# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of **M/s CHOICE WEALTH MANAGEMENT PRIVATE LIMITED ("the Company")**, which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and its cash flows for the period ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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 Responsibilities for the Audit of the Standalone 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 independence requirements that are relevant to our audit of the standalone 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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M No. 154193
FRN 135952W
Chartered Accountants

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

## Responsibility of Management for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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 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

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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 scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the standalone 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 standalone 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,

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Chartered Accountants

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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

**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 Indian Accounting Standards (Ind AS) 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, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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;

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(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
UDIN: 20154193AAAABF1108
Place of Signature: Mumbai
Date: 24/06/2020

**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 hasnot advanced loans to directors / to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon.

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

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Sushil Goyal
Partner
Membership Number: 154193
UDIN: 20154193AAAABF1108
Place of Signature: Mumbai
Date: 24/06/2020

ASBS & CO. M No. 154193 FRN 135952W Chartered Accountants

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THEFINANCIAL 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, 2020 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.

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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 31,2020 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
UDIN: 20154193AAAABF1108
Place of Signature: Mumbai
Date: 24/06/2020

**Choice Wealth Management Private Limited**

**Balance Sheet**

(Rs. in Lakhs)

| Particulars | Note No. | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|---|---|---|---|---|
| **I Assets** | | | | |
| **1. Non - Current Assets** | | | | |
| (a) Property, Plant & Equipment | 5 | 0.30 | 0.89 | 1.49 |
| (b) Intangible assets | 6 | 55.09 | 16.47 | 21.25 |
| (c) Intangible assets under development | 6 | - | - | 0.26 |
| (d) Income Tax Assets | 7 | 0.09 | 0.94 | - |
| | | **55.47** | **18.31** | **23.00** |
| **2. Current Assets** | | | | |
| (a)Financial Assets | | | | |
| (i) Trade Receivables | 8 | 0.14 | 0.24 | - |
| (ii) Cash and Cash Equivalents | 9 | 2.40 | 0.34 | 0.97 |
| (iii) Loans | 10 | - | 0.47 | 0.74 |
| (b) Other Current Assets | 11 | 57.22 | 50.49 | 31.11 |
| | | **59.76** | **51.55** | **32.82** |
| **TOTAL** | | **115.23** | **69.86** | **55.82** |
| **II Equity & Liabilities** | | | | |
| **Equity** | | | | |
| (a) Equity Share Capital | 12 | 64.16 | 1.00 | 1.00 |
| (b) Other Equity | 13 | (7.36) | (387.28) | (204.76) |
| | | **56.80** | **(386.28)** | **(203.76)** |
| **2. Non - Current Liabilities** | | | | |
| (a) Provisions | 14 | 3.66 | 1.48 | 2.02 |
| (b) Deferred Tax Liabilities(net) | 15 | 2.47 | 1.40 | 1.15 |
| | | **6.14** | **2.88** | **3.17** |
| **3. Current Liabilities** | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 16 | 14.87 | 430.65 | 182.25 |
| (ii) Trade Payables | 17 | 20.99 | 20.84 | 69.02 |
| (b) Other Current Liabilities | 18 | 14.28 | 0.67 | 5.10 |
| (c) Provisions | 19 | 2.15 | 1.10 | 0.06 |
| | | **52.29** | **453.26** | **256.42** |
| **TOTAL** | | **115.23** | **69.86** | **55.82** |

The accompanying notes are an integral part of the finanical statements
Notes forming part of financial statements 1-33

In terms of our report of even date
**For ASBS & Co.**
Chartered Accountants
**F.R.No. : 135952W**

ASBS & CO. M. No. 154193 FRN 135952W Chartered Accountants

**Sushil Goyal**
Partner
**Membership No. :154193**

Mumbai, June 24, 2020

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

Choice Wealth Management Pvt. Ltd. Mumbai

**Kamal Poddar**
Director
**DIN :- 01518700**

Mumbai, June 24, 2020

**Ajay Rajendra Kejriwal**
Director
**DIN :- 03051841**

Mumbai, June 24, 2020

**Choice Wealth Management Private Limited**

**Statement of Profit and Loss**

(Rs. in Lakhs)

| | Particulars | Note No. | For the year ended March 31, 2020 | | For the year ended March 31, 2019 | |
|---|---|---|---|---|---|---|
| **I** | **Revenue** | | | | | |
| | Revenue from Operations | 20 | 67.97 | | 100.32 | |
| | Other Income | 21 | 0.04 | | 0.01 | |
| | **Total Income** | | | **68.00** | | **100.33** |
| **II** | **Expenses** | | | | | |
| | Cost of Services | 22 | 7.55 | | 3.25 | |
| | Employee Benefits Expense | 23 | 95.78 | | 73.98 | |
| | Finance Costs | 24 | 42.47 | | 0.72 | |
| | Depreciation and Amortisation Expenses | 5 &6 | 9.61 | | 5.63 | |
| | Other Expense | 25 | 67.62 | | 199.64 | |
| | **Total Expense** | | | **223.03** | | **283.21** |
| **III** | **Loss Before Tax (I-II)** | | | **(155.03)** | | **(182.89)** |
| **IV** | **Less:Tax Expense** | | | | | |
| | Current Tax Expense | | - | | - | |
| | Earlier year Tax Expense | | 0.14 | | 0.25 | |
| | Deferred Tax | | 1.08 | | (0.16) | |
| | **Total Tax Expense** | | | **1.22** | | **0.09** |
| **V** | **Loss for the year (III-IV)** | | | **(156.25)** | | **(182.97)** |
| **VI** | **Other Comprehensive Income** | | | | | |
| | **Items that will not be reclassified to profit or loss** | | | | | |
| | Re-measurement gains/ (losses) on defined benefit obligations | | | (0.68) | | 0.62 |
| | Tax effect on above | | | 0.00 | | (0.16) |
| | **Other Comprehensive Income for the year, net of tax** | | | **(0.68)** | | **0.46** |
| **VII** | **Total Comprehensive Loss for the year (V+VI) (Comprising Loss and Other Comprehensive Income for the year)** | | | **(156.93)** | | **(182.51)** |
| **VIII** | **No. of equity shares for computing EPS** | | | | | |
| | (1) Basic | | | | | |
| | (2) Diluted | | | | | |
| **IX** | **Loss Per Equity Share (Face Value Rs. 10 Per Share):** | 26 | | | | |
| | (1) Basic (Rs.) | | | **(1,550.30)** | | **(1,829.73)** |
| | (2) Diluted (Rs.) | | | **(1,562.48)** | | **(1,829.73)** |

The accompanying notes are an integral part of the finanical statements
Notes forming part of financial statements 1-33
In terms of our report of even date

**For ASBS & Co.**
Chartered Accountants
**F.R.No. : 135952W**

ASBS & CO. M. No. 154193 FRN 135952W Chartered Accountants

**Sushil Goyal**
Partner
**Membership No. :154193**

Mumbai, June 24, 2020

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

Choice Wealth Management Pvt. Ltd. Mumbai

**Kamal Poddar**
Director
**DIN :- 01518700**

Mumbai, June 24, 2020

**Ajay Rajendra Kejriwal**
Director
**DIN :- 03051841**

Mumbai, June 24, 2020

**Choice Wealth Management Private Limited**

**Cash Flow Statement**

(Rs. in Lakhs)

| Particulars | For the Year Ended March 31, 2020 | For the Year Ended March 31, 2019 |
|---|---|---|
| **A. Cash flow from Operating Activities** | | |
| Net profit before extra-ordinary items and tax | (155.03) | (182.89) |
| Adjustments for: | | |
| Depreciation | 9.61 | 5.63 |
| Provision for Gratuity | 2.55 | 1.13 |
| Profit on sale of fixed assets | | (0.01) |
| Operating loss before Working Capital changes | (142.87) | (176.12) |
| Changes in Working Capital | | |
| Decrease/(Increase) in Trade receivables | 0.10 | (0.24) |
| Decrease/(Increase) in Financial assets - loans | 0.47 | 0.27 |
| Decrease/(Increase) in Other Current Assets | (5.87) | (20.33) |
| Increase / (Decrease) in Trade Payables | 0.15 | (48.18) |
| Decrease/(Increase) in Other Current Financial Assets | 13.61 | (4.42) |
| Cash generated from operations | (134.40) | (249.03) |
| - Income tax paid | (0.14) | - |
| **Net cash flow (used in) from Operating Activities** | (134.54) | (249.03) |
| **B. Cash flow from Investing Activities** | | |
| Sale /(Purcahse) of fixed assets | (47.63) | 0.01 |
| **Net cash flow from/(used in) Investing Activities** | (47.63) | 0.01 |
| **C. Cash flow from Financing Activities** | | |
| Proceeds from Issue of Share Capital | 600.00 | |
| Money borrowed/(repaid) | (415.77) | 248.40 |
| **Net cash flow from Financing Activities** | 184.23 | 248.40 |
| **Net increase/(decrease) in Cash and Cash Equivalents** | 2.06 | (0.63) |
| **Opening Cash and Cash Equivalents** | 0.34 | 0.97 |
| **Closing Cash and Cash Equivalents** | 2.40 | 0.34 |

In terms of our report of even date
**For ASBS & Co.**
Chartered Accountants
**F.R.No. : 135952W**

ASBS & CO. M. No. 154193 FRN 135952W Chartered Accountants

**Sushil Goyal**
Partner
**Mem. No. :154193**

Mumbai, June 24, 2020

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

Choice Wealth Management Pvt. Ltd. Mumbai

**Kamal Poddar**
Director
**DIN :- 01518700**

Mumbai, June 24, 2020

**Ajay Rajendra Kejriwal**
Director
**DIN :- 03051841**

Mumbai, June 24, 2020

**Choice Wealth Management Private Limited**

**Statement of changes in equity for the year ended March 31, 2020**

(Rs. in Lakhs)

| Particulars | Equity Share Capital | Other Equity | | | Total equity attributable to equity holders of the Company |
|---|---|---|---|---|---|
| | | Reserve & Surplus | | Other reserves | |
| | | Retained earnings | Securities Premium | Other comprehensive Income | |
| **Balance as at April 1, 2018** | **1.00** | **(204.72)** | - | **(0.04)** | **(203.76)** |
| Profit for the year | | (182.97) | - | 0.46 | **(182.51)** |
| **Balance as at March 31, 2019** | **1.00** | **(387.69)** | - | **0.42** | **(386.28)** |
| Profit for the year | | (156.25) | | (0.68) | **(156.93)** |
| Addition during the year | 63.16 | | 536.84 | | **600.00** |
| **Balance as at March 31, 2020** | **64.16** | **(543.94)** | - | **(0.26)** | **56.80** |

The accompanying notes are an integral part of the finanical statements

In terms of our report of even date
**For ASBS & Co.**
Chartered Accountants
**F.R.No. : 135952W**

**Sushil Goyal**
Partner
**Mem. No. :154193**
Mumbai, June 24, 2020

ASBS & CO. M. No. 154193 FRN 135952W Chartered Accountants

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

Choice Wealth Management Pvt. Ltd. Mumbai

**Kamal Poddar**
Director
**DIN :- 01518700**
Mumbai, June 24, 2020

**Ajay Rajendra Kejriwal**
Director
**DIN :- 03051841**
Mumbai, June 24, 2020

Choice Wealth Management Private Limited

Notes to financial statements for the year ended March 31, 2020

## Note 1 - Corporate Information

Choice Wealth Management Private Limited (hereinafter referred to as ''the Company'') is a private limited company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at "Choice House, Shree Shakambhari Corporate Park Plot No:- 156-158, J.B. Nagar, Kanti Nagar, Andheri (East), Mumbai, Maharashtra, India. The Company is a wholly owned subsidiary of Choice Equity Broking Private Limited. Parent Company Choice Equity Broking Private Limited is wholly owned subsidiary of Choice International Limited, whose shares are listed on the Bombay Stock Exchange (BSE).

The Company is engaged in Mutual Fund distributions.

The financial statements were authorized for issue by the Company's Board of Directors on June 24, 2020.

## Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These accounting policies have been applied in preparation of the first-year financial statements of the Company.

### A. Basis of preparation

#### i. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (hereinafter referred to as "Ind AS") under the provisions of the Companies Act, 2013 (hereinafter referred to as `the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**Current versus non-current classification**

#### ii. Basis of measurement

The financial statements have been prepared on historical cost basis except the following

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and
- share based payments

### B. Summary of significant accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

ASBS & CO. M. No. 154193

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non –current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

**b. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

**Sale of services**

The Company recognizes revenue on accrual basis when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

**Interest Income**

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

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**Dividend Income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

**c. Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replaced part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over the useful lives as prescribed in Schedule II of to the Companies Act, 2013, using the straight- line method ("SLM"). Residual value is considered nil case of Computers and 5% is considered in case of other assets.

| Description of Asset | Useful Life |
|---|---|
| | |
| Computers and Printers, including Computer Peripherals | 3 Years |
| Office Equipments | 5 Years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.
The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

**Transition to Ind AS**

On Transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 1, 2018 measured as per the previous GAAP as the deemed cost of the property , plant and equipment.

**Intangible Assets and amortization Expenses-** Expenses incurred on Computer Software having enduring benefits are capitalized and amortised on Straight Line Method (SLM) basis over a period of five years with zero scrap value.

## d. Taxation

### Current taxes

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it is has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

### Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside the profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### e. Fair Value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 —Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 —Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### f. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset ( or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset ( or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### g. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

**a) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**b) Subsequent measurement**

**Debt Instruments at amortised cost:**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognized in profit or loss when the asset is derecognised or impaired.

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### Debt instrument at Fair Value through Other Comprehensive Income (OCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment gains or losses and foreign exchange gains and losses in the statement of profit and loss. On derecognition of the asset, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss.

### Debt instrument at Fair Value through Profit or Loss (FVTPL)

A financial asset which does not meet the criteria for categorization as at amortized cost or as fair value through other comprehensive income is classified as fair value through profit or loss. Debt instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

### Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Dividends from such investments are recognized in profit or loss as other income. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments subsequently measured at fair value through profit or loss are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiaries is carried at cost in the financial statements.

### c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

**d) Impairment of financial assets**

The Company recognises impairment loss applying the expected credit loss (ECL) model on the financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual right to receive cash or other financial asset and financial guarantee not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses.

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company applies 'simplified approach' permitted by Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**Financial Liabilities**

**a) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

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Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Such amortisation is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**c) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the

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same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

**d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**h. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

**i. Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**j. Provisions**

Provisions are recognised when the Company has a present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

**k. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The

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Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

**l. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

**m. Cash and Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**n. Employee Benefits**

- **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

- **Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the treated are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Remeasurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

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The obligations are presented as current in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

- **Post- employment obligations**

**Defined benefit plan - Gratuity Obligations**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation

.

The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.
**Critical Accounting Judgements and Estimates**

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets, liabilities, revenue, expenses, accompanying disclosures and the disclosures of contingent liabilities. The estimates and associates assumptions are based on historical experience and other factors that are considered to be relevant. Actual results could differ from those estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Application of accounting policies that require critical accounting estimates and the use of assumptions in the financial statements are as follows:

- **Defined benefit plans**

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The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## Note 3 – First Time Adoption of Ind AS

For all periods up to March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) Indian GAAP ("IGAAP"). These financial statements of Choice Wealth Management Private Limited for the year ended March 31, 2020 have been prepared in accordance with Ind-AS. This is the first set of Financial Statements in accordance with Ind-AS. For the purpose of transition from the IGAAP to Ind-AS, the Company has followed guidance provided in Ind-AS 101 - First Time Adoption of Indian Accounting Standards, w.e.f. April 01, 2018 as the transition date.

The transition to Ind-AS has resulted in changes in the presentation of the financial statements, disclosures in the notes, accounting policies and principles. The accounting policies set out have been applied in preparing the financial statements for the year ended on March 31, 2020 as well as for March 31, 2019 for comparative information. In preparing these financial statements, opening balance sheet was prepared as at 1 April 2018. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended March 31, 2018.

**Exemptions on first time adoption of Ind-AS availed in accordance with Ind-AS 101, have been described below:**

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Exemptions availed on first time adoption of Ind AS 101 Ind-AS 101 allows certain optional exemptions and mandatory exemptions on first time adoption of Ind-AS from the retrospective application of certain provisions of Ind-AS. The Company has accordingly applied the following exemptions:

**Ind AS optional exemptions:**

(i) Property, Plant and Equipment and Intangible Assets

Ind-AS 101 permits, a first time adopter to elect to continue with the carrying values for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind-AS 38 Intangible Assets and Investment properties covered by Ind-AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, Investment properties and intangible assets at their previous GAAP carrying value.

**Ind AS Mandatory exemptions:**

**(i) Estimates:**

An entity's estimates in accordance with Ind-AS at the date of transition to Ind-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind-AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind-AS at the date of transition as these were not required under previous GAAP:

- Impairment of financial assets based on expected credit loss model.

**(ii) Classification and measurement of financial assets**

Ind-AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind-AS. Accordingly, the Group has determined the classification of financial assets based on the facts and circumstances that exist on the date of transition.

**Note 4– Reconciliations between Previous GAAP and Ind-AS**

The following reconciliations provide the effect of transition to Ind-AS from IGAAP in accordance with Ind-AS 101:

A. Equity as at beginning of April 1, 2018
B. Equity as at March 31, 2019
C. Net profit for the year ended March 31, 2019
D. Cash flows for the year ended March 31, 2019

Choice Wealth Management Pvt. Ltd. Mumbai

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**Choice Wealth Management Private Limited**

**A. Reconciliation of Equity as at April 1, 2018**

(Rs. in Lakhs)

| | Particulars | As per IGAAP | Adjustments | As per Ind AS |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1 | **Non - Current Assets** | | | |
| | (a) Property, Plant and Equipment | 1.49 | - | 1.49 |
| | (b) Intangible Assets | 21.25 | - | 21.25 |
| | (c) Intangible Assets Under Development | 0.26 | - | 0.26 |
| | | **23.00** | - | **23.00** |
| 2 | **Current Assets** | | | |
| | (a)Financial Assets | | | |
| | (i) Trade Receivables | - | - | - |
| | (ii) Cash and Cash equivalents | 0.97 | - | 0.97 |
| | (iii) Bank Balances other than (iii) above | - | | - |
| | (iv) Loans | 0.74 | | 0.74 |
| | (b)Other Current Assets | 31.11 | | 31.11 |
| | **Total Current Assets** | 32.82 | - | 32.82 |
| | **TOTAL** | **55.82** | - | **55.82** |
| II | **EQUITY & LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | Equity Share Capital | 1.00 | - | 1.00 |
| | Other Equity | | | - |
| | (i) Reserves and Surplus | (204.76) | - | (204.76) |
| | **Total Equity** | (203.76) | | (203.76) |
| 2 | **Liabilities** | | | |
| | **Non - Current Liabilities** | | | |
| | (a)Financial Liabilities | | | |
| | (i) Borrowings | - | - | - |
| | (ii) Other Financial Liabilities | - | - | - |
| | (b) Provision | 2.02 | - | 2.02 |
| | (c)Deferred Tax Liabilities (Net) | 1.15 | - | 1.15 |
| | **Total Non-Current Liabilities** | 3.17 | - | 3.17 |
| 3 | **Current Liabilities** | | | |
| | (a)Financial Liabilities | | | |
| | (i) Borrowings | 182.25 | - | 182.25 |
| | (ii) Trade Payables | 69.02 | - | 69.02 |
| | (iii) Other Financial Liabilities | 5.10 | - | 5.10 |
| | (b) Provision | 0.06 | - | 0.06 |
| | **Total Current Liabilities** | 256.42 | - | 256.42 |
| | **Total Liabilities (2+3)** | **259.59** | - | **259.59** |
| | **TOTAL** | **55.82** | - | **55.82** |

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Choice Wealth Management Pvt. Ltd. Mumbai

**Choice Wealth Management Private Limited**

**B. Reconciliation of Equity as at March 31, 2019**

(Rs. in Lakhs)

| | Particulars | As per IGAAP | Adjustments | As per Ind AS |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| | **1. Non - Current Assets** | | | |
| | (a) Property, Plant and Equipment | 0.89 | - | 0.89 |
| | (b) Intangible Assets | 16.47 | - | 16.47 |
| | (c) Intangible Assets Under Development | - | | - |
| | | 0.94 | | 0.94 |
| | **Total Non-current Assets** | 18.31 | - | 18.31 |
| 2 | **Current Assets** | | | |
| | (a)Financial Assets | | | |
| | (ii) Trade Receivables | 0.24 | - | 0.24 |
| | (iii) Cash and Cash equivalents | 0.34 | - | 0.34 |
| | (iv) Bank Balances other than (iii) above | - | - | - |
| | (v) Loans | 50.96 | - | 50.96 |
| | (vi) Other Financial Assets | - | - | - |
| | **Total Current Assets** | 51.55 | - | 51.55 |
| | **TOTAL** | **69.86** | | **69.86** |
| II | **EQUITY & LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | Equity Share Capital | 1.00 | | 1.00 |
| | Other Equity | (387.28) | - | (387.28) |
| | (i) Reserves and Surplus | | | - |
| | **Total Equity** | (386.28) | | (386.28) |
| 2 | **Liabilities** | | | |
| | **Non - Current Liabilities** | | | |
| | (a)Financial Liabilities | | | |
| | (i) Borrowings | - | - | - |
| | (ii) Other Financial Liabilities | - | - | - |
| | (b)Employee Benefit Obligations | 1.49 | - | 1.49 |
| | (c)Deferred Tax Liabilities (Net) | 1.40 | - | 1.40 |
| | **Total Non-Current Liabilities** | 2.89 | - | 2.89 |
| 3 | **Current Liabilities** | | | |
| | (a)Financial Liabilities | | | |
| | (i) Borrowings | 430.65 | - | 430.65 |
| | (ii) Trade Payables | 20.84 | - | 20.84 |
| | (iii) Other Financial Liabilities | 0.67 | - | 0.67 |
| | (b)Employee Benefit Obligations | 1.10 | - | 1.10 |
| | **Total Current Liabilities** | 453.26 | - | 453.26 |
| | **Total** | **69.86** | - | **69.86** |

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Choice Wealth Management Pvt. Ltd. Mumbai

**Choice Wealth Management Private Limited**

**C. Reconciliation of Profit or Loss for the year ended March 31, 2019**

(Rs. in Lakhs)

| | Particulars | As per IGAAP | Adjustments | As per Ind AS |
|---|---|---|---|---|
| I | **Income** | | | |
| | Revenue from Operations | 100.32 | - | 100.32 |
| | Other Income | 0.01 | - | 0.01 |
| | **Total Income** | **100.33** | | **100.33** |
| II | **Expenses** | | | |
| | Operating Expenses | 3.25 | - | 3.25 |
| | Changes in Inventories | - | - | - |
| | Employee Benefit Expenses | 73.36 | 0.62 | 73.98 |
| | Finance Costs | 0.72 | - | 0.72 |
| | Depreciation and Amortization Expense | 5.63 | - | 5.63 |
| | Other Expenses | 199.64 | - | 199.64 |
| | **Total Expenses** | **282.59** | **0.62** | **283.21** |
| III | **Loss before tax** | **(182.26)** | **(0.62)** | (182.89) |
| IV | **Tax Expense:** | | | |
| | (a) Current Tax | 0.25 | | 0.25 |
| | (b) Deferred Tax | - | (0.16) | (0.16) |
| | (c) MAT | - | | - |
| | (d) Taxes of Earlier years | - | | - |
| | | 0.25 | (0.16) | 0.09 |
| V | **Loss for the year** | **(182.51)** | **(0.46)** | **(182.97)** |
| VI | **Other Comprehensive Income** | | | |
| | **Items that will be reclassified subsequently to profit or loss** | | | |
| | i) Exchange difference on translation of foreign exchange | - | - | - |
| | **Items that will not be reclassified subsequently to profit or loss** | | | |
| | i) Remeasurement of defined benefit obligations (net of taxes) | - | 0.46 | 0.46 |
| | **Other Comprehensive Income net of tax** | - | 0.46 | 0.46 |
| | **Total Comprehensive Loss for the period** | **(182.51)** | - | **(182.51)** |

**Choice Wealth Management Private Limited**

**D. Impact of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2019**

(Rs. in Lakhs)

| | Particulars | As per IGAAP | Impact | Ind AS |
|---|---|---|---|---|
| | Net Cash (used in) from Operating Activities | (249.03) | - | (249.03) |
| | Net Cash Flows from Investing Activities | 0.01 | - | 0.01 |
| | Net Cash Flows (used in) Financing Activities | 248.40 | - | 248.40 |
| | Net Increase / (decrease) in cash and cash equivalents | **(0.63)** | - | **(0.63)** |
| | Cash and cash equivalents at April 01, 2018 | 0.97 | - | 0.97 |
| | Cash and cash equivalents at March 31, 2018 | 0.34 | - | 0.34 |

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Choice Wealth Management Pvt. Ltd. Mumbai

**Choice Wealth Management Private Limited**

**Notes To The Financial Statements For The Year Ended March 31, 2020**

**Note 5 : Property, Plant and Equipment**

(Rs. in Lakhs)

| Particulars | Computer Hardwares | Office Equipments | Total |
|---|---|---|---|
| **Deemed Cost as at April 1, 2018** | **2.26** | **0.04** | **2.29** |
| Additions / Transfer | - | - | - |
| Disposals | (0.46) | | (0.46) |
| **As at March 31, 2019** | **1.80** | **0.04** | **1.84** |
| Additions / Transfer | - | - | - |
| Disposals | - | - | - |
| **As at March 31, 2020** | **1.80** | **0.04** | **1.84** |
| **Accumulated depreciation as at April 1, 2018** | **0.76** | **0.04** | **0.80** |
| Depreciation charge during the year | 0.60 | - | 0.60 |
| Accumulated depreciation on deletions | (0.46) | - | (0.46) |
| **As at March 31, 2019** | **0.90** | **0.04** | **0.94** |
| Depreciation charge during the year | 0.60 | - | 0.60 |
| Accumulated depreciation on deletions | - | - | - |
| **As at March 31, 2020** | **1.50** | **0.04** | **1.54** |
| **Net carrying amount as at March 31, 2020** | 0.30 | - | 0.30 |
| **Net carrying amount as at March 31, 2019** | 0.89 | - | 0.89 |
| **Net carrying amount as at April 01, 2018** | 1.49 | - | 1.49 |

The Deemed Cost as on April 1, 2018 has been considered as the cost for opening financial statements as per Ind AS 101 as on 1st April 2018 as per transition provision in Ind AS 101.

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Choice Wealth Management Pvt. Ltd. Mumbai

## Choice Wealth Management Private Limited

### Notes To The Financial Statements For The Year Ended March 31, 2020

**Note 6 : Intangible Assets**

(Rs. in Lakhs)

| Particulars | Computer Software | Trademark | Intangible Assets under development | Total |
|---|---|---|---|---|
| **Deemed Cost as at April 01, 2018** | **26.10** | | **0.26** | **26.36** |
| Additions / Transfer | - | 0.26 | - | 0.26 |
| Disposals | - | | (0.26) | (0.26) |
| **As at March 31, 2019** | **26.10** | **0.26** | - | **26.36** |
| Additions / Transfer | 47.63 | - | - | 47.63 |
| Disposals | - | - | - | - |
| **As at March 31, 2020** | **73.73** | **0.26** | - | **73.99** |
| **Accumulated amortisation and impairment as at April 01, 2018** | **4.85** | - | - | **4.85** |
| Amortisation charge during the year | 5.00 | 0.03 | - | 5.03 |
| Disposals | - | | - | - |
| **As at March 31, 2019** | **9.85** | **0.03** | - | **9.88** |
| Amortisation charge during the year | **8.99** | **0.03** | - | 9.01 |
| Disposals | - | - | - | - |
| **As at March 31, 2020** | **18.84** | **0.06** | - | **18.90** |
| | | | | |
| **Net carrying amount as at March 31, 2020** | **54.89** | **0.20** | - | **55.09** |
| **Net carrying amount as at March 31, 2019** | **16.25** | **0.23** | - | **16.47** |
| **Net carrying amount as at April 01, 2018** | **21.25** | | **0.26** | **21.51** |

The Deemed Cost as on April 01, 2018 has been considered as the cost for opening financial statements as per Ind AS 101 as on 1st April 2018 as per transition provision in Ind AS 101.

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Choice Wealth Management Pvt. Ltd. Mumbai

**Choice Wealth Management Private Limited**

**Accompanying notes to the financial statements**

**Note 7 : Income Tax Assets** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Direct taxes | 0.09 | 0.94 | - |
| | **0.09** | **0.94** | **-** |

**Note 8 : Trade Receivables** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Unsecured, considered good | | | |
| Others | 0.14 | 0.24 | - |
| | **0.14** | **0.24** | **-** |

**Note 9 : Cash & Cash Equivalents** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Cash & Cash Equivalents - | | | |
| Cash on Hand | 0.02 | 0.03 | 0.58 |
| Bank Balances: | | | |
| In current accounts | 2.38 | 0.31 | 0.39 |
| | **2.40** | **0.34** | **0.97** |

**Note 10 : Loans** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Advance to employees | - | 0.47 | 0.74 |
| | **-** | **0.47** | **0.74** |

**Note 11 : Other Current Assets** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Advance to others | 0.05 | 0.00 | 0.18 |
| Prepaid Expenses | 1.26 | 2.60 | 1.67 |
| Balance with revenue authorities | | | |
| Indirect taxes | 55.91 | 47.89 | 29.26 |
| | **57.22** | **50.49** | **31.11** |

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Choice Wealth Management Pvt. Ltd. Mumbai

Accompanying Notes to financial statements as on March 31, 2020

**Note 12 - Equity Share Capital**

**(a) - Equity share capital**

(i) Authorised share capital (Rs. in Lakhs)

| Particulars | Number of shares | Amount |
|---|---|---|
| **As at April 1, 2018** | 0.10 | 1.00 |
| Increase during the year | - | - |
| **As at March 31, 2019** | 0.10 | 1.00 |
| Increase during the year | - | - |
| **As at March 31, 2020** | 0.10 | 1.00 |

**(ii) Paid up Equity share capital** (Rs. in Lakhs)

| Particulars | Number of shares | Amount |
|---|---|---|
| **As at April 1, 2018** | 0.10 | 1.00 |
| Issued during the year | - | - |
| Exercise of options | - | - |
| Conversion of Share Warrants | - | - |
| **As at March 31, 2019** | 0.10 | 1.00 |
| Issued during the year | 6.32 | 63.16 |
| Exercise of options | - | - |
| Other movements | - | - |
| **As at March 31, 2020** | 6.42 | 64.16 |

**(iii) Details of shareholders holding more than 5% shares in the Company**

| Particulars | As at March 31, 2020 | | As at March 31, 2019 | | As at April 1, 2018 | |
|---|---|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding | Number of shares | % Holding |
| Choice Equity Broking Private Limited | 6.42 | 100.00% | - | | - | |
| Choice International Limited (& it's nominee) | - | 0.00% | 0.10 | 100% | 0.10 | 100.00% |

**(iv) Detailed note on the terms of the rights, preferences and restrictions relating to each class of shares including restrictions on the distribution of dividends and repayment of capital.**

The Company has only one class of Equity Shares having a par value of Rs.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 shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity shares held by the shareholders.

**(v) Aggregate details for five immediately previous reporting periods for each class of shares**

| Particulars | March, 2020 | March, 2019 | March, 2018 | March, 2017 | March, 2016 |
|---|---|---|---|---|---|
| - No. of shares allotted as fully paid up pursuant to contracts without payment being received in cash | - | - | - | - | - |
| - No. of shares allotted as fully paid by way of Bonus Shares | - | - | - | - | - |
| - No. of shares bought back | - | - | - | - | - |
| - No. of shares issued on exercise of options granted under the ESOP scheme. | - | - | - | - | - |

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Choice Wealth Management Pvt. Ltd. Mumbai

## Choice Wealth Management Private Limited

**Accompanying notes to the financial statements**

**Note 13 : Other Equity** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| **Securities Premium** | | | |
| Opening Balance | - | - | - |
| Addition during the year | 536.84 | | - |
| | **536.84** | - | - |
| **Surplus in Statement of Profit and Loss -** | | | |
| Opening Balance | (387.69) | (204.72) | (2.55) |
| Add : profit/(loss) for the year | (156.25) | (182.97) | (202.17) |
| | **(543.94)** | **(387.69)** | **(204.72)** |
| **Other Comprehensive Income** | | | |
| Opening Balance | 0.42 | (0.04) | (0.04) |
| Addition during the year | (0.68) | 0.46 | - |
| | **(0.26)** | **0.42** | **(0.04)** |

**Note 14 : Provision (Non-Current)** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Provision for employee benefits | | | |
| Provision for gratuity | 3.66 | 1.49 | 2.02 |
| | **3.66** | **1.49** | **2.02** |

**Note 15 : Deferred Tax Liabiity (Net)** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| **A) Deferred tax on items carried at fair value through Profit & Loss** | | | |
| Deferred tax assets | 1.58 | 0.87 | 0.52 |
| Employee benefits | | | |
| Deferred tax liability | - | - | |
| Depreciation and amortisation | 3.91 | 2.12 | 1.69 |
| | **2.34** | **1.26** | **1.17** |
| **B) Deferred tax on items carried at fair value through Other comprehensive income** | | | |
| Deferred tax asset - | | | |
| Employee Benefit | (0.14) | (0.15) | 0.02 |
| Deferred tax Liablities - | | | |
| Employee Benefit | - | - | - |
| | **0.14** | **0.15** | **(0.02)** |

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Choice Wealth Management Private Limited

**Accompanying notes to the financial statements**

**Movement in Deferred Tax Liability/(Assets)** (Rs. in Lakhs)

| Particulars | Employee Benefit Obligation | Depreciation and Amortisation | Total |
|---|---|---|---|
| **As at April 01, 2018** | **0.54** | **(1.69)** | **(1.15)** |
| Charged / Created | | | |
| To Profit or Loss | 0.34 | (0.43) | (0.09) |
| To Other Comprehensive Income | (0.16) | | (0.16) |
| **As at March 31, 2019** | **0.72** | **(2.12)** | **(1.40)** |
| Charged / Created | | | |
| To Profit or Loss | 0.71 | (1.79) | (1.08) |
| To Other Comprehensive Income | 0.00 | - | 0.00 |
| **As at March 31, 2020** | **1.43** | **(3.91)** | **(2.47)** |

**Note 16 : Borrowings** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Unsecured, Considered Good | | | |
| Loan taken from related parties* | 14.87 | 430.65 | 182.25 |
| | **14.87** | **430.65** | **182.25** |

*The loan taken from related parties are repayable on demand, refer to Note No.27 "Related Party Disclosure".

**Note 17 : Trade Payable** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Dues to Micro, Small and Medium Enterprises* | | | |
| Other than Micro, Small and Medium Enterprises | 20.99 | 20.84 | 69.02 |
| | **20.99** | **20.84** | **69.02** |

*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.

**Note 18 : Other Current Liabilities** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Statutory liabilities payable | 6.03 | 0.67 | 5.10 |
| Interest Accrued but not due | - | - | - |
| Other Advance | 8.25 | - | - |
| | **14.28** | **0.67** | **5.10** |

**Note 19 : Provisions** (Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 | As at April 1, 2018 |
|---|---|---|---|
| Provision for gratuity | 2.15 | 1.10 | 0.06 |
| | **2.15** | **1.10** | **0.06** |

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Choice Wealth Management Pvt. Ltd. Mumbai

## Choice Wealth Management Private Limited

### Accompanying notes to the financial statements

**Note 20 : Revenue From Operations** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Income from services rendered | 67.97 | 100.32 |
| | **67.97** | **100.32** |

**Note 21 : Other Income** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Profit on sale of fixed assets | - | 0.01 |
| Interest on IT Refund | 0.04 | - |
| | **0.04** | **0.01** |

**Note 22 : Cost of Services** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Sub Brokerage | 7.55 | 3.25 |
| | **7.55** | **3.25** |

**Note 23 : Employee Benefit Expenses** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Salaries and incentives | 91.75 | 71.79 |
| Contribution to Pf & other funds | 1.19 | 0.17 |
| Staff Welfare | 1.55 | 0.67 |
| Gratuity | 1.30 | 1.34 |
| | **95.78** | **73.98** |

**Note 24 : Finance Cost** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Interest on borrowings from- | | |
| -Related parties | 42.47 | 0.72 |
| | **42.47** | **0.72** |

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Choice Wealth Management Pvt. Ltd. Mumbai

**Accompanying notes to the financial statements**

**Note 25 : Other Expenses** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| Bank charges | 0.00 | 0.00 |
| Business Support Service Expenses | 5.96 | 10.92 |
| Communication Exp | 0.63 | 0.67 |
| Legal and professional | 6.29 | 3.80 |
| Marketing & addvertisement | 11.45 | 177.33 |
| Printing and stationery | 0.05 | 0.29 |
| Rates and taxes | 0.06 | 0.04 |
| Repair & Maintenance | 41.42 | 4.55 |
| Rent including lease rentals | 1.20 | 1.20 |
| Traveling & Conveyance expenses | 0.23 | 0.27 |
| Other Expenses | 0.09 | 0.24 |
| Payment to Auditor | | |
| Statutory Audit Fees | 0.20 | 0.20 |
| Tax Audit Fees | - | 0.10 |
| Other Certification Fees | 0.02 | 0.01 |
| | **67.62** | **199.64** |

**Note 26 : Earnings Per Share** (Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|
| **Profit/(Loss) attributable to equity shareholders** | **(155.03)** | **(182.97)** |
| Weighted average number of equity shares | **0.10** | **0.10** |
| **Basic Earnings Per Share** | **(1,550.30)** | **(1,829.73)** |
| **Face value per Share** | | |
| Profit after adjusting interest on potential equity shares | **(156.25)** | **(182.97)** |
| Weighted average number of equity share after considering potential equity shares | 0.10 | 0.10 |
| **Dilutive Earnings per Share** | **(1,562.48)** | **(1,829.73)** |

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Choice Wealth Management Pvt. Ltd. Mumbai

Choice Wealth Management Private Limited

Accompanying notes to the financial statements as at March 31, 2020

**Note 27 : Related Party Disclosure**

(i) Details of Related Parties -

| Description of Relationship | Names of Related Parties |
|---|---|
| a.Ultimate Holding Company* | Choice International Limited |
| b.Immediate Holding Company * | Choice Equity Broking Private Limited |
| c.Subsidiaries of Ultimate Holding Company | Choice Portfolio Management Services Private Limited (Formerly known as Choice Stock Trade Private Limited)<br>Choice Capital Advisors Private Limited<br>Choice Consultancy Services Private Limited<br>Choice Finserv Private Limited |
| d. Fellow Subsidiaries | Choice Corporate Services Private Limited<br>Choice Techlab Solutions Private Limited<br>Choice Retail Solutions Private Limited |
| e. Key Management Personnel (KMP) and their relatives | Kamal Poddar (Director)<br>Ajay Kejriwal (Director)<br>Amit Kumar Singh (Director wef.26.11.2018)<br>Mohan Aravandekar (Director up to 26.11.2018) |
| f. Enterprises over which KMP exercise significant influence | Thought Consultants Jaipur P L in JV with Choice Consultacny Service P L<br>VSC Consulting Private JV with Choice Consultancy Services Private Limited<br>Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd<br>Samank Consumer Products Private Limited<br>Samank Apparels Private Limited<br>Choice Insurance Broking India Private Limited<br>Choice Peers International Private Limited<br>Farmer's Evolvement Foundation<br>Rupang Properties Private Limited<br>Optimo Investment Advisor Private Limited<br>Kamal Poddar HUF<br>De Starvings Couriers LLP<br>Choice Strategic Advisors LLP<br>Lions Mumbai Choice Foundation |

* During the year Choice International Limited has sold its 100% stake in Choice Retails Solutions Private Limited to its wholly owned subsidiary ie. Choice Equity Broking Private Limited on 31.03.2020. Pursuant to this Choice Equity Broking Private Limited has become Immediate Holding Company and Choice International Limited has become Ultimate Holding Company.

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Choice Wealth Management Pvt. Ltd. Mumbai

Choice Wealth Management Private Limited

**Accompanying notes to the financial statements as at March 31, 2020**

**(ii) Details of Related Party transactions during the year ended March 31, 2020**

(Rs. in Lakhs)

| Particulars | Ultimate Holding Company | Immediate Holding Company | Subsidiaries of Ultimate Holding Company | Fellow Subsidiary | KMP | Total |
|---|---|---|---|---|---|---|
| **Infusion of Share Capital** | | | | | | |
| Choice Equity Broking Private Limited | | 600.00 | | | - | 600.00 |
| **Loan Taken from** | | | | | | |
| Choice Finserv Private Limited | | - | 107.00 | | - | 107.00 |
| **Loan repaid** | | | | | | |
| Choice Finserv Private Limited | | - | 537.65 | | - | 537.65 |
| **Loan Given to** | | | | | | |
| Choice Finserv Private Limited | | - | 34.00 | | - | 34.00 |
| **Loan Repayment received from** | | | | | | |
| Choice Finserv Private Limited | | - | 19.13 | | - | 19.13 |
| **Interest on Loan** | | | | | | |
| Choice Finserv Private Limited | | - | 42.47 | | - | 42.47 |
| **Salaries & Allowances** | | | | | | |
| Amit Singh | | - | | - | 16.73 | 16.73 |
| **Other Expenses** | | | | | | |
| **Rent Expenses** | | | | | | |
| Choice International Limited | 1.20 | | | - | | 1.20 |
| **Business Support Service Charges** | | | | | | |
| Choice International Limited | 5.96 | | | - | | 5.96 |
| **Computer Software Expenses** | | | | | | |
| Choice Techlab Solutions Private Limited | | - | | 35.82 | | 35.82 |
| **Payment for Software** | | | | | | |
| Choice Techlab Solutions Private Limited | | - | | 47.63 | | 47.63 |
| **Balance at the end of year** | | | | | | |
| **Trade Payable** | | | | | | |
| Choice International Limited | 4.31 | | | - | | 4.31 |
| Choice Techlab Solutions Private Limited | | - | | 8.31 | | 8.31 |
| Amit Singh | | | | | 1.57 | 1.57 |
| **Other Current Liablilities** | | | | | | |
| Choice Equity Broking Private Limited | | 8.25 | | - | - | 8.25 |
| **Computer Software** | | | | | | |
| Choice Techlab Solutions Private Limited | | - | | 47.63 | - | 47.63 |
| **Loans - Current** | | | | | | |
| Choice Finserv Private Limited | | - | 14.87 | | - | 14.87 |

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**Choice Wealth Management Private Limited**

**Accompanying notes to the financial statements as at March 31, 2020**

**Details of Related Party transactions during the year ended March 31, 2019**

(Rs. in Lakhs)

| Particulars | Holding Company | Fellow Subsidiary | KMP | Total |
|---|---|---|---|---|
| **Loan Taken from** | | | | |
| Choice Internaional Limited | 271.00 | - | - | 271.00 |
| Choice Finserv Private Limited | | 430.65 | - | 430.65 |
| **Loan repaid** | | | | |
| Choice Internaional Limited | 453.25 | - | - | 453.25 |
| **Contractual Charges Income** | | | | |
| Choice Peers International Private Limited | - | 45.00 | - | 45.00 |
| **Rent Expenses** | | | | |
| Choice Internaional Limited | 1.20 | - | - | 1.20 |
| **Business Support Service Charges** | | | | |
| Choice Internaional Limited | 8.02 | - | - | 8.02 |
| Choice Equity Broking Private Limited | - | 2.91 | - | 2.91 |
| **Interest on Loan** | | | | |
| Choice Finserv Private Limited | - | 0.72 | - | 0.72 |
| **Balance at the end of year** | | | | |
| **Trade Payable** | | | | |
| Choice Internaional Limited | 1.83 | - | - | 1.83 |
| **Loans- Current** | | | | |
| Choice Finserv Private Limited | - | 430.65 | - | 430.65 |

**Details of Related Party Balances as on April 01, 2018**

(Rs. in Lakhs)

| Particulars | Holding Company | Fellow Subsidiary | KMP | Total |
|---|---|---|---|---|
| **Trade Payable** | | | | |
| Choice Equity Broking Private Limited | - | 11.56 | - | 11.56 |
| Choice Internaional Limited | 6.72 | - | - | 6.72 |
| **Loans- Current** | | | | |
| Choice Internaional Limited | 182.25 | - | - | 182.25 |

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**Accompanying notes to the financial statements**

**Note 28 - Contingent Liabilities and Commitments**

**A Contingent Liabilities- Nil**

**B Capital Commitments- Nil**

**Note 29 - Employee Benefit Obligations**

**1. Defined Contribution Plan**

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

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2020 | For the year ended March 31, 2019 | For the year ended April 1, 2018 |
|---|---|---|---|
| Employer's Contribution to Provident Fund | 1.19 | 0.26 | 0.16 |
| **Total** | **1.19** | **0.26** | **0.16** |

**2. Defined benefit plans**

**Gratuity (post-employment benefits)**

The Company provides for gratuity to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised/approved funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

**Gratuity**

The following table sets out the amount recognised in the balance sheet and the movements in the net defined benefit obligations over the year are as follows:

(Rs. in Lakhs)

| | Present value of obligation | Fair value of Plan assets | Net amount |
|---|---|---|---|
| **01-Apr-18** | **2.07** | | **2.07** |
| Current Service cost | 1.19 | | 1.19 |
| Interest expense/(income) | 0.16 | 0.01 | 0.17 |
| **Total amount recognised in profit or loss** | **1.34** | **0.01** | **1.36** |
| Remeasurements | | | |
| (Gain)/loss from change in financial assumptions | 0.02 | | 0.02 |
| Experience (gains)/losses | (0.66) | | (0.66) |
| **Total amount recognised in other comprehensive income** | **(0.64)** | **-** | **(0.64)** |
| Employer contributions | | (0.21) | (0.21) |
| Benefit payments | | | - |
| **31-Mar-19** | **2.78** | **(0.20)** | **2.58** |

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| | Present value of obligation | Fair value of Plan assets | Net amount |
|---|---|---|---|
| **01 April 2019** | **2.78** | **(0.20)** | **2.58** |
| Current Service cost | 1.10 | | 1.10 |
| Interest expense/(income) | 0.21 | (0.01) | 0.20 |
| **Total amount recognised in profit or loss** | **1.31** | **(0.01)** | **1.30** |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense / (income) | - | (0.00) | (0.00) |
| (Gain)/loss from change in financial assumptions | 0.68 | | 0.68 |
| (Gain)/loss from change in demographic assumptions | (0.01) | | (0.01) |
| Experience (gains)/losses | 0.01 | | 0.01 |
| **Total amount recognised in other comprehensive income** | **0.68** | **(0.00)** | **0.68** |
| Transfer in/ (out) Obligation | 1.25 | | 1.25 |
| Employer contributions | - | | |
| Benefit payments | - | - | - |
| **31-Mar-20** | **6.03** | **(0.21)** | **5.82** |

The net liability disclosed above relates to funded plans are as follows:

| | 31-Mar-20 | 31-Mar-19 | 01-Apr-18 |
|---|---|---|---|
| Present value of funded obligations | 6.03 | 2.78 | 2.07 |
| Fair value of plan assets | (0.21) | (0.20) | - |
| **Deficit/(Surplus) of gratuity plan** | **5.82** | **2.58** | **2.07** |

**Significant estimates- actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

| | 31-Mar-20 | 31-Mar-19 | 01-Apr-18 |
|---|---|---|---|
| Discount rate | 6.85% | 7.65% | 7.70% |
| Salary growth rate (per annum) | 6.00% | 6.00% | 6.00% |
| Withdrawal rate (per annum) | 5% at younger ages reducing to 1% at older ages | 5% at younger ages reducing to 1% at older ages | 5% at younger ages reducing to 1% at older ages |
| Expected rate of return | 6.85% | 7.65% | Not Applicable |
| Mortality Table | Indian Assured Lives Mortality (2006-08) Table | Indian Assured Lives Mortality (2006-08) Table | Indian Assured Lives Mortality (2006-08) Table |

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| | Change in assumption | | Impact on defined benefit obligation | | |
|---|---|---|---|---|---|
| | | | Increase in assumption | | |
| | 31-Mar-20 | 31-Mar-19 | | 31-Mar-20 | 31-Mar-19 |
| Discount rate | 0.50% | 0.50% | Decrease by | 7.32% | 7.30% |
| Salary growth rate | 0.50% | 0.50% | Increase by | 6.51% | 7.27% |
| Withdrawal rate | W.R. x 110% | W.R. x 110% | Increase by | 0.58% | 0.58% |

| | Change in assumption | | Impact on defined benefit obligation | | |
|---|---|---|---|---|---|
| | | | Decrease in assumption | | |
| | 31-Mar-20 | 31-Mar-19 | | 31-Mar-20 | 31-Mar-19 |
| Discount rate | 0.50% | 0.50% | Increase by | 8.13% | 8.13% |
| Salary growth rate | 0.50% | 0.50% | Decrease by | 5.20% | 6.78% |
| Withdrawal rate | W.R. x 90% | W.R. x 90% | Decrease by | 0.62% | 0.65% |

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The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Risk Exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

| | |
|---|---|
| Investment risk | The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securites which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years. |
| Interest risk | A decrease in the market yeilds in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**Maturity profile of gratuity liability and Employer contribution**

Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are Rs. 2.16 lakhs /-(as at March 31, 2019: Rs.1.10 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 17.11 years (17.4 yers 2018-19). The expected maturity analysis of undiscounted gratuity is as follows

(Rs. in Lakhs)

| | Amount |
|---|---|
| Less than one year | 0.16 |
| Between 1-2 years | 0.18 |
| Between 2-5 years | 0.78 |
| Over 5 years | 1.44 |
| **Total** | 2.57 |

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**Note 30 : Financial Risk Management Objectives and Policies**

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables.The main purpose of these financial liabilities is to finance the Company's operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit Risk | Cash and cash equivalents, trade receivables, financial instruments, Fixed Deposit with Banks, financial assets measured at amortised cost. | Aging analysis and Credit ratings | Diversification of Existing credit limits Unutilised from Consortium Bankers. |
| Liquidity Risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market Risk - foreign exchange | Future commercial transactions. Recognised financial liabilities not denominated in Indian Rupee (INR) | Cash flow forecasting and Sensitivity analysis | Forward foreign exchange contracts. |
| Market Risk - interest rate | Long-Term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including Fixed deposits with banks and financial institutions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. The Company is in the business of manufacturing and trading of Chemical,Fertilisers and Dyes intermediate. Credit quality of a customer is assessed by the management on regular basis with market information and individual credit limits are defined accordingly. Outstanding customer receivables are regularly monitored and any further services to major customers are approved by the senior management.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11.

On account of adoption of Ind-AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as stated in balance sheet except for balances of subsidiary company.

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**Liquidity Risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and unsecured loans. The Company has access to a sufficient variety of sources of funding which can be rolled over with existing lenders. The Company believes that the working capital is sufficient to meet its current requirements.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2020, March 31, 2019 and April 1, 2018:

(Rs. in Lakhs)

| Particulars | 0 to 1 year | 1 to 3 year | 3 to 5 years | After 5 years | Total |
|---|---|---|---|---|---|
| **Year ended March 31, 2020** | | | | | |
| Secured Loans | - | - | - | - | - |
| Unsecured Loans | 14.87 | - | - | - | 14.87 |
| Trade Payables | 20.99 | - | - | - | 20.99 |
| Others | 14.28 | - | - | - | 14.28 |
| **Year ended March 31, 2019** | | | | | |
| Secured Loans | - | - | - | - | - |
| Unsecured Loans | 430.65 | - | - | - | 430.65 |
| Trade Payables | 20.84 | - | - | - | 20.84 |
| Others | 0.67 | - | - | - | 0.67 |
| **Year ended April 1, 2018** | | | | | |
| Secured Loans | - | - | - | - | - |
| Unsecured Loans | 182.25 | - | - | - | 182.25 |
| Trade Payables | 69.02 | - | - | - | 69.02 |
| Others | 5.10 | - | - | - | 5.10 |

**Market Risk**

Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings and deposits

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep balance between its borrowings at fixed rates of interest.The difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The exposure of the Company to interest rate changes at the end of the reporting period are as under:

(Rs. in Lakhs)

| Particulars | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|
| Variable Rate Borrowing | - | - |
| Fixed Rate Borrowing | 14.87 | 430.65 |
| **Total** | **14.87** | **430.65** |

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**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Increase/ Decrease in basis points | Effect on Profit before Tax |
|---|---|---|
| March 31, 2020 | + 1% | - |
| | - 1% | - |
| March 31, 2019 | + 1% | - |
| | - 1% | - |

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to purchase of raw material of chemical and fertiliser products from out of the India. The Company manages its foreign currency risk by hedging the payables as an when considered necessary. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations on the translation into INR of its foreign payables in foreign currencies and by using foreign currency option or forward contracts.

**Foreign Currency Sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

| Particulars | Change in Foreign Exchange Rate | Effect on Profit before Tax |
|---|---|---|
| March 31, 2020 | + 5% | NA |
| | - 5% | NA |
| March 31, 2019 | + 5% | NA |
| | - 5% | NA |

## Note 31 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(Rs. in Lakhs)

| Particulars | | As at March 31, 2020 | As at March 31, 2019 | As at April 01, 2018 |
|---|---|---|---|---|
| **A) Net Debt** | | | | |
| Borrowings (Current and Non-Current) | | 14.87 | 430.65 | 182.25 |
| Cash and cash equivalents | | 2.40 | 0.34 | 0.97 |
| | **Net Debt (A)** | **12.47** | **430.30** | **181.28** |
| **B) Equity** | | | | |
| Equity share capital | | 64.16 | 1.00 | 1.00 |
| Other Equity | | (7.36) | (387.28) | (204.76) |
| | **Total Equity (B)** | **56.80** | **(386.28)** | **(203.76)** |
| **Gearing Ratio (Net Debt / Capital) i.e. (A / B)** | | 21.96% | -111.40% | -88.96% |

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**Choice Wealth Management Private Limited**

**Accompanying notes to the financial statements**

**Note 32 : Segment Information:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The main Business of the Company is Mutual Fund Distribution. Further all activities are carried out within India. Accordingly, Segment Reporting in accordance with Ind Accounting Standard - 108 "Operating Segment" issued by the Institute of Chartered Accountants of India and adopted by Companies (Accounting Standard) Rules, 2015 is not applicable to the Company.

**Note 33 : Previous Years' Figures:**

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and polices to the extent applicable. The Company has adopted Ind-AS on April 1, 2019 with the transition date as April 1, 2018, and adoption was carried out in accordance with Ind-AS 101 - First Time Adoption of Indian Accounting Standards. The previous period's figures have been regrouped or rearranged wherever necessary.

The accompanying notes are an integral part of these financial statements

**In terms of our report of even date**
**For ASBS & Co.**
Chartered Accountants
**F.R.No. : 135952W**

ASBS & CO. M. No. 154193 FRN 135952W Chartered Accountants

**Sushil Goyal**
**Partner**
Membership No. :154193

Mumbai, June 24, 2020

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

**Kamal Poddar**
Director
DIN :- 01518700

Mumbai, June 24, 2020

Choice Wealth Management Pvt. Ltd. Mumbai

**Ajay Rajendra Kejriwal**
Director
DIN :- 03051841

Mumbai, June 24, 2020