Deloitte
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INDEPENDENT AUDITORS' REPORT ON SPECIAL PUPROSE IND AS FINANCIAL STATEMENT

TO THE BOARD OF DIRECTORS OF CHOICE FINSERV PRIVATE LIMITED

Introduction

We have audited the accompanying Special Purpose Ind AS Financial Statement of Choice Finserv Private Limited (the "Company") which has been prepared to enable Holding Company ("Choice International Limited") to prepare its Consolidated Financial Statements, which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flows Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (the "Statement"). This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and format of financial statement as required by Board of Directors of the Company (Refer Note 2 of Statement). Our responsibility is to issue an opinion on the Statement based on our audit.

Management Responsibility for the Special Purpose Ind AS Financial Statement.

Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and format of financial statement as required by Board of Directors of the Company; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view of the state of affairs of Company as at March 31, 2021, and of its results of operations and its cash flows for the year then ended in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and format of financial statement as required by Board of Directors of the Company

Emphasis of Matter

We draw attention to Note 34 to the financial statements, which describes the continuing uncertainties arising from the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Other Matter

Company has prepared a separate set of financial statements for the year ended March 31, 2021 in accordance with Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India on which we issued a separate auditor's report to the management of Company dated June 25, 2021.

Restriction on Use and Distribution

This report has been issued at the request of the Company for submission to the Holding Company for the purpose of preparing the Consolidated Financial Statements of the Holding Company for the financial year ended March 31, 2021. As a result, our report may not be suitable for any other purpose. Our report is intended solely for the information of and use by the Holding Company, their auditors and the Board of Directors of the Company and is not intended to be and shall not be used by anyone other than these specified parties without our prior written consent.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

G.K. Subramaniam
(Partner)
(Membership No. 109839)
UDIN: 21109839AAAAIL2899

Place: Mumbai
Date: June 25, 2021

Choice Finserv Private Limited

Balance Sheet

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
1.Financial Assets			
(a) Cash and Cash Equivalents	3	45.51	1.93
(b) Loans	4	24,597.53	12,046.13
(c) Investments	5	205.60	1,505.07
		24,848.64	13,553.13
2. Non Financial Assets			
(a) Current Tax Assets (Net)	6	-	7.24
(b) Deffered Tax Assets	7	65.61	58.75
(c) Intangible assets	8	-	-
(d) Other Non Financial Asset	9	17.51	1.65
		83.12	67.64
Total Assets		24,931.76	13,620.77
1.Financial Liabilities			
(a) Payables			
(I)Trade Payables	10		
(i) Total Outstanding dues of micro enterprises, and small enterprises		1.02	-
(ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises		10.44	9.54
(b) Debt Securities	11	75.00	5,661.13
(c) Borrowings (Other than Debt Securities)	12	15,077.21	3,779.03
(d) Other Financial Liabilities	13	13.29	35.00
		15,176.96	9,484.70
2.Non Financial Liabilities			
(a) Provisions	14	172.73	46.40
(b) Other Non - Financial Liabilities	15	74.75	37.39
		247.48	83.79
3.Equity			
(a) Equity Share Capital	16	4,356.00	2,106.00
(b) Other Equity	17	5,151.32	1,946.28
		9,507.32	4,052.28
Total Liabilties and Equity		24,931.76	13,620.77

The accompanying notes are an integral part of the finanical statements.

In terms of our report of even date.

For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai
Date: June 25, 2021

For and on behalf of Board of Directors

Kamal Poddar
Director
DIN :- 01518700

Choice Finserv Private Limited MUMBAI

Ajay Kejriwal
Director
DIN :- 03051841

Karishma Shah
Company Secretary

Place : Mumbai
Date: June 25, 2021

Choice Finserv Private Limited

Statement of Profit and Loss

(Rs. in Lakhs)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
	Revenue from Operations			
	Interest Income	18	2,871.69	1,515.76
	Other Operating Income	19	62.92	-
	Other Income	20	0.67	-
I	**Total Income**		**2,935.28**	**1,515.76**
	Expenses			
	Fianance Costs	21	1,493.42	1,033.14
	Employee Benefits Expenses	22	64.98	55.19
	Impairment on Financial Assets	23	63.17	336.36
	Depreciation & Amortisation	8	-	1.36
	Other Expenses	24	57.75	23.50
II	**Total Expense**		**1,679.32**	**1,449.55**
III	**Profit Before Tax (I-II)**		**1,255.96**	**66.21**
IV	**Tax Expense:**			
	(a) Current Tax Expense		312.20	113.85
	(b) Earlier Tax Expense		(4.42)	(0.01)
	(c) MAT Tax Expense		-	-
	(d) Deferred Tax		(6.86)	(52.59)
			300.92	**61.25**
V	**Profit for the Year (III-IV)**		**955.04**	**4.96**
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Re-measurement gains/ (losses) on defined benefit obligations		-	-
	Tax effect on above		-	-
	Other Comprehensive Income for the year, net of tax		-	-
	Total Comprehensive Income for the year (V+VI)		**955.04**	**4.96**
VI	**Earnings Per Equity Share (Face Value Rs. 10 Per Share):**	25		
	(1) Basic (Rs.)		3.96	**0.04**
	(2) Diluted (Rs)		3.96	**0.04**

The accompanying notes are an integral part of the finanical statements

In terms of our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai
Date: June 25, 2021

For and on behalf of Board of Directors

Choice Finserv Private Limited MUMBAI

Kamal Poddar
Director
DIN :- 01518700

Ajay Kejriwal
Director
DIN :- 03051841

Karishma Shah
Company Secretary

Place : Mumbai
Date: June 25, 2021

Choice Finserve Private Limited

Cash Flow Statement for the year ended March 31, 2021

(Rs. in Lakhs)

Particulars	For the Year Ended on March 31, 2021	For the Year Ended on March 31, 2020
A. Cash flow from Operating Activities		
Net profit before tax	**1,255.96**	**66.21**
Adjustments for:		
Depreciation & amortisation expenses	-	1.36
Impairment loss on Investment	-	300.00
Loss on disposal of fixed assets	-	5.07
Finance Costs	1,493.42	1,033.14
Operating profit before working capital changes	**2,749.38**	**1,405.78**
Changes in Working Capital		
-Movement in Loans & advances	(12,551.39)	(2,441.90)
-Movement in Other receivables	-	
-Movement in Non Financial Assets	(15.86)	(0.18)
-Movement in Trade Payables	1.91	6.49
-Movement in Other Current Liabilities & provisons	37.36	(6.63)
-Movement in Other Non Financial Liabilities & provisons	-	27.35
Cash generated from operations	**(9,778.60)**	**(1,009.09)**
-Income tax paid	(174.20)	(69.63)
Net cash flow (used in) from Operating Activities	**(9,952.80)**	**(1,078.72)**
B. Cash flow from Investing Activities		
Sale of Investments	1,299.46	-
Net cash flow (used in) Investing Activities	**1,299.46**	**-**
C. Cash flow from Financing Activities		
Proceeds from issue of share capital	4,500.00	2,000.00
Finance Costs paid	(1,515.13)	(1,010.40)
Movement in amount borrowed/ repaid from/to related parties (net)	3,734.78	3,215.03
Movement in amount borrowed/ repaid from/to others (net)	1,977.27	(3,126.20)
Net cash flow from Financing Activities	**8,696.92**	**1,078.43**
Net increase/(decrease) in Cash and Cash Equivalents	**43.58**	**(0.29)**
Opening Cash and Cash Equivalents	**1.93**	**2.22**
Closing Cash and Cash Equivalents	**45.51**	**1.93**

Notes:- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as ammended).

For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai
Date: June 25, 2021

For and on behalf of Board of Directors

Kamal Poddar
Director
DIN :- 01518700

Choice Finserv Private Limited MUMBAI

Ajay Kejriwal
Director
DIN :- 03051841

Karishma Shah
Company Secretary

Place : Mumbai
Date: June 25, 2021

Choice Finserv Private Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A : Equity Share Capital (Equity shares of INR 10 each issued, subscribed and fully paid)

Particulars	Numbers of Shares (In lakhs)	(Rs. in Lakhs)
Balance as at April 01, 2019	**110.60**	**1,106.00**
Changes in equity share capital during the year 2019-20	100.00	1,000.00
Balance as at March 31, 2020	**210.60**	**2,106.00**
Changes in equity share capital during the year 2020-21	225.00	2,250.00
Balance as at March 31, 2021	**435.60**	**4,356.00**

B : Other Equity

(Rs. in Lakhs)

Particulars	Reserve and Surplus			Total Other Equity
	Statutory Reserve	Securities Premium	Retained Earnings	
Balance at the April 01, 2019	**8.94**	**900.00**	**32.37**	**941.31**
Total Comprehensive Income for the year				
Profit for the year	-	-	4.96	4.96
Other Comprehensive Income	-	-	-	-
Transferred to Statutory Reserve	-		(26.90)	(26.90)
Additions	26.90	1,000.00		1,026.90
Balance as at March 31, 2020	**35.84**	**1,900.00**	**10.43**	**1,946.27**
Total Comprehensive Income for the year				
Profit for the year	-	-	955.04	955.04
Other Comprehensive Income	-	-	-	-
Transferred to Statutory Reserve	-	-	(164.34)	(164.34)
Additions	164.34	2,250.01		2,414.35
Balance as at March 31, 2021	**200.18**	**4,150.01**	**801.13**	**5,151.32**

The notes referred to above are an integral part of the financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants

G. K. Subramaniam
Partner

Place : Mumbai
Date: June 25, 2021

For and on behalf of the Board of Directors

Choice Finserv Private Limited MUMBAI

Kamal Poddar
Director
DIN :- 01518700

Ajay Kejriwal
Director
DIN :- 03051841

Place : Mumbai
Date: June 25, 2021

Karishma Shah
Company Secretary

1. Corporate Information

Choice Finserv Private Limited (CFPL/ the Company) is incorporated in India as a private limited company and is a Non-Banking Financial Company-Non Systemically Important Non-Deposit taking Company registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in investment, lending and allied activities. The Company received the certificate of registration from the RBI on January 12, 2018, enabling the Company to carry on business as a Non-Banking Finance Company.

2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these special purpose financial statements. These accounting policies have been consistently applied to all the years presented by the Company unless otherwise stated.

Basis of preparation

i. Statement of compliance

These special purpose financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The Company has prepared these special purpose financial statements under Ind AS for the purpose of preparation of Consolidated Financial Statements of Choice International Limited (Holding Company).

ii. Functional and presentation current

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

iii. Basis of measurement

The financial statements have been prepared on historical cost basis except for certain financial assets and liabilities are measured at fair value as explained in the accounting policy. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further assets and liabilities are classified as per the normal operating cycle (determined as 12 months).

iv. Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a

Choice Finserv Private Limited MUMBAI

quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

• Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

v. Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialise i.e. prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

i) Impairment of financial assets
ii) Estimation of fair value measurement of financial assets and liabilities
iii) Effective interest rate
iv) Business model assessment
v) Provisions and Contingencies

Choice Finserv Private Limited MUMBAI

vi) Useful life and expected residual value of assets
vii) Tax position for current tax and recognition of deferred tax assets/liabilities
viii) Measurement of Defined Benefit Obligations and actuarial assumptions
ix) Classification of lease and related discount rate

Summary of significant accounting policies

1. Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must be met before revenue is recognised:
(i) Interest and other dues on Lending is recognised on accrual basis.
(ii) Profit or Loss on sale of investments is determined based on weighted average cost of investments and is recognized on trade date basis.

2. Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

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, Server and network and 5% is considered in case of other assets.

Choice Finserv Private Limited MUMBAI

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.

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.

3. Investment Properties-

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated impairment loss, if any. Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

4. Intangible Assets

Intangible asset including intangible assets under development are stated at cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost. The amortization period and the amortisation method are reviewed at the end of each financial year. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with infinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Choice Finserv Private Limited
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5. Segment Reporting

The main business of the Company is Non Banking Finance activities. Further, all activities are carried out within India. Hence, there are no separate reportable segments as per Indian Accounting Standard (Ind As)-108 on "Operating Segments".

6. Foreign exchange transactions and translations

a) **Initial recognition:** Transactions in foreign currencies are recognised at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date.

b) **Conversion:** Transactions in currencies other than Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are generally recognised in Statement of Profit and Loss.

Non-monetary assets and liabilities are carried at historical cost using exchange rates as on the date of the respective transactions and are not retranslated at the reporting date.

7. 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 has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

The promulgated Taxation Law (Amendment) Ordinance 2019 has inserted section 115BBA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company has irreversibly opted for the new tax rate i.e. 25.17%.

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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the

Choice Finserv Private Limited MUMBAI

tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

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.

8. 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.

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.

9. 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.

Choice Finserv Private Limited MUMBAI

Financial Assets

a) Initial recognition and measurement

All financial assets are recognised initially at fair value. 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.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

Amortised cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI - debt instruments - The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

b) Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

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For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss. Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.
Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) De-recognition of financial assets

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

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

For loan given measured at amortised cost or FVTOCI, except for investments in equity instruments, the Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) - includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

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Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Presentation of allowance for ECL in the Balance Sheet – Loss allowances for ECL are deducted from the gross carrying amount of financial assets measured at amortised cost.

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

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 comapny 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.

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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

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

c) Derecognition

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

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.

10. Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. The Company's lease asset classes primarily consist of leases for Premises. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2018.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract

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involves– a) the use of an identified asset, b) the right to obtain substantially all the economic benefits from use of the identified asset, and c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets (assets of less than Rs. 10 Lakhs in value). Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU assets is depreciated using the straightline method from the commencement date over the shorter of lease term or useful life of ROU assets.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the ROU assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

11. Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include debt and borrowing, Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying debt and borrowing.

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12. Goods and Service Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilising the credits.

13. Dividend distribution to equity holders of the Company

The Company recognises a liability to make distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Company

14. Provisions

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- 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

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:
Contingent assets are not recognised in the financial statements

15. Commitments:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loan sanctioned and on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

16. 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.

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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.

17. 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.

18.Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
i. changes during the period in inventories and operating receivables and payables transactions of a noncash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

19. Employee Benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss

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Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
ii) Net interest expense or income
iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

20. Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to Corporates and individual.

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Accompanying notes to the financial statements

Note 3 : Cash and Cash Equivalents

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash & Cash Equivalents		
Cash on Hand	0.03	0.03
Balances with Bank :		
In current account	45.48	1.90
	45.51	1.93

Note 4 : Loans

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan against shares & Securities	729.47	872.69
Loan against property	2,484.92	2,574.19
Loan to related parties against property (Refer Note 26)	576.06	
Loan to related parties (Refer Note no 26)	509.17	1,027.82
Loan given to others-		7,631.86
- Business	9,814.09	
- MSME	2,325.17	
- Personal	2,940.69	
- Others	5,303.65	
Accrued Interest Income	37.92	
Allowance for Credit loss	(123.61)	(60.43)
	24,597.53	12,046.13
Secured	3,790.45	3,446.88
Unsecured	20,930.69	8,659.68
	24,721.14	12,106.56

Note 5 : Investment

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in unquoted equity shares fully paid-up		
Nil (March 31, 2020- 523,980) shares of Rs.10/- each Jaatvedas Construction Company Limited	-	1,299.47
400,000 (March 31, 2020- 400,000) shares of Rs.10/- each of Gini & Jony Limited *	205.60	205.60
	205.60	1,505.07

*The Company had made fair valuation of Investment in Gini & Jony Limited through Profit & Loss account and booked Impairment loss of Rs. 300.00 lakhs on investment in Gini & Jony Limited. The Company, subsequent to the year-end on June 21, 2021, sold its investments in Giny & Jony Limited Company Limited worth Rs. 205.60 lakhs for a consideration of Rs. 200.00 lakhs.

Note 6 : Income Tax Asset (Net)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Receivable	-	7.24
	-	7.24

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Accompanying notes to the financial statements

Note 7 : Deferred Tax Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provision for employee benefit expenses	0.18	0.19
Provision for standard loan assets	31.11	16.82
Fair Value loss on Investment	34.32	41.74
Gross deferred tax assets	65.61	58.75
Deferred tax assets (net)	**65.61**	**58.75**

Movement in Deferred Tax Assets

(Rs. in Lakhs)

Particulars	Provision for Employee Benefit Expenses	Provision for Standard Loan Assets	Property, Plant and Equipment-Depreciation	Fair Value loss on Investment	Total
As at April 01, 2019	**0.15**	**6.26**	**(0.26)**	**-**	**6.15**
Charged/ (Credited):					
To Profit or Loss	0.04	10.56	0.26	41.74	52.60
To Other Comprehensive Income					-
As at March 31, 2020	**0.19**	**16.82**		**41.74**	**58.75**
Charged/ (Credited):					
To Profit or Loss	(0.01)	14.29		(7.42)	**6.86**
To Other Comprehensive Income					-
As at March 31, 2021	**0.18**	**31.11**		**34.32**	**65.61**

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Accompanying notes to the financial statements as at March 31, 2021

Note:8 Intangible Assets

(Rs. in Lakhs)

Particulars	Computer Software
Gross Carrying Amount as at April 01, 2019	**6.76**
Additions	-
Deletions	(6.76)
As at March 31, 2020	**-**
Additions	-
Deletions	-
As at March 31, 2021	**-**
Accumulated amortisation and impairment	**0.33**
Amortisation charge during the quarter	1.36
Deletions	(1.69)
As at March 31, 2020	**-**
Amortisation charge during the quarter	-
Deletions	-
As at March 31, 2021	**-**
Net carrying amount as at March 31, 2021	-
Net carrying amount as at March 31, 2020	-

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Accompanying notes to the financial statements

Note 9 : Other Non - Financial Assets

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	15.83	0.19
Other Advances	1.68	1.46
	17.51	**1.65**

Note 10 : Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to Micro, Small and Medium Enterprises*	1.02	-
Other than Micro, Small and Medium Enterprises	10.44	9.54
	11.46	**9.54**

*Based on information received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act 2006 and relied upon by the auditors.

Note 11 : Debt Securities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Commercial Papers	-	5,086.13
Non Convertible Reedemable Debentures*	75.00	575.00
	75.00	**5,661.13**
Secured	75.00	575.00
Unsecured	-	5,086.13

* During the year fy 2019-20 the Company has issued 115 debentures @ Rs. 500,000/- per unit on private placement basis with tenor of 1161 days from the date of allotment. Out of these 100 debentures redeemed during the fy 2020-21. These are non convertible and redeemable debentures with coupon 37% and secured by way of hypothecation on receivables and current assets.

Accompanying notes to the financial statements

Note 12 : Borrowings (Other than Debt Securities)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans taken from financial Institutions*	7,597.09	33.69
Loans taken from related parties (Refer note no 26)	7,480.12	3,745.34
	15,077.21	**3,779.03**
Secured	7,597.09	33.69
Unsecured	7,480.12	3,745.34

*Loans taken from Financial Institutions are secured against shares & securities placed as collateral by customers, directors, relatives of director and fellow subsidiary . Loan taken from Tata Capital Financial Services Limited at rate of interest of 10.80% and Loan taken from Bajaj Finserv Private Limited is at rate of interest of 8.50% for tenure of 12 months.

Note 13 : Other Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued But not Due	13.29	35.00
	13.29	**35.00**

Note 14 : Provision

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits Expenses	0.70	0.70
Provision of tax (net of advance tax)	172.03	45.70
	172.73	**46.40**

Note 15 : Other Non - Financial Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	74.75	32.71
Other Liabilities	-	4.68
	74.75	**37.39**

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Note 16 : Equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Details of authorised, issued and subscribed share capital		
Authorised Capital		
511,00,000 (PY 210,60,000) Equity Shares of Rs. 10/- each	**5,110.00**	**2,106.00**
Issued Capital		
435,60,000 (PY 210,60,000) Equity Shares of Rs. 10/- each	**4,356.00**	**2,106.00**
Subscribed and Paid up Capital		
435,60,000 (PY 210,60,000) Equity Shares of Rs. 10/- each	4,356.00	2,106.00
	4,356.00	**2,106.00**

Rights, preferences and restrictions attached to each class of shares -
The Company has only one class of share capital, i.e., equity shares having face value of 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.

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

No. of shares at the beginning of the year	**210.60**	**110.60**
Add : shares issued during the year	225.00	100.00
No. of shares at the end of the year	**435.60**	**210.60**

(c) Details of equity shares held by the holding company

Choice International Limited & its nominee	**410.60**	**185.60**

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

Choice International Limited & its nominee	410.60 94.26%	185.60 88.13%
Choice Equity Broking Private Limited	25.00 5.74%	25.00 11.87%

(e) During the year 2020-21, the Company has issued and alloted 1,85,00,000 equity shares of Rs.10 each at Rs, 20 per shares to Choice International Limited as right issue and 40,00,000 shares on account of conversion of loan at Rs.20 per share.

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Accompanying notes to the financial statements

Note 17 : Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Reserve	200.18	35.84
Security Premium Reserve	4,150.01	1,900.00
Retained Earnings	801.13	10.44
	5,151.32	**1,946.28**

*The Management has created a statutory reserve of Rs 164.34 lakhs/-(March 31, 2020- Rs. 26.90 lakhs) as per the provisions of section 45-IC of Reserve Bank of India Act, 1934.

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Accompanying notes to the financial statements

Note : 18 Interest Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on loans	2,871.69	1,515.76
	2,871.69	**1,515.76**

Note : 19 Other Operating Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit on sale of Investments	62.88	-
Profit on sale of Shares	0.04	-
	62.92	**-**

Note : 20 Other Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Income Tax refund	0.25	-
Miscellenous Income	0.42	
	0.67	**-**

Note : 21 Finance Cost

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest & other borrowing Expense on borrowings	1,493.42	1,033.14
	1,493.42	**1,033.14**

Note : 22 Employee Benefit Expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and allowances	64.98	55.19
	64.98	**55.19**

Note : 23 Impairemet on Financial Assets

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Provision against standard loan assets	63.17	36.36
Impairment loss on Investment	-	300.00
	63.17	**336.36**

Choice Finserv Private Limited MUMBAI

Accompanying notes to the financial statements

Note : 24 Other Expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Legal & Professional Fees	48.14	13.86
Loss on disposal of fixed assets	-	5.07
Office Rent	0.71	0.71
Rates & Taxes	5.60	0.04
Payment to Auditors		
Audit Fees	2.00	2.00
Tax Audit Fees	-	0.20
Other Certification Fees	1.07	1.17
Miscellanous Expense	0.23	0.45
	57.75	23.50

Note : 25 Earnings Per Share

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to equity shareholders	955.04	4.96
Weighted average number of equity shares	241.08	135.26
Basic and Dilutive Earnings Per Share	**3.96**	**0.04**
Face value per Share	**10.00**	**10.00**

Choice Finserv Private Limited
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Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2021

26 Related Party Disclosure

Details of Related Parties

Description of Relationship	Names of Related Parties
a. Holding Company	Choice International Limited
b. Fellow Subsidiaries	Choice Consultancy Services Private Limited
	Choice Portfolio Management Services Private Limited
	Choice Capital Advisors Private Limited
	Choice Corporate Services Private Limited
	Choice Wealth Management Private Limited
	Choice Equity Broking Private Limited
	Choice Techlab Solutions Private Limited
	Choice Retail Solutions Private Limited
c. Key Management Personnel (KMP)	Kamal Poddar (Director)
	Ajay Kejriwal (Director)
	Karishma Shah (Company Secretary)
d.Relatives of Key Management Personnel	Santosh Poddar (Relative of KMP)
	Manju Poddar (Relative of KMP)
	Arun Poddar (Relative of KMP)
	Hemlata Poddar (Relative of KMP)
	Shreya Poddar (Relative of KMP)
	Meenu Bajaj (Relative of KMP)
	Babita Kejriwal(Relative of KMP)
	Rajendra Kejriwal (Relative of KMP)
	Maltidevi Kejriwal (Relative of KMP)
	Harsh Kejriwal (Relative of KMP)
	Mehek Kejriwal (Relative of KMP)
	Vijay Kejriwal (Relative of KMP)
	Manisha Dattani (Relative of KMP)
	Praful Shah (Relative of KMP)
	Falguni Shah (Relative of KMP)
e. Enterprises over which KMP have significant influence	Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L
	VSC Consulting Private JV with Choice Consultacny Services Private Limited
	CCSPL - I&R JV
	Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd
	Choice Science Eduhub LLP
	Choice Soft Skills Training LLP
	Samank Consumer Products Private Limited
	Samank Apperals Private Limited
	Choice Insurance Broking India Private Limited
	Choice Peers International Private Limited
	De Starvings Couriers LLP
	Farmer's Evolvement Foundation
	Choice Strategic Advisors LLP
	Lions Mumbai Choice Foundation
	Rupang Properties Private Limited
	Optimo Investment Advisors Private Limited
	Maruti Nandan Colonizers Private Limited
	Kamal Poddar HUF
	Arun Poddar HUF
	S K Patodia & Associates

Choice Finserv Private Limited
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Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2021

Details of Related Party transactions - (Current Year) - March 21

(Rs. in Lakhs)

Particulars	Holding	Fellow	KMP & their	Enterprises	Total
Infusion of share capital					
Choice International Limited	4,500.00	-	-	-	**4,500.00**
Loans taken from					
Choice International Limited	1,287.06		-	-	**1,287.06**
Choice Portfolio Management Services Private Limited	-	4.58	-	-	**4.58**
Choice Capital Advisors Private Limited	-	165.26	-	-	**165.26**
Choice Consultancy Services Private Limited	-	1,620.64	-	-	**1,620.64**
Choice Equity Broking Private Limited	-	8,050.00	-	-	**8,050.00**
Choice Retails Solutions Private Limited		101.24			**101.24**
Choice Insurance Broking India Private Limited				15.48	**15.48**
Maruti Nandan Colonizers Private Limited				796.60	**796.60**
Loan repaid					
Choice Portfolio Management Services Private Limited	-	43.30			**43.30**
Choice Capital Advisors Private Limited	-	548.00	-	-	**548.00**
Choice Equity Broking Private Limited	-	6,748.47		-	**6,748.47**
Choice Retails Solutions Private Limited		42.12			**42.12**
Choice Insurance Broking India Private Limited				11.00	**11.00**
Choice Peers International Private Limited				11.59	**11.59**
Maruti Nandan Colonizers Private Limited				796.60	**796.60**
Kamal Poddar	-	-	105.00		**105.00**
Loan Given					
Choice Corporate Services Private Limited	-	3.01	-	-	**3.01**
Choice Peers International Private Limited	-		-	114.59	**114.59**
Choice Retail Solutions Private Limited	-	41.50	-	-	**41.50**
Choice Techlab Solutions Private Limited	-	104.00	-	-	**104.00**
Choice Wealth Management Private Limited	-	48.37	-	-	**48.37**
Choice Portfolio Management Services Private Limited		3.01			**3.01**
Samank Apparles Private Limited	-	-	-	12.00	**12.00**
S K Patodia & Associates	-	-		208.00	**208.00**
Choice Consultancy Services Private Limited		49.97	-	-	**49.97**
Choice Equity Broking Private Limited	-		-	-	**-**
Rupang Properties Private Limited				208.89	**208.89**
Maruti Nandan Colonizers Private Limited				52.65	**52.65**
Repayment of Loan received from					
S K Patodia & Associates	-			534.41	**534.41**
Choice Techlab Solutions Private Limited	-	377.45	-	-	**377.45**
Choice Corporate Services Private Limited		4.75	-	-	**4.75**
Choice Retail Solutions Private Limited	-	135.68	-	-	**135.68**
Choice Consultancy Services Private Limited	-	49.97	-	-	**49.97**
Choice Portfolio Management Private Limited		3.01			**3.01**
Choice Peers International Private Limited				9.82	**9.82**
Rupang Properties Private Limited				60.44	**60.44**
Maruti Nandan Colonizers Private Limited				50.48	**50.48**
Interest on Loans (Income)					
Choice Corporate Services Private Limited	-	10.00	-	-	**10.00**
Choice Peers International Private Limited	-	-	-	5.42	**5.42**
Choice Retail Solutions Private Limited	-	2.84	-	-	**2.84**
Choice Techlab Solutions Private Limited	-	25.32	-	-	**25.32**
Choice Wealth Management Private Limited	-	4.42	-	-	**4.42**
Samank Apparles Private Limited	-	-	-	12.98	**12.98**
S K Patodia & Associates	-	-	-	34.96	**34.96**
Rupang Properties Private Limited				80.11	**80.11**
Finance Costs					
Choice Capital Advisors Private Limited	-	51.09	-	-	**51.09**
Choice Consultancy Services Private Limited		88.80	-	-	**88.80**
Choice Equity Broking Private Limited	-	530.84	-	-	**530.84**
Choice International Limited	242.23		-	-	**242.23**
Choice Insurance Broking India Private Limited				3.22	**3.22**
Maruti Nandan Colonizers Private Limited				11.91	**11.91**
Choice Portfolio Management Services Private Limited	-	3.46	-	-	**3.46**

Choice Finserv Private Limited MUMBAI

Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2021

Director Remuneration					
Kamal Poddar	-	-	-	29.97	**29.97**
Office Rent					
Choice International Limited	0.60	-	-	-	**0.60**
Balance at the end of year					
Short Term Loans & Advances					
Choice Corporate Services Private Limited	-	96.58		-	**96.58**
Choice Techlab Solutions Private Limited	-	56.14		-	**56.14**
Choice Wealth Management Private Limited	-	63.24		-	**63.24**
Samank Apparles Private Limited	-	-	-	120.16	**120.16**
S K Patodia & Associates	-	-	-	56.29	**56.29**
Rupang Properties Private Limited				576.06	**576.06**
Choice Peers International Private Limted				114.59	**114.59**
Maruti Nandan Colonizers Private Limited				2.17	**2.17**
Short Term Borrowings					
Choice Capital Advisors Private Limited	-	188.15	-	-	**188.15**
Choice Consultancy Services Private Limited	-	1,888.66	-	-	**1,888.66**
Choice Equity Broking Private Limited	-	1,351.35	-	-	**1,351.35**
Choice International Limited	-	3,959.79	-	-	**3,959.79**
Choice Portfolio Management Services Private Limited	-	0.19	-	-	**0.19**
Choice Retails Solutions Private Limited		59.12			**59.12**
Choice Insurance Broking India Private Limited	-	-	-	32.86	**32.86**
Trade Payable					
Choice International Limited	0.38	-	-	-	**0.38**
Kamal Poddar	-	-	2.50	-	**2.50**
S K Patodia & Associates	-	-		0.20	**0.20**

Details of Related Party transactions - (Previous Year) - March 20

(Amount in Rs.)

Particulars	Holding Company	Fellow Subsidiary Company	KMP & their relatives	Enterprises over which KMP and their relatives have significant influences	Total
Infusion of share capital					
Choice International Limited	2,000.00	-	-	-	**2,000.00**
Loans taken from					
Choice International Limited	2,672.73	-	-	-	**2,672.73**
Choice Portfolio Management Services Private Limited	-	17.69	-	-	**17.69**
Choice Capital Advisors Private Limited	-	574.25	-	-	**574.25**
Choice Consultancy Services Private Limited	-	741.85	-	-	**741.85**
Choice Equity Broking Private Limited	-	7,865.37	-	-	**7,865.37**
Choice Wealth Management Private Limited	-	31.85	-	-	**31.85**
Choice Insurance Broking India Private Limited				37.88	**37.88**
Choice Peers International Private Limited				20.42	**20.42**
Kamal Poddar			130.00		**130.00**
Loan repaid					
Choice Portfolio Management Services Private Limited		17.25			**17.25**
Choice Capital Advisors Private Limited	-	3.36	-	-	**3.36**
Choice Consultancy Services Private Limited	-	965.67	-	-	**965.67**
Choice Equity Broking Private Limited	-	7,815.55	-	-	**7,815.55**
Choice Wealth Management Private Limited		31.85			**31.85**
Choice Insurance Broking India Private Limited				9.50	**9.50**
Choice Peers International Private Limited				8.82	**8.82**
Kamal Poddar	-	-	25.00	-	**25.00**

Choice Finserv Private Limited MUMBAI

Choice Finserv Private Limited

Accompanying notes to the financial statements as at March 31, 2021

Loan Given					
Choice Corporate Services Private Limited	-	75.74	-	-	**75.74**
Choice Peers International Private Limited	-		-	13.50	**13.50**
Choice Retail Solutions Private Limited	-	106.17	-	-	**106.17**
Choice Techlab Solutions Private Limited	-	505.37	-	-	**505.37**
Choice Wealth Management Private Limited	-	525.15	-	-	**525.15**
Samank Apparles Private Limited	-		-	40.15	**40.15**
S K Patodia & Associates	-	-	-	460.34	**460.34**
Repayment of Loan received from					
S K Patodia & Associates	-	610.68	-	-	**610.68**
Choice Techlab Solutions Private Limited	-	542.00	-	-	**542.00**
Choice International Limited	90.36	-	-	-	**90.36**
Choice Corporate Services Private Limited		70.50			**70.50**
Choice Retail Solutions Private Limited	-	21.00	-	-	**21.00**
Choice Equity Broking Private Limited	-	409.33	-	-	**409.33**
Choice Wealth Management Private Limited	-	510.27	-	-	**510.27**
Choice Peers International Private Limited				108.58	**108.58**
Samank Apparles Private Limited				20.18	**20.18**
Interest on Loans (Income)					
Choice Corporate Services Private Limited	-	10.54	-	-	**10.54**
Choice Peers International Private Limited	-	-	-	9.80	**9.80**
Choice Retail Solutions Private Limited	-	4.92	-	-	**4.92**
Choice Techlab Solutions Private Limited	-	39.86	-	-	**39.86**
Choice Wealth Management Private Limited	-	42.47	-	-	**42.47**
Samank Apparles Private Limited	-	-	-	11.28	**11.28**
S K Patodia & Associates	-	-	-	36.74	**36.74**
Finance Costs					
Choice Capital Advisors Private Limited	-	44.60	-	-	**44.60**
Choice Consultancy Services Private Limited		46.95	-	-	**46.95**
Choice Equity Broking Private Limited	-	67.16	-	-	**67.16**
Choice International Limited	119.14	-	-	-	**119.14**
Choice Insurance Broking India Private Limited		2.09			**2.09**
Choice Portfolio Management Services Private Limited	-	4.44	-	-	**4.44**
Director Remmuneration					
Kamal Poddar	-	-	-	22.49	**22.49**
Office Rent					
Choice International Limited	0.60				**0.60**
<u>Balance at the end of year</u>					
<u>Short Term Loans & Advances</u>					
Choice Corporte Services Private Limited		98.32	-	-	**98.32**
Choice Retail Solutions Private Limited	-	94.18	-	-	**94.18**
Choice Techlab Solutions Private Limited	-	329.59	-	-	**329.59**
Choice Wealth Management Private Limited	-	14.87	-	-	**14.87**
Samank Apparles Private Limited	-	-	-	108.15	**108.15**
S K Patodia & Associates	-		-	382.70	**382.70**
<u>Short Term Borrowings</u>					
Choice Capital Advisors Private Limited	-	570.89			**570.89**
Choice Consultancy Services Private Limited		268.03			**268.03**
Choice Equity Broking Private Limited	-	49.82			**49.82**
Choice International Limited	2,672.73	-			**2,672.73**
Choice Portfolio Management Services Private Limited	-	38.91	-	-	**38.91**
Choice Insurance Broking India Private Limited				28.38	**28.38**
Choice Peers International Private Limited				11.59	**11.59**
Kamal Poddar			105.00		**105.00**
Trade Payable					
Kamal Poddar	-	-	6.56	-	**6.56**
S K Patodia & Associates	-	-	-	0.01	**0.01**

Note- Loan transactions have been shown on net on basis.

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Accompanying notes to the financial statements

Note 27 - Reconciliation of Tax Expenses and the accounting profit multiplied by India's Tax Rate

(Rs. in Lakhs)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit Before Tax	1,255.96	66.21
Enacted Income tax Rate	25.17%	27.82%
Tax @ 22% (P Y 25 %) plus surharge and education cess	**316.10**	**18.42**
Tax effects of adjustments to reconcile expected Income tax expenses to reported income tax expenses :		
Expenses that are not deductible for tax purpose	15.90	95.43
Deductions available under income tax	(19.80)	-
Total	**312.20**	**113.85**
Income tax for earlier year	(4.42)	(0.01)
Income tax Expesnes recognised in profit & loss	312.20	113.85
Deferred tax recognised in profit & loss	(6.86)	(52.59)
Total Tax Recognised in profit & loss	**300.92**	**61.25**
Effective Tax Rate	23.96%	92.51%

Note 28 - Contingent Liabilities and Commitments

A Contingent Liabilities- **Nil**
B Capital Commitments- **Nil**

Note 29:- Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Financial Assets		
Cash and Cash Equivalnets	45.51	1.93
Loans	24,597.53	12,046.13
Total	**24,643.04**	**12,048.06**

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

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Note 30:- Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non Current Financial Liabilties		
Debentures	75.00	575.00
Current Financial Liabilities		
Commercial Papers	-	5,086.13
Loans	15,077.21	3,779.03
Trade Payable	11.46	9.54
Other Financial Liabilities	13.29	35.00
Total	**15,176.96**	**9,484.70**

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

Note 31:- Financial Assets at Fair Value Through Profit or Loss

The carrying value of the following financial assets recognised at fair value through profit or loss:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Non - Current Financial Assets		
Investments	205.60	1,505.07
Total	**205.60**	**1,505.07**

Note: The above investments are quoted instruments in active markets and the same is recognised at fair value. Fair value measurement is done considering the Level -1 of Fair Value Hierarchy as per the Ind-AS 113.

Note 32 : 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

Choice Finserv Private Limited MUMBAI

Accompanying notes to the financial statements

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.

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 6.

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.

The Company offers loans secured by real estate/housing property/investments. In order to migate credit risk, the Company also seeks collateral appropriate to the product segment and also ensure that Loan to value ratio is maintained as specified by regulator.

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk

In assessing the impairment of financial assets under the expected credit loss model, the Group defines default when a loan obligation is overdue for more than 90 days (net of subsequent receipts as on the reporting date) and credit impaired

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross Stage 1 (DPD< 30 days) Performing asset and 12 monthh ECL	24,721.14	12,106.56
Less : Impairment loss allowance	123.61	60.43
Net Stage 1 Assets	**24,597.54**	**12,046.12**
ECL Provision Coverage	0.50%	0.50%
Gross Stage 2 (30>DPD< 90 days) Under performing assets inccrease in credit	-	-
Less : Impairment loss allowance	-	-
Net Stage 2 Assets	-	-
ECL Provision Coverage	-	-
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime	-	-
Less : Impairment loss allowance	-	-
Net Stage 3 Assets	-	-
ECL Provision Coverage	-	-
Total Loans & Advances	**24,721.14**	**12,106.56**
Less : Impairment loss allowance	123.61	60.43
Net Loans & Advances	**24,597.54**	**12,046.12**
ECL Provision Coverage	0.50%	0.50%

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.

Choice Finserv Private Limited MUMBAI

Choice Finserv Private Limited

Accompanying notes to the financial statements

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as stated in balance sheet except for balances of subsidiary company.

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, 2021 and March 31, 2020:

(Rs. in Lakhs)

Particulars	0-1 Year	1-3 year	3-5 Year	More than 5 Year	Total
Year ended March 31, 2021					
Secured Loans	7,597.09	75.00	-	-	7,672.09
Unsecured Loans	7,480.12	-	-	-	7,480.12
Trade Payables	11.46	-	-	-	11.46
Others	88.04	-	-	-	88.04

Particulars	0-1 Year	1-3 year	3-5 Year	More than 5 Year	Total
Year ended March 31, 2020					
Secured Loans	33.69	575.00	-	-	608.69
Unsecured Loans	8,831.47	-	-	-	8,831.47
Trade Payables	9.54	-	-	-	9.54
Others	72.39	-	-	-	72.39

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, 2021	As at March 31, 2020
Variable Rate Borrowing	7,597.09	33.69
Fixed Rate Borrowing	7,555.12	9,406.47
Total	**15,152.21**	**9,440.16**

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Choice Finserv Private Limited

Accompanying notes to the financial statements

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:

(Rs. in Lakhs)

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax
March 31, 2021	+ 1%	75.97
	- 1%	(75.97)
March 31, 2020	+ 1%	0.34
	- 1%	(0.34)

Note 33 : 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 Company's chief operating decision maker is the Chief Executive Officer and Managing Director. The main Business of the Company is engaged in NBFC activities. 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 34 : COVID Impact

The COVID -19 pandemic continues to spread across the globe and India, which has contributed to a significant volatility in global and Indian financial markets. The financial statement, includes the potential impact of the COVID-19 pandemic on the Company's financial statements which are dependent on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the second wave of COVID-19 pandemic and any action to contain its spread or mitigate its impact whether Government mandated or elected by the Company and its subsequent impact on the recoverability's on the Company's assets.

Further, the Company has, based on all information currently available and based on the policy approved by the Board of Directors, determined the provision for standard assets on loans of Rs. 123.61 Lakhs as at 31 March 2021.

Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets. Given the uncertainty over the potential macro-economic condition, the impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statement and the Company will continue to closely monitor any material changes to future economic conditions.

Note 35 : 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 previous period's figures have been regrouped or rearranged wherever necessary.

For and on behalf of the Board of Directors

Choice Finserv Private Limited MUMBAI

Kamal Poddar	**Ajay Kejriwal**
Managing Director	**Director**
DIN: 01518700	DIN: 03051841
Place : Mumbai	**Karishma Shah**
Date: June 25, 2021	Company Secretary