ₹103,327,535) on account of their purchases made which are due for payment after March 31, 2019, based on settlement date as per the clearing process of stock exchanges.

**17 CASH AND BANK BALANCES**

**Cash & Cash Equivalents**

Cash on Hand	8,288	3,851
Bank Balances - In current accounts	72,778,095	208,480,158
Cash & Cash equivalents (as per AS-3 "Cash Flow Statements")	<b>72,786,383</b>	<b>208,484,009</b>

**Other Bank Balances**

Fixed Deposits with Banks under Lien*	84,420,817	242,090,686
<b>Cash and Bank Balances</b>	<b>157,207,200</b>	<b>450,574,695</b>

\* Fixed Deposits are under Lien with Banks for Bank Guarantees (with maturity of more than of 3 Months but less than 12 Months)

**18 SHORT-TERM LOANS AND ADVANCES**

Unsecured Advances considered good		
Margin Money	1,003,759,195	9,206,890
Loans and Advances to employees	3,113,808	1,908,553
Balance with statutory/revenue authorities	-	49,320
Advance to vendors	3,833,419	1,197,935
Prepaid Expenses	14,574,180	13,675,663
	<b>1,025,280,602</b>	<b>26,038,361</b>



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>19 OTHER CURRENT ASSETS</b>		
Receivables from Exchanges (Note 1)	191,337,835	6,014,262
Unbilled Revenue	2,827,156	2,044,840
Other assets (Note 2)	43,340,855	1,645,667
Interest accrued on margin deposit	6,175,063	-
	<b>243,680,909</b>	<b>9,704,769</b>

Note 1: The above includes amounts receivable from stock exchanges aggregating ₹ 186,814,361 (PY : ₹ 3,875,847) on account of sales made by customers which are due for payment after March 31, 2019, based on settlement falling due post balance sheet date.

Note 2: This includes an amounts of ₹ 24,300,000 paid on account of acquisition of property and amount of ₹ 18,978,700 receivable from Inditrade capital limited for business acquisition.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>20 REVENUE FROM OPERATIONS</b>		
Brokerage Income	352,983,349	292,211,873
Sale of Shares and Securities	208,013,356	260,775,631
Delayed Payment Charges	130,350,845	162,390,910
Other Fees and Charges	16,893,502	14,664,747
	<u>708,241,052</u>	<u>730,043,161</u>
<p>* Note: The above includes Brokerage Income from Clients aggregating ₹ 2,961,114 (PY : ₹ 1,682,234) on account of purchases and sales made by them which are due for payment after March 31, 2019, based on settlement falling due post March 31, 2019.</p>		
<b>21 OTHER INCOME</b>		
Interest Income	70,928,518	13,249,967
Dividend Income	37,500	-
Other Non operating Income	769,249	413,396
	<u>71,735,267</u>	<u>13,663,363</u>
<b>22 PURCHASES</b>		
Shares and Securities	270,400,208	299,365,095
	<u>270,400,208</u>	<u>299,365,095</u>
<b>23 CHANGES IN THE INVENTORIES</b>		
Shares and Securities		
At the beginning of the year	174,660,044	91,266,224
Less : At the end of the year	249,524,673	174,660,044
	<u>(74,864,629)</u>	<u>(83,393,820)</u>
<b>24 OPERATING EXPENSES</b>		
Sub-brokerage and Referral fees	100,167,370	71,473,233
Computer and Software Expenses	19,428,206	13,318,253
Professional Charges	3,161,083	4,924,932
Depository Charges	5,660,796	2,171,555
Membership and Subscription Charges	1,778,439	955,837
Lease Line Expenses	3,988,624	840,951
Exchange Charges	393,156	365,525
Other Operating Expenses	3,349,979	2,481,950
	<u>137,927,653</u>	<u>96,532,236</u>



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

(Amount in ₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries Bonus and allowances	213,973,745	168,607,457
Contribution to provident fund and other Funds	5,811,307	3,400,521
Staff Welfare Expenses	6,000	329,514
	<b>219,791,052</b>	<b>172,337,492</b>
<b>26 FINANCE COST</b>		
(a) Interest on Borrowings from		
Banks	48,882,019	37,145,305
Financial Institutions	22,254,581	41,490,274
Holding Company	-	4,044,718
(b) Other borrowing costs	26,656,136	21,119,621
	<b>97,792,736</b>	<b>103,799,918</b>
<b>27 OTHER EXPENSES</b>		
Business Support Charges	9,955,900	28,313,610
Rent Expenses	24,992,253	12,421,922
Marketing and Advertisement Expenses	12,713,995	11,546,255
Claims and Dispute Expenses	4,970,945	6,978,620
Communication expenses	8,978,716	6,846,345
Travelling and Conveyance Expenses	4,046,126	3,908,801
Repairs and Maintenances	3,594,242	1,331,500
Legal and professional fees	2,799,534	1,100,302
Provision for Doubtful Trade Receivables	645,000	1,800,000
Printing and stationery	2,321,149	1,431,448
Electricity Charges	2,303,482	809,829
Rates and taxes	239,530	436,666
Miscellaneous Expenses*	7,960,476	5,936,711
	<b>85,521,348</b>	<b>82,862,009</b>
* Miscellaneous expenses includes :		
Payment made to statutory auditors		
- For audit	2,300,000	2,000,000
	<b>2,300,000</b>	<b>2,000,000</b>
<b>28 EARNINGS PER EQUITY SHARE</b>		
Profit attributable to Equity shareholders	22,105,535	36,803,408
Weighted average number of equity shares	8,017,800	5,652,740
<b>Basic/Dilutive Earnings Per Share</b>	<b>2.76</b>	<b>6.51</b>
Face value per Share	10	10



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

29 Related Party Transactions

(a) As per Accounting Standard - 18 on Related Party Disclosure, the Related Parties are as follows :

Related Party Disclosure	Name of Related Parties	March 31, 2019	March 31, 2018
Details of Related Parties -			
<b>Description of Relationship</b>			
a. Holding Company	Choice International Limited	✓	✓
b. Fellow Subsidiary Companies	Choice Capital Advisors Pvt. Limited	✓	✓
	Choice Corporate Services Pvt. Limited	✓	✓
	Choice Merchandise Broking Pvt. Limited	Amalgamated with the Company	✓
	Choice Consultancy Services Pvt. Limited	✓	✓
	Choice Wealth Management Pvt. Limited	✓	✓
	Choice Portfolio Management Services Private Limited (Formerly known as Choice Stock Trade Pvt. Ltd.)	✓	✓
	Choice Peers International Private Limited	✓	✓
	Choice Finserv Private Limited	✓	✓
	Choice E-Commerce Private Limited (till March 26,2018)	-	✓
	Choice Tech Lab Solutions Private Limited	✓	✓
	Choice Retail Solutions Private Limited (w.e.f. December 06,2017) (Formerly known as Choice Start up Pvt. Ltd.)	✓	✓
c. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Director)	✓	✓
	Santosh Poddar (Relative of KMP)	✓	✓
	Manju Poddar (Relative of KMP)	✓	✓
	Arun Poddar (Relative of KMP)	✓	✓
	Meenu Bajaj (Relative of KMP)	✓	✓
	Hemlata Poddar (Relative of KMP)	✓	✓
	Shreyam Poddar (Relative of KMP)	✓	✓
	Ajay Kejriwal (Director)	✓	✓
	Babita Kejriwal (Relative of KMP)	✓	✓
	Rajendra Kejriwal (Relative of KMP)	✓	✓
	Maltidevi Kejriwal (Relative of KMP)	✓	✓
	Harsh Kejriwal (Relative of KMP)	✓	✓
	Mehek Kejriwal (Relative of KMP)	✓	✓
	Vijay Kejriwal (Relative of KMP)	✓	✓
	Manisha Dattani (Relative of KMP)	✓	✓
	Ramratan Chirania (Director)	✓	✓
	Sangita Ramratan Chirania (Relative of KMP)	✓	✓
	Makhanlal Chirania (Relative of KMP)	✓	✓
	Daulat Ram Chirania (Relative of KMP)	✓	✓
	Sua Devi Chirania (Relative of KMP)	✓	✓
	Rukmani Chirania (Relative of KMP)	✓	✓
	Jhabarmal ji Hamathka (Relative of KMP)	✓	✓
	Parmanand Chirania (Relative of KMP)	✓	✓
	Ramesh Chirania (Relative of KMP)	✓	✓
	Surgyan Chirania (Relative of KMP)	✓	✓
	Praveen Chirania (Relative of KMP)	✓	✓
	Govind Chirania (Relative of KMP)	✓	✓
	Vimla Sarawagi (Relative of KMP)	✓	✓
	Phushpa Parmanandka (Relative of KMP)	✓	✓
	Nishita Chirania (Relative of KMP)	✓	✓
	Devkaran Chirania (Relative of KMP)	✓	✓
	Narendra Chirania (Relative of KMP)	✓	✓
	Sunil Bagaria (Director)	✓	-
	Poonam Bagaria (Relative of KMP)	✓	-
	Aushtosh Bagaria (Relative of KMP)	✓	-
	Yashvi Bagaria (Relative of KMP)	✓	-
	Snehalata Bagaria (Relative of KMP)	✓	-
	Anju Patodia (Relative of KMP)	✓	-
	Manju Patodia (Relative of KMP)	✓	-
	Nisha Sarawgi (Relative of KMP)	✓	-
	Sandeep Likhmania (CS) (upto January 14,2018)	-	-
	Hanuman Patel ( Company Secretary )	-	-
d. Enterprises over which (c) are able to exercise significant influence	S. K. Patodia & Associates	✓	✓
	Samank Consumer Products Private Limited	✓	✓
	Samank Apparels Private Limited	✓	✓
	Choice Insurance Broking India Private Limited	✓	✓
	Lions Mumbai Choice Foundation	✓	-
	Farmer's Evolvement Foundation	✓	✓
	Choice Strategic Advisors LLP	✓	-
	DE Starwing Courier's LLP	✓	-
	The Byke Hospitality Limited	✓	✓
	Ajay R. Kejriwal HUF	✓	✓
	Rajendrakumar Kejriwal HUF	✓	✓
	Ramratan Chirania HUF	✓	✓
	Kamal Poddar HUF	✓	✓
	Arunkumar Poddar HUF	✓	✓
	Santosh Kumar Poddar Huf	✓	✓
	Sunil Bagaria HUF	✓	-
	Vijay Kejriwal HUF	✓	✓



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

29 (b) Details of Related Party transactions during the year ended March 31, 2019

(Amount in ₹)

Particulars	Holding	Fellow Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Loan Given to-</b>						
Choice International Limited	433,770,635	-	-	-	-	433,770,635
Choice Finserv Private Limited	-	497,599,112	-	-	-	497,599,112
<b>Total</b>	<b>433,770,635</b>	<b>497,599,112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>931,369,747</b>
<b>Loan Repayment received from-</b>						
Choice International Limited	460,605,445	-	-	-	-	460,605,445
Choice Finserv Private Limited	-	497,599,112	-	-	-	497,599,112
<b>Total</b>	<b>460,605,445</b>	<b>497,599,112</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>958,204,557</b>
<b>Loan Taken from-</b>						
Choice International Limited*	97,115,190	-	-	-	-	97,115,190
Choice Finserv Private Limited	-	70,920,888	-	-	-	70,920,888
<b>Total</b>	<b>97,115,190</b>	<b>70,920,888</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168,036,078</b>
<b>Loan Repaid-</b>						
Choice International Limited*	97,115,190	-	-	-	-	97,115,190
Choice Finserv Private Limited	-	29,846,680	-	-	-	29,846,680
<b>Total</b>	<b>97,115,190</b>	<b>29,846,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,961,870</b>
<b>Intangible Assets under Development</b>						
Choice Techlab Solutions Pvt Ltd	-	10,000,000	-	-	-	10,000,000
<b>Total</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>
<b>Revenue from Operations</b>						
<u>Income from Brokerage &amp; Other Charges</u>						
Ramratan Chirania	-	-	7,000	-	-	7,000
Ramratan Chirania (HUF)	-	-	-	-	1,214	1,214
Sangita Ramratan Chirania	-	-	-	79,323	-	79,323
Dev Karan M Chirania	-	-	-	2,148	-	2,148
Nishita Ramratan Chirania	-	-	-	79,966	-	79,966
Narendra Kumar Makhanlal Chirania	-	-	-	36,859	-	36,859
Ajay Rajendra Kejriwal	-	-	538	-	-	538
Ajay R Kejriwal (HUF)	-	-	-	-	3,657	3,657
Malti Rajendra Kejriwal	-	-	-	1,160	-	1,160
Babita Ajay Kejriwal	-	-	-	308	-	308
Vijay Rajendra Kejriwal	-	-	-	3,304	-	3,304
Rajendrakumar Kejriwal	-	-	-	3,473	-	3,473
Kamal Poddar	-	-	707,341	-	-	707,341
Kamal Poddar (HUF)	-	-	-	-	472	472
Arunkumar Poddar	-	-	-	592	-	592
Hemlata Kamal Poddar	-	-	-	496	-	496
Santosh Kumar Poddar	-	-	-	5,886	-	5,886
Manju Poddar	-	-	-	236	-	236
Meenu Poddar	-	-	-	11,228	-	11,228
Sunil Bagaria	-	-	25,599	-	-	25,599
Sunil Bagaria HUF	-	-	-	-	44,644	44,644
Snehlata bagana	-	-	-	61,163	-	61,163
Poonam Bagana	-	-	-	55,593	-	55,593
Vijay R Kejriwal Huf	-	-	-	11,517	-	11,517
Santosh Kumar Poddar Huf	-	-	-	2,436	-	2,436
<b>Total</b>	<b>-</b>	<b>-</b>	<b>740,478</b>	<b>355,687</b>	<b>49,987</b>	<b>1,146,152</b>
<b>Interest Income</b>						
Choice International Limited	7,410,238	-	-	-	-	7,410,238
Choice Finserv Private Limited	-	29,526,437	-	-	-	29,526,437
<b>Other Operating Income</b>						
Choice Wealth Management Private Limited	-	290,720	-	-	-	290,720
<b>Total</b>	<b>7,410,238</b>	<b>29,817,157</b>	<b>740,478</b>	<b>355,687</b>	<b>49,987</b>	<b>38,373,547</b>
<b>Administrative and Other Expenses</b>						
<u>Business Support Services-</u>						
Choice International Limited	9,955,900	-	-	-	-	9,955,900
<u>Professional Fees</u>						
Choice Techlab Solutions Pvt Ltd	-	160,456	-	-	-	160,456
<u>Computer Expense</u>						
S.K. Patodia & Associates	-	-	-	-	177,000	177,000
<u>Rent</u>						
Choice Consultancy Services Pvt. Ltd	-	120,000	-	-	-	120,000
Choice International Limited	16,800,000	-	-	-	-	16,800,000
<b>Total</b>	<b>26,755,900</b>	<b>280,456</b>	<b>-</b>	<b>-</b>	<b>177,000</b>	<b>27,213,356</b>



Particulars	Holding	Fellow Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Finance Costs</b>						
Choice International Limited	20,445	-	-	-	-	20,445
<b>Total</b>	<b>20,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,445</b>
<b>Employee Benefit Expenses</b>						
<u>Salary &amp; allowances</u>						
Ajay Kejriwal	-	-	2,056,501	-	-	2,056,501
Ramratan Chirania	-	-	1,752,156	-	-	1,752,156
Sunil Bagaria	-	-	1,800,000	-	-	1,800,000
Narendra Kumar Chirania	-	-	-	363,419	-	363,419
Vijay Kejriwal	-	-	-	1,020,000	-	1,020,000
Sangita Chirania	-	-	-	1,000,000	-	1,000,000
Hanuman Patel	-	-	323,899	-	-	323,899
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,932,556</b>	<b>2,383,419</b>	<b>-</b>	<b>8,315,975</b>
<b>Balances outstanding at the end of the year</b>						
<b>Trade receivables-</b>						
Santosh Kumar Poddar	-	-	-	30,268	-	30,268
Hemlata Kamal Poddar	-	-	-	1,015	-	1,015
Kamal Poddar	-	-	9,341,784	-	-	9,341,784
Meenu Poddar	-	-	-	1,819	-	1,819
Arunkumar Poddar HUF	-	-	-	-	1,355	1,355
Kamal Poddar HUF	-	-	-	-	2,019	2,019
Sangita Ramratan Chirania	-	-	-	1,967,797	-	1,967,797
Manju Poddar	-	-	-	236	-	236
Sunil Bagaria HUF	-	-	-	-	62,519	62,519
Ajay Rajendra Kejriwal	-	-	-	11	-	11
Babita Kejriwal	-	-	-	235	-	235
Vijay R Kejriwal Huf	-	-	-	-	175,490	175,490
Snehlata bagaria	-	-	-	4,571,923	-	4,571,923
Narendra Kumar Makhnial Chirania	-	-	-	116,133	-	116,133
<b>Total</b>	<b>-</b>	<b>-</b>	<b>9,341,784</b>	<b>6,689,437</b>	<b>241,383</b>	<b>16,272,603</b>
<b>Other Current Liabilities</b>						
Ramratan Chirania	-	-	96	-	-	96
Sunil Bagaria	-	-	2,518	-	-	2,518
Nishita Ramratan Chirania	-	-	-	2,016,777	-	2,016,777
Vijay Rajendra Kejriwal	-	-	-	7,409	-	7,409
Rajendrakumar Kejriwal	-	-	-	539	-	539
Santosh Kumar Poddar Huf	-	-	-	-	26,175	26,175
Maltidevi Kejriwal	-	-	-	23	-	23
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,614</b>	<b>2,024,749</b>	<b>26,175</b>	<b>2,053,537</b>
<b>Trade Payables</b>						
Choice International Limited	5,706,116	-	-	-	-	5,706,116
Choice Consultancy Services Pvt. Ltd	-	3,256	-	-	-	3,256
Choice Techlab Solutions Pvt Ltd	-	173,292	-	-	-	173,292
S.K. Patodia & Associates	-	-	-	-	173,460	173,460
<b>Total</b>	<b>5,706,116</b>	<b>176,548</b>	<b>-</b>	<b>-</b>	<b>173,460</b>	<b>6,056,124</b>
<b>Other Current Assets</b>						
Choice Corporate Services Pvt Ltd	-	979	-	-	-	979
<b>Total</b>	<b>-</b>	<b>979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>979</b>
<b>Short term borrowings</b>						
Choice Finserv Private Limited	-	41,074,208	-	-	-	41,074,208
<b>Total</b>	<b>-</b>	<b>41,074,208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,074,208</b>

\*Note:-

1) Choice Equity Broking Private Limited and Choice International Limited have entered into an agreement to grant & obtain loan from each other up to amount of ₹ 650,000,000/-. During the current period, the company has done gross transaction aggregating of ₹ 2,531,430,568/- towards payment and ₹ 2,558,265,378/- towards receipts.

2) Choice Equity Broking Private Limited and Choice Finserv Private Limited have entered into an agreement to grant & obtain loan from each other up to amount of ₹1,000,000,000/-. During the current period, the company has done gross transaction aggregating of ₹ 3,751,277,941/- towards payment and ₹ 3,792,352,149/- towards receipts.

3) Choice Equity Broking Private Limited has issued corporate guarantee in favour of Choice International Limited (CIL) for bank overdraft facility of ₹ 142,500,000/- taken by CIL out of which the outstanding amount as on 31st March 2019, is ₹ 931/-





Choice Equity Broking Private Limited  
Accompanying notes to the financial statements

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

(Amount in ₹)

Particulars	Holding	Fellow Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Transactions</b>						
<b>Equity investments by</b>						
Choice International Limited	100,000,000	-	-	-	-	100,000,000
<b>Total</b>	<b>100,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,000,000</b>
<b>Loan Given to-</b>						
Choice International Limited	352,823,317	-	-	-	-	352,823,317
<b>Total</b>	<b>352,823,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352,823,317</b>
<b>Loan Repayment received from-</b>						
Choice International Limited	242,927,493	-	-	-	-	242,927,493
<b>Total</b>	<b>242,927,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>242,927,493</b>
<b>Loan Taken from-</b>						
Choice International Limited*	273,227,598	-	-	-	-	273,227,598
<b>Total</b>	<b>273,227,598</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>273,227,598</b>
<b>Loan Repaid-</b>						
Choice International Limited*	196,329,448	-	-	-	-	196,329,448
<b>Total</b>	<b>196,329,448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>196,329,448</b>
<b>Intangible Assets under Development</b>						
Choice Techlab Solutions Pvt Ltd	-	29,562,169	-	-	-	29,562,169
<b>Total</b>	<b>-</b>	<b>29,562,169</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,562,169</b>
<b>Revenue from Operations</b>						
<b>Income from Brokerage &amp; Other Charges</b>						
Choice International Limited	21,850	-	-	-	-	21,850
Choice Capital Advisors Private Limited	-	1,180	-	-	-	1,180
Ramratan Chirania	-	-	7,285	-	-	7,285
Ramratan Chirania (HUF)	-	-	-	-	496	496
Sangita Ramratan Chirania	-	-	-	44,744	-	44,744
Dev Karan M Chirania	-	-	-	2,255	-	2,255
Nishita Ramratan Chirania	-	-	-	245,702	-	245,702
Narendra Kumar Makhani Chirania	-	-	-	38,082	-	38,082
Ajay Rajendra Kejriwal	-	-	7,153	-	-	7,153
Ajay R Kejriwal (HUF)	-	-	-	-	4,824	4,824
Malti Rajendra Kejriwal	-	-	-	1,807	-	1,807
Babita Ajay Kejriwal	-	-	-	3,398	-	3,398
Vijay Rajendra Kejriwal	-	-	-	2,682	-	2,682
Rajendrakumar Kejriwal	-	-	-	21,888	-	21,888
Kamal Poddar	-	-	81,428	-	-	81,428
Kamal Poddar (HUF)	-	-	-	-	472	472
Arunkumar Poddar	-	-	-	590	-	590
Hemlata Kamal Poddar	-	-	-	4,795	-	4,795
Santosh Kumar Poddar	-	-	-	230	-	230
Manju Poddar	-	-	-	230	-	230
Meenu Poddar	-	-	-	981	-	981
<b>Total</b>	<b>21,850</b>	<b>1,180</b>	<b>95,866</b>	<b>367,383</b>	<b>5,792</b>	<b>492,070</b>
<b>Interest Income</b>						
Choice International Limited	6,738,679	-	-	-	-	6,738,679
<b>Other Operating Income</b>						
Choice Wealth Management Private Limited	-	954,418	-	-	-	954,418
<b>Total</b>	<b>6,760,529</b>	<b>955,598</b>	<b>95,866</b>	<b>367,383</b>	<b>5,792</b>	<b>8,185,167</b>



Particulars	Holding	Fellow Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Administrative and Other Expenses</b>						
Business Support Services- Choice International Limited	31,351,137	-	-	-	-	31,351,137
Rent	-	-	-	-	-	-
Choice Consultancy Services Pvt. Ltd	-	120,000	-	-	-	120,000
Choice International Limited	16,800,000	-	-	-	-	16,800,000
<b>Other Expenses</b>						
Mehek Kejriwal	-	-	-	60,000	-	60,000
Harsh Kejriwal	-	-	-	60,000	-	60,000
<b>Total</b>	<b>48,151,137</b>	<b>120,000</b>	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>48,391,137</b>
<b>Finance Costs</b>						
Choice International Limited	4,705,643	-	-	-	-	4,705,643
<b>Total</b>	<b>4,705,643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,705,643</b>
<b>Employee Benefit Expenses</b>						
<b>Salary &amp; allowances</b>						
Ajay Kejriwal	-	-	1,430,200	-	-	1,430,200
Ramratan Chirania	-	-	1,538,520	-	-	1,538,520
Sandeep Likhmania	-	-	824,358	-	-	824,358
Vijay Kejriwal	-	-	-	720,000	-	720,000
Babita Kejriwal	-	-	-	967,740	-	967,740
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,793,078</b>	<b>1,687,740</b>	<b>-</b>	<b>5,480,818</b>
<b>Balances outstanding at the end of the year</b>						
<b>Trade receivables-</b>						
Choice Capital Advisors Private Limited	3,417,171	3,481	-	-	-	3,420,652
Ramratan Chirania	-	-	206,667	-	-	206,667
Hemlata Kamal Poddar	-	-	-	519	-	519
Kamal Poddar	-	-	47	-	-	47
Meenu Poddar	-	-	-	466	-	466
Arunkumar Poddar	-	-	-	1,933	-	1,933
Kamal Poddar (HUF)	-	-	-	-	1,547	1,547
Sangita Ramratan Chirania	-	-	-	828,759	-	828,759
Dev Karan M Chirania	-	-	-	100	-	100
Narendra Kumar Makhantal Chirania	-	-	-	163,832	-	163,832
<b>Total</b>	<b>3,417,171</b>	<b>3,481</b>	<b>206,714</b>	<b>995,609</b>	<b>1,547</b>	<b>4,624,522</b>
<b>Other Current Liabilities</b>						
Ramratan Chirania (HUF)	-	-	-	-	12	12
Santosh Kumar Poddar	-	-	-	1,420	-	1,420
Nishita Ramratan Chirania	-	-	-	4,613,700	-	4,613,700
Ajay R Kejriwal (HUF)	-	-	-	-	12	12
Vijay Rajendra Kejriwal	-	-	-	55,802	-	55,802
Rajendrakumar Kejriwal	-	-	-	372	-	372
Choice Techlab Solutions Pvt Ltd	-	5,375,528	-	-	-	5,375,528
<b>Total</b>	<b>-</b>	<b>5,375,528</b>	<b>-</b>	<b>4,671,294</b>	<b>24</b>	<b>10,046,846</b>
<b>Trade Payables</b>						
Choice Consultancy Services Pvt. Ltd	-	1,567	-	-	-	1,567
Choice International Limited	7,567,170	-	-	-	-	7,567,170
Ramratan Chirania	-	-	149,800	-	-	149,800
Ajay Kejriwal	-	-	134,284	-	-	-
Harsh Kejriwal	-	-	-	5,000	-	5,000
Mehek Kejriwal	-	-	-	5,000	-	5,000
S K Patodia & Associates	-	-	-	-	80,250	80,250
<b>Total</b>	<b>7,567,170</b>	<b>1,567</b>	<b>284,084</b>	<b>10,000</b>	<b>80,250</b>	<b>7,808,787</b>
<b>Other Current Assets</b>						
Choice Finserv Pvt Ltd.	-	101,587	-	-	-	101,587
Choice Portfolio Management Services Pvt Ltd.	-	317,853	-	-	-	317,853
Choice Wealth Management Private Limited	-	1,155,712	-	-	-	1,155,712
<b>Total</b>	<b>-</b>	<b>1,575,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,575,152</b>
<b>Short term Loans and Advances</b>						
Choice International Limited*	26,834,810	-	-	-	-	26,834,810
<b>Total</b>	<b>26,834,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,834,810</b>

\*Note:-

1) The Company has Line of Credit facility with the holding company of ₹ 250,000,000/- during the current period, the company has taken loan aggregating of ₹ 1,208,413,125/- and repaid loan aggregating of ₹ 1,125,352,111/-.

2) During the current year the company has loan given and repayment received during the current period aggregating of ₹ 1,329,519,372/-.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

30 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:

(Amount in ₹)

Particulars	As at March 31, 2019	As at March 31, 2018
Employers' Contribution to Provident Fund	3,786,245	1,569,071
Employers' Contribution to ESIC	2,021,738	1,829,398
<b>Total</b>	<b>5,807,983</b>	<b>3,398,469</b>

**2. Defined benefit plans**

The Company offers the Gratuity as employee benefit schemes to its employees. The Company operates funded (Previous year: unfunded) post retirement defined plans for gratuity. details for which are as follows:-

(Amount in ₹)

Expenses recognised in the statement of profit & Loss	As at March 31, 2019	As at March 31, 2018
<b>Components of employer expense</b>		
Current service cost	2,668,637	1,554,352
Interest cost	376,803	216,273
Expected return on plan assets	-	-
Past service cost	80,050	94,372
Actuarial (gains)/losses	(871,511)	(335,441)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>2,253,979</b>	<b>1,529,556</b>

Table Showing Change in fair value of defined benefits obligation :	As at March 31, 2019	As at March 31, 2018
Opening Defined Benefit Obligation	4,930,598	2,955,673
Net transfer in /(out) obligation	9,356,693	318,784
Current Service cost	2,668,637	1,554,352
Interest cost	376,803	216,273
Actuarial (gain) /loss	(917,564)	(335,441)
Past Service Cost	-	414,572
Benefits paid	-	(193,615)
<b>Closing Defined Benefit Obligation</b>	<b>16,415,167</b>	<b>4,930,598</b>

Net liability recognised in the Balance Sheet	As at March 31, 2019	As at March 31, 2018
Present value of unfunded obligation	-	4,930,598
Present value of funded obligation	16,415,167	-
(+) Expenses recognised	-	-
Fair value of Plan Assets	(295,438)	-
Funded status (Deficit)	(295,438)	(4,930,598)
Unrecognised past service costs	(240,150)	320,200
<b>Net liability recognised in the Balance Sheet</b>	<b>15,879,579</b>	<b>(4,610,398)</b>



Choice Equity Broking Private Limited

Experience Adjustments	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Experience adjustments on plan liabilities	(1,028,319)	(120,493)	296,114	337,022	(55,431)
Acturial loss/(gain) due to change in demographic assumptions	-	-	-	-	-
Acturial loss/(gain) due to change in financial assumptions	110,755	(214,945)	225,580	(28,033)	171,451
Experience adjustments on plan assets	46,053.00	-	-	-	-
<b>Net Acturial loss/(gain) for the year</b>	<b>(871,511)</b>	<b>(335,438)</b>	<b>521,694</b>	<b>308,989</b>	<b>116,020</b>
<b>Actuarial assumptions</b>				<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Discount Rate				7.65%	7.70%
Salary Growth Rate				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. The above information is certified by the actuary and relied upon by auditors.



Choice Equity Broking Private Limited

Accompanying notes to the financial statements

31 Contingent Liabilities not provided for:

Claims against the Company not acknowledged as Debts :

Particulars	As at March 31, 2019	As at March 31, 2018
Cases filed by client with the exchange	-	545,000

The Company does not expect any outflow of economic resources in respect of the above.

32 Estimated amount if contracts on capital accounts remaining to be executed but not provided in respect of assets is Nil (PY: ₹ 8,494,198)

33 The main Business of the Company is Broking Services. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per Accounting Standard (AS)-17 on "Segment Reporting" prescribed under Section 133 of the Companies Act, 2013".



**Choice Equity Broking Private Limited**

**Accompanying notes to the financial statements**

**34 Amalgamation of Choice Merchandise Broking Private Limited with Choice Equity Broking Private Limited**

The Board of Directors of Choice Equity Broking Private Limited ("CEBPL") and Choice Merchandise Broking Private Limited ("CMBPL") (both being wholly owned subsidiaries of Choice International Limited (CIL)) at their meeting held on December 8, 2017 (for CEBPL and CMBPL) and February 12, 2018 (for CIL) had approved, the merger of CMBPL, on an ongoing basis into CEBPL, pursuant to and in terms of the provisions of the Section 230 to 232 of the Companies Act, 2013, as amended from time to time.

The Hon'ble National Company Law Tribunal (NCLT) of Mumbai Bench, vide its order dated September 06, 2018 approved the Scheme (Order) with an appointed date of April 01, 2017. In terms of the Scheme, CMBPL & CEBPL filed Form No. INC-28 alongwith copy of the Order with the office of ROC, Mumbai. The ROC approval was received on October 01, 2018 and October 15, 2018 respectively post which the Scheme came into effect.

The accounting is in accordance with scheme of Amalgamation approved by NCLT and its effect given to the financial statements for the year ended March 31, 2019

The book value of assets and liabilities of Choice Merchandise Broking Private Limited taken over as on the April 01, 2017 are as follows :-

Particulars	Amount in Rs.
<b>Assets</b>	
<b>Non-Current Assets</b>	
(a) Property, Plant & Equipment's	
(i) Tangible Assets	49,056
(ii) Intangible Assets	13,369
(b) Non-Current Investments	37,455,137
(c) Deferred Tax Assets (net)	81,210
(d) Long-Term Loans and Advances	4,834,500
	<b>42,433,272</b>
<b>Current Assets</b>	
(a) Trade Receivables	15,309,507
(b) Cash and Bank Balances	84,283,284
(c) Short- Term Loans and Advances	3,865,448
(d) Other Current Assets	2,057,181
	<b>105,515,420</b>
<b>Total Assets</b>	<b>147,948,692</b>
<b>Liabilities</b>	
<b>Non- Current Liabilities</b>	
(a) Other Long Term Liabilities	399,099
(b) Long- Term Provisions	291,164
	<b>690,263</b>
<b>Current Liabilities</b>	
(a) Short- Term Borrowings	6,162,867
(b) Trade Payables	4,984,980
(c) Other Current Liabilities	80,697,623
(d) Short- Term Provisions	754,189
	<b>92,599,659</b>
<b>Total Liabilities</b>	<b>93,289,922</b>
<b>Net Assets (Total Assets-Total Liabilities) (A)</b>	<b>54,658,770</b>
<b>Consideration Paid (B)</b>	<b>100,136,638</b>
<b>Goodwill (C) = (B)-(A)</b>	<b>45,477,868</b>
<b>Profit for the year 2017-18 (D)</b>	<b>69,514,132</b>
<b>Credit to Reserve &amp; Surplus (D)-(C)</b>	<b>24,036,264</b>

The Board of Directors of CEBPL, on October 1, 2018, issued and allotted 1,367,800 fully paid Equity Shares of ₹ 10/- each of CEBPL at a premium of ₹ 63.21 per share to the CIL aggregating to ₹ 100,136,638 against its holding of 1,400,000 fully paid Equity Shares of ₹ 10/- each of CMBPL, in the ratio of 0.977:1 i.e. the Share Exchange Ratio, provided under the Scheme.



Choice Equity Broking Private Limited


Accompanying notes to the financial statements

- 35 The Board of Directors of the Company at its meeting held on August 16, 2018 had approved the full Assignment of DP operations of NG Rathi Investrades Private Limited in favour of the Company. The Business Transfer Agreement between the Company and NG Rathi Investrades Private Limited was signed on September 01, 2018 for Consideration of ₹ 5,000,000/-, which was finally settled at ₹ 2,500,000/-. The Consideration paid of ₹ 2,500,000/- has been accounted as intangible asset, which is amortized over a period of 5 years.
- 36 With regard to the Supreme Court judgement dated February 28, 2019 to consider all emoluments (universally, necessarily and ordinarily) as basic wages for the purpose of contribution to Provident fund (PF), the Company has been legally advised that the judgement will be applicable prospective from March 2019 and accordingly the Company has made additional provision of PF liability in the books of Accounts.
- 37 The Board of Directors of CEBPL at its meeting held on December 08, 2018 had approved the purchase of equity broking business of 'Inditrade Capital Limited' ("Inditrade") by way of slump sale on a going concern basis. Business Transfer Agreement was entered between CEBPL and Inditrade on May 18, 2018. After receiving the necessary regulatory approvals, the equity broking business of Inditrade was transferred to CEBPL from the close of business hours on December 28, 2018. Consequently, all assets and liabilities of equity broking business of "Inditrade" have been accounted at book value in the CEBPL's books of account and a goodwill of ₹ 80,000,000 has been accounted as an intangible asset, which is being amortized over a period of 5 years.
- 38 Previous year figures are not comparable with current year due to amalgamation of CEBPL and CMBPL.
- 39 Corresponding figures for the previous year have been reclassified and represented in accordance with the current year presentation wherever necessary.

For and on behalf of Board of Directors

  
Kamal Poddar  
Director  
(DIN-01518700)

  
Ajay Kejriwal  
Director  
(DIN-03051841)

  
Hanuman Patel  
Company Secretary  
Mem No.:-A 55616

Mumbai: May 29, 2019

Mumbai: May 29, 2019

