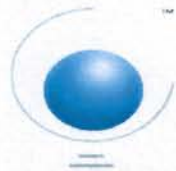




Annual Report 2022-2023

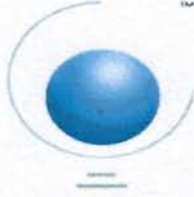


CHOICE
SOLUTIONS
LIMITED

ANNUAL REPORT 2022-23

Contents:

- Board of Directors, Bankers & Auditors
- Notice of Annual General meeting
- Directors Report to the Share Holders
- Annexure to the Report of Directors
- Report of Auditors
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- Profit & Loss Account
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- Proxy form & Attendance Slip



CHOICE
ANNUAL REPORT 2022-23

Board of Directors

Managing Director

Shri K V Jagannath

Directors

Shri Ravi Rama Krishna Devulapalli
Shri Chand Narayan
Shri Tandava Krishna Moorthy Satuluri
Shri K V Srinivas

Bankers

State Bank of India,
SME Branch,
Saifabad,

Auditors

Murthy & Kanth
Chartered Accountants,
Door No.8-2-112-120-88-89,
Aparna Crest, Top Floor,
Road No.2, Banjara Hills,
Hyderabad – 500 034.

Registered and Corporate Office

Plot No.408-3, H No. 8-2-293/82/J/3/408,
Road No 81, Jubilee Hills,
Film Nagar, Hyderabad,
Telangana 500033.



ANNUAL REPORT 2022-23

Notice of Annual General Meeting

Notice is hereby given that the **32nd Annual General Meeting** of Shareholders of Choice Solutions Limited will be held on Friday the 29th Day of September, 2023 at 1.30 PM at the Registered Office of the Company at Plot No.408-3, H No. 8-2-293/82/J/3/408, Road No 81, Jubilee Hills, Film Nagar, Hyderabad, Telangana 500033. to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. The Audited Financial Statements for the year ended **31st March 2023**, together with the Report of the Board of Directors and Auditors thereon.
 - b. The Audited Consolidated Financial Statements for the year ended **31st March 2023**, together with the Report of the Auditors thereon.
2. To appoint a director in place of Mr. Kallakurchi Srinivas Venkoba (DIN: 08686847), who retires by rotation and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS:

3. **Re-appointment of Mr. K.V Jagannath as Managing Director.**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 & Articles of Association of the Company and subject to the approval of Central Government or other Government authorities/agencies, if any, as may be required, approval of the Shareholders be and is hereby accorded to re-appoint Mr. K. V. Jagannath, CEO & Managing Director of the Company for a period of 3 years with effect from 2nd July 2023 at a remuneration of INR 5,00,000/- per month, (actual payment of which may decrease or increase, depending on the performance review & approval by the board/ committee) and other benefits/ perquisites of INR 1,00,000/- per month with effect from 2nd July 2023 (up to a maximum period of 3 years)."

"RESOLVED FURTHER THAT, Board of Directors of the company be and is hereby severally authorized to do all such acts, deeds and things which are necessary to carry out the aforesaid resolution and to seek such approval/ consent from the government departments, if required in this regard and make necessary filings relating to the revision/ fixation of remuneration of Mr. K. V. Jagannath, CEO & Managing Director with the Registrar of Companies and submission of any other necessary documents with the appropriate regulatory authorities, as may be required from time to time."

Place:Hyderabad
Date: 5th September, 2023



By order of the Board
For Choice Solutions Limited

K. V. Jagannath
K. V. Jagannath
Managing Director
(DIN: 01791977)

Notes:

- 1) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. A person can act as a Proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% (ten percent) of the total share capital of the company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or shareholder.
- 2) A Proxy in order to be effective should be duly completed, stamped and signed must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT 2013.

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO. 3:

The company has appointed Mr. K. V. Jagannath (DIN: 01791977) as CEO and Managing Director of the company for a period of 3 years at the Annual General Meeting held on 28/09/2020 at a remuneration in accordance with provisions of section 197, 198 and 203 read with schedule V of companies act 2013.

His current term of appointment is expired on 26/06/2023. Considering his knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors at their meeting held on 30th June 2023 is of the opinion that for smooth and efficient running of the business, to reappoint Mr. K. V. Jagannath (DIN: 01791977) as CEO and Managing Director of the company for the further period of three (3) years with effect from 2nd July 2023, subject to approval of shareholders at an annual remuneration by way of fixed pay of INR 5,00,000 (actual payment of which may decrease or increase, depending on the performance review & approval by the board/ committee) and other benefits/ perquisites of INR 1,00,000 with effect from 2nd July 2023 (for a period of maximum 3 years).

Annexure forming part of the explanatory statement as required to be given pursuant to Part II of Schedule V of the Companies Act, 2013:

I		General Information
(1)	Nature of industry	Information Technology and software development
(2)	Date or expected date of commencement of commercial production	1991
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N. A.
(4)	Financial performance based on given indicators.	Good
(5)	Foreign investments or collaborations, if any.	Subsidiary company investment in USA
(II) Information about the appointee		
(1)	Back ground details	Mr. K. V. Jagannath, One of the founders of Choice Solutions. He possesses a rare combination of strong technical and management skills along with empathy for client's needs. His exemplary leadership has paved the way for Choice Solutions success as a global organization and one of the Top IT Companies in India. (Ranked among Top 200 IT Companies as per survey of Dataquest, a leading IT Magazine). Dun & Bradstreet a leading transnational credit rating agency has ranked our Company as 2A2-Good Jagannath has graduated with honors with a Master's Degree in Physics from IIT Rourkee, EMBA from ISB (Indian School of Business) in 2011, Harvard Business School, Certification on Strategy in 2012 and Pursuing



		Ph.D. currently from IIT Bombay. Jagannath carries with him experience of over 25 years spanning organizations like Computer Point of which he was the Head of Operations.
(2)	Past remuneration	Rs. 60,00,000 p.a.
(3)	Recognition or awards	Best Partnership award from APC, Microsoft, Veritas etc., (Ranked among Top 200 IT Companies as per survey of Dataquest, a leading IT Magazine). Dun & Bradstreet a leading transnational credit rating agency has ranked our Company as 2A2-Good
(4)	Job profile and his suitability	CEO and Managing Director
(5)	Remuneration proposed	Rs. 60,00,000/- p.a.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Rs. 60,00,000/- to Rs. 80,00,000/- p.a.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Promoter Director
(III)	Other information	
(1)	Reasons of loss or inadequate profits	Company has invested in new business areas like IT Enterprise, Services, etc., and also in infrastructure and manpower. Market is responding very well for the Company's new business lines and the Company is confident that shortly after the gestation period the Company will do very well.
(2)	Steps taken or proposed to be taken for improvement	Having the infrastructure and people in place and development business relationships with potential customers and demonstrating the company's ability to deliver.
(3)	Expected increase in productivity and profits in measurable terms.	The revenue is expected to grow by at least 20% during this year and 30% in the next coming year.

None of the other Directors or Key Managerial Personnel of the Company and their relatives, other than Mr. K. V. Jagannath is in any way, personally concerned or interested, financially or otherwise, in this resolution.





ANNUAL REPORT 2022-23

Boards REPORT

To the Members,

Your directors are pleased to present their 32nd (Thirty second) Annual report and the Audited Statement of Accounts of the Company for the year ended 31st March, 2023.

1. Financial Results

The Financial results of the Company for the year ended 31st March, 2023 summarised below.

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Income : Sale	4,96,791.96	4,27,181.74	4,98,494.72	4,28,681.63
Other Income	7,687.53	6,508.49	2,817.12	2,978.85
Net Income	5,04,479.49	4,33,690.24	50,1311.83	4,31660.49
Operating Expenditure	4,93,419.81	4,42,985.63	5,06,130.86	4,52,135.17
" Operating Profit (PBDIT)	11,059.68	(9295.39)	(4,819.03)	(20,474.68)
Interest & Depreciation	10,020.63	9305.50	10,175.81	9,464.37
Profit/(Loss) before Extraordinary Items & Taxes	1,039.05	(18,600.89)	(14,994.84)	(29,939.05)
Extraordinary item	0.00	0.00	(0.00)	(0.00)
Profit/(Loss) before tax (PBT)	1,039.05	(18,600.89)	(14,994.84)	(29,939.05)
Provision for taxes: Current	-	-	-	-
: Deferred	(398.39)	255.84	2,530.49	239.64
Profit/(Loss) after tax (PAT)	640.66	(18345.05)	(12,464.35)	(29,699.42)
Proposed dividend on equity shares	0.00	0.00	0.00	0.00
Tax on Proposed dividends	0.00	0.00	0.00	0.00
General Reserve	0.00	0.00	0.00	0.00
EPS	0.09	(2.68)	(1.82)	(4.35)
Diluted EPS	0.09	(2.68)	(1.82)	(4.35)

2. Results of Operations

Standalone

Your Directors wish to inform you that during the year 2022-2023 your company has reported total income of ₹504,479,490/- for the current year as compared to ₹ 433,690,240/- in the previous year . The Net profit for the year under review amounted to Rs. 6,40,660/- as compared to loss of Rs.18,345,050/- of the previous year.

Directors of the company are striving hard to reduce losses and achieve profits in future years.

Consolidated



Your Directors wish to inform you that during the year 2022-2023, your company has reported Total income of Rs.501,311,830/- for the current year as compared to ₹ 431,660,490 in the previous year. The Net loss for the year under review amounted to Rs. 12,464,350/- for the current financial year compared to loss of Rs.29,699,420/- of the previous year.

Directors of the company are striving hard to reduce losses and achieve profits in future years.

3. Dividend:

The Board of directors has not proposed/declared any dividend for the year ended 31-03-2023.

4. Amount proposed to be carried to Reserves:

For the financial year ended 31st March, 2023, the Company has not transferred profits to General Reserve.

5. Annual Return

In accordance with Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as at 31 March 2023, is available on the website of the Company www.choice-solutions.com.

6. Number of Meetings of the Board:

During the year 2022-23, the Board of Directors met Ten times viz. on 19-04-2022, 24-05-2022, 28-07-2022, 30-08-2022, 30-08-2022, 17-09-2022, 30-09-2022, 11-11-2022, 20-01-2023, 23-03-2023

7. Allotment of Share

During the financial year 2022-2023 the Company has not made any allotment of shares.

8. Directors' responsibility statement:

Pursuant to the requirement under section 134 (3) (C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2023, and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

9. Statement on the declaration given by the independent directors as per 149(6):

The Company does not fall within the purview of section 149(4) and Rule 4 of Companies (Appointment and qualification of Directors) rules 2014. Hence, declaration required under section 149(6) is not applicable to this Company.

10. Company's Policy on Directors' Appointment & Remuneration, including the criteria for determining Qualifications, Positive Attributes, and Independence of the Directors and others as per 178(3):

The Company does not fall within the purview of section 178(3) and Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014. Hence, declaration required under section 149(6) is not applicable to this Company.

11. Explanation/ comments by the Board on every Qualifications, Reservations, Adverse Remarks or Disclaimers made by the Statutory Auditors & the Practicing Company Secretary in their Reports:

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.



12. Particulars of the Loans, Guarantees, Security or Investments and the purpose for which the Loan, Guarantee or Security is proposed to be utilised by the recipient as per 186:

The company has provided Loans and made Investments, which are within the limits as required under companies act 2013 and has not provided any guarantees which are required to be reported under Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

13. Particulars of Contracts or Arrangements with the Related Parties along with the justification for entering into such transactions as per 188(1) – 134(3)(h) & Rule 8(2):

The Company entered into contract agreement with Boon IT Solutions Inc. (as a related party) for delivering and supplying of Software, particulars of which are disclosed in **Annexure-B of AOC 2**.

14. Material changes & commitments, if any affecting the financial position of the company, occurred between the end of the financial year to which this financial statement relate and the date of the Report:

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

15. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

Conservation of Energy

Since the Company is not in an energy intensive industry the particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules 2014, are not set out in the report. As the Company is engaged in the activities of Trading & Service Sector.

Technology absorption, adaptation and innovation:

Since your Company does not own any manufacturing facility, the other particulars as prescribed under sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts) Rules 2014, are not applicable.

Foreign exchange earnings / outgo:

Foreign exchange earned and used for the period from April 1, 2022 to March 31, 2023:

Particulars	2022-2023('000)	2021-2022('000)
Earnings (including exports)	₹ 40125	₹ 34422
Expenditure	₹.27300	₹ 25820

16. Development and implementation of a Risk Management Policy, including the identification therein of the elements of risk, which in the opinion of the Board may threaten the existence of the Company:

The Company has taken all appropriate steps to minimise the risk at various levels be it in the form of insuring Companies Assets/ Employees/ Key Managerial persons/ Director and officer liability/ Product liability/ continuous Data back-up plans etc.

17. Details of the policy developed and implemented on the CSR and the initiatives taken, Composition of CSR Committee:

The Company do not fall with the preview of Section 135 of the Companies Act, 2013 and the rules made there under.

18. Performance & Financial Position of the Subsidiaries/ JVs/ Associate Companies:

Salient Features of Financial Statements of Subsidiary/associate companies/joint ventures Pursuant to the first provision to sub-section 3 of Section 129, read with Rule 5 of Companies (Accounts) Rules, 2014 are provided in **Annexure A of AOC 1**.

19. Change in the nature of business, if any:

There is no change in the nature of the business of the company.

20. Directors and KMP's Appointment and re-appointment

During the year none of the directors were appointed



Mr. Kallakurchi Srinivas Venkoba (DIN: 08686847) director, who retires by rotation as Director pursuant to the provisions of Section 152 of the Companies Act, 2013. Offer himself for reappointment at the ensuing AGM.

Mr. K. V. Jagannath (DIN: 01791977) will be reappointed as CEO and Managing Director of the Company with the consent of Board of directors subject to approval of shareholder from July 2nd 2023 for a period of three years with the mutually agreed remuneration

21. **Details of the Directors/ KMP – Resigned:** None of the directors were resigned during the year 2022-2023
22. **Names of the Companies which have ceased to be Subsidiaries/ JVs/ Associates:** -Nil-
23. **Details of the Deposits as per the Chapter V:**

The Company has not accepted any deposits under the provisions of the Companies Act, 2013.

Further, the Company has accepted Loans from the Directors and relative of Directors when they are directors. The amount outstanding at on 31st March 2023 is Rs. 3,59,00,000/- which is exempted deposit under the Companies (Acceptance of Deposit) Rules, 2014. However, Directors have given declaration that the loan amount taken is given from their own funds and not from funds acquired by him/her by borrowing or accepting loans or deposits from others

24. **Details of the Deposits not in compliance of requirements of Chapter V of the Act:**

The company has not accepted any deposits and section 73 (2) read with Rule 4 of Chapter V is not applicable to the company.

25. **Details of the Significant & Material orders passed by the Regulators/ Courts/ Tribunals impacting the going concern status of Company's operations in future:**

There are no such significant and material orders passed by the regulators/Courts/tribunals impacting the going concern of the company's operations.

26. **Details in respect of the adequacy of Internal Financial Controls with reference to the Financial Statements – Rule 8(5)(viii):**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

27. **Disclosure regarding receipt of commission by a director from the holding or subsidiary of a company, in which such person is a managing or whole-time director:**

None of the Directors have received any commission from any Holding or Subsidiary.

28. **Manner of formal annual evaluation of own performance of the board, committees and individual directors:**

As per Section 134(3) (p) of the Companies Act, 2013, the clause is applicable to only listed Company and Public company having paid up share capital of Rs.25 Crores or more. The Company being a Public Limited Company having paid up capital less than the prescribed limit, disclosure under this clause is not applicable.

29. **Internal auditors:**

The Appointment of Internal Auditor is not applicable to the company as per rule 13(1) of the Company Accounts Rules.

30. **Statutory auditors:**

M/s. Murthy & Kanth, Chartered Accountants (Firm Regn. No.02195S) be and are hereby appointed as Statutory Auditors of the company in the Annual General Meeting held on 30/09/2019.for a period of 5 years i.e., till the conclusion of the 33rd AGM of the Company held in the year 2024.

31. **Disclosure Under the Sexual Harassment of Women At Work Place (Prevention, Prohibition And Redressal) Act, 2013:**

No cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.



32. **Order of Court**

There were no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

33. **Vigil Mechanism / Whistle Blower Policy:** The Company is not required to form such policy.

34. **Compliance with Secretarial Standards:** The Company has complied with the applicable mandatory Secretarial Standards.

35. **Details in respect of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government:**

During the Financial year 2022-2023 under review no frauds were reported by the Auditor.

36. **Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

37. **Acknowledgements:**

Your directors thank the company customers, vendors and bankers for their continued support during the year. Your directors thank the governments and other government agencies for their support and look forward to their continued support in future. Your directors place on records their appreciation on the contribution made by employees at all levels, who through their competence, hard work, cooperation and support have enabled the company to achieve the growth.

FOR M/s CHOICE SOLUTIONS LIMITED

Place:Hyderabad
Date: 5th September, 2023


K V Jagannath
Managing Director
(DIN: 01791977)


Tandava Krishna Moorthy Sapturi
Director
(DIN: 08626357)



Annexure - A

Form No. AOC - 1

(Pursuant to the first provision to sub-section 3 of Section 129, read with Rule 5 of Companies (Accounts) Rules, 2014); Salient Features of Financial Statements of Subsidiary/associate companies/joint ventures as per Companies Act, 2013

Part "A": Subsidiaries

Amount in Rs.'000'

1.	Name of Subsidiary	Boon IT Solutions INC	Eco Power Pvt Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N A	N A
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	US Dollar 82.2169	N A
4.	Share Capital	4117.42	700.00
5.	Reserves & Surplus	-18162.78	-37,695.27
6.	Total Assets	11,547.75	15,218.18
7.	Total Liabilities	25,593.10	52,213.45
8.	Investments	0.00	0.00
9.	Turnover	41,828.65	0.00
10.	Profit Before Taxation	-9,698.08	-6,335.81
11.	Provision for Taxation/Deferred Taxation	0.00	2,928.87
12.	Profit after Taxation	-9,698.08	-3,406.94
13.	Proposed Dividend	0.00	0.00
14.	% of Shareholding	100%	100%

Additional Information:

1.	Names of subsidiaries which are yet to commence operations	Nil
2.	Names of subsidiaries which have been liquidated or sold during the year.	

Part "B": Associates/Joint Ventures

1.	Name of Associates/Joint Ventures	Nil
2.	Latest audited Balance Sheet Date	Nil
3.	Shares of Associates/Joint Ventures held by the company on the year end	Nil
4.	Amount of Investment in Associates/Joint Ventures	Nil
5.	Extend of Holding %	Nil
6.	Description of how there is significant influence	Nil
7.	Reason why the Associates/Joint Ventures is not consolidated	Nil
8.	Net worth attributable to Shareholding as per latest audited balance sheet	Nil
9.	Profit/Loss for the year	Nil
	i. Considered in Consolidation	Nil
	ii. Not Considered in Consolidation	Nil

Additional Information:

1.	Names of associates or joint ventures which are yet to commence operations	Nil
2.	Names of associates or joint ventures which have been liquidated or sold during the year	Nil



Place:Hyderabad
Date:5th September, 2023

K V Jagannath

K V Jagannath
Managing Director
(DIN: 01791977)

FOR M/s CHOICE SOLUTIONS LIMITED

Tandava Krishna Moorthy Satuluri

Tandava Krishna Moorthy Satuluri
Director
(DIN: 08626357)



Annexure – B

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

Details of contracts or arrangements or transactions not at arm's length basis: There were no contracts or arrangements of transactions entered in to during the year ended 31 March 2023, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis: The Details of material contracts or arrangements or transactions at arm's length basis for the year ended 31 March 2023 are as follows:

SI No	Name(s) of the related party	Nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Boon IT Solutions Inc.	Subsidiary company	Sale of Software	3Years	NA	NA

FOR M/s CHOICE SOLUTIONS LIMITED

Place:Hyderabad
Date:5th September, 2023


K V Jagannath
Managing Director
(DIN: 01791977)


Tandava Krishna Moorthy Satuluri
Director
(DIN: 08626357)





M/s Murthy & Kanth Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of
CHOICE SOLUTIONS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Choice Solutions Limited, which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss, and statement of cash flows for the year ended 31st March 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Responsibility of Management for Standalone Financial Statements. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 26 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes

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Banjara Hills, Hyderabad – 500034.

☎ Off: 23391936

Email : murthvandkanth@gmail.com





M/s Murthy & Kanth Chartered Accountants

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Other Matter

We have audited the financial statements/ information of 6 (number) branches included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of Rs. 36,51,09,639/- as at 31st March 2023 and the total revenue of Rs. 50,44,79,493/- for the year ended on that date, as considered in the standalone financial statements/information

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, we report that:

Regd Off: Door No.8-2-112-120-88-89, Aparna Crest, Top Floor, Road No.2,

Banjara Hills, Hyderabad – 500034.

☎ Off: 23391936

Email : murthyandkanth@gmail.com





M/s Murthy & Kanth Chartered Accountants

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(a) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

(b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us.

(c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(d) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There was no amount of which were required to be transferred to the Investor Education and Protection Fund by the Company.

UDIN: 23023126BGZEKW6179.

Hyderabad
05-09-2023



For Murthy and Kanth
Chartered Accountants
Firm Regn.No.02195S

T. Umakanth
Partner

Membership No.23126



Regd Off: Door No.8-2-112-120-88-89, Aparna Crest, Top Floor, Road No.2,
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M/s Murthy & Kanth Chartered Accountants

Annexure A to the Independent Auditor's Report on the standalone's financial statements

The Annexure A referred in our report of even date to the Members of Choice solutions Limited ("the company") on the standalone financial statements for the year ended 31st March, 2023.

Report on the Internal Financial Controls under Clause (e) of Sub – Section 3 of the section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Choice solutions Limited ("the company") as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conduct our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of

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M/s Murthy & Kanth Chartered Accountants

internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of an unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or importer management override of controls, material misstatements due to error or fraud may occur could not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the polices or procedure or procedures may deteriorate

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or importer management override of controls, material misstatements due to error or fraud may occur could not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

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M/s Murthy & Kanth Chartered Accountants

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the polices or procedure or procedures may deteriorate



Hyderabad
Date: 05-09-2023

For **Murthy & Kanth**
Chartered Accountants
Firm Regn.No.02195 S

T. Umakanth
Partner
Membership No.023126

UDIN: 23023126BGZEKW6179.

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CHOICE SOLUTIONS LIMITED
Hyderabad



Balance Sheet as at 31st March, 2023

Particulars		Note No	31st March, 2023 ₹ in '000	31st March, 2022 ₹ in '000
A	<u>EQUITY AND LIABILITIES</u>			
1	<u>Shareholders' Funds</u>			
	(a) Share Capital	1	68,348.44	68,348.44
	(b) Reserves and Surplus	2	91,739.79	91,099.13
2	<u>Non-current Liabilities</u>			
	(a) Long-term borrowings	3	-	-
3	<u>Current Liabilities</u>			
	(a) Short-term borrowings	5	93,100.79	97,409.44
	(b) Trade Payables	6	1,06,951.94	1,19,356.12
	(c) Other Current Liabilities	7	4,968.68	7,565.87
	(d) Short-term Provisions	8	-	-
TOTAL			3,65,109.64	3,83,778.99
B	<u>ASSETS</u>			
1	<u>Non-current Assets</u>			
	(a) Property, Plant and Equipment and Intangible assets			
	Property, Plant and Equipment	9	92,972.09	94,407.97
	Intangible assets		-	-
	(b) Non-current Investments	10	17,973.73	17,973.73
	(c) Deferred Tax Assets (net)	4	6,150.40	6,548.79
2	<u>Current Assets</u>			
	(a) Inventories	11	22,414.01	27,984.55
	(b) Trade receivables	12	98,455.17	1,18,935.70
	(c) Cash and cash equivalents	13	35,918.76	33,332.91
	(d) Short-term loans and advances	14	63,935.05	55,145.34
	(e) Long-term loans and advances	15	-	-
	(f) Other current assets	16	27,290.44	29,450.02
TOTAL			3,65,109.64	3,83,778.99
See accompanying notes forming part of the Financial Statements		23		

As per our report of even date

For and on behalf of the Board

For Murthy & Kanth
Chartered Accountants
(FRN No. 002195S)

T. Umakanth
Partner

M.No. 023126
UDIN : 23023126BGZEKW6179
Place : Hyderabad
Date : 5th September, 2023



K V Jagannath
Managing Director
DIN : 01791977

Bandava Krishna Moorthy Satuluri
Director
DIN : 08626357



CHOICE SOLUTIONS LIMITED
Hyderabad



Profit and Loss for the year ended 31st March 2023

Particulars		Note No	31st March, 2023 ₹ in '000	31st March, 2022 ₹ in '000
Revenue from Operations				
I	Gross Sales	17	4,96,791.96	4,27,181.74
II	Other Income	18	7,687.53	6,508.49
III	Total Revenue (I + II)		5,04,479.49	4,33,690.24
IV	Expenses			
	(a) Purchase of Trade Goods	19 a	2,96,171.75	2,72,459.32
	(b) Change in Inventories of Stock in trade	19 b	5,570.54	(3,679.44)
	(c) Employee benefits Expenses	20	1,34,974.57	1,29,084.66
	(d) Finance Costs	21	8,500.01	6,663.47
	(e) Other Expenses	22	56,702.95	45,121.09
	(f) Depreciation	9	1,520.61	2,642.03
	Total Expenses		5,03,440.44	4,52,291.13
V	Profit before Extraordinary Items & Taxes		1,039.05	(18,600.89)
VI	Extraordinary item		-	-
VII	Profit before Tax (III - V)		1,039.05	(18,600.89)
VIII	Tax Expenses			
	(1) Current Taxation		-	-
	(2) Deferred Taxation -Asset/(Liability)		(398.39)	255.84
	Profit/(Loss) for the period		640.66	(18,345.05)
IX	Earnings per Equity Share			
	(1) Basic		0.09	(2.68)
	(2) Diluted		0.09	(2.68)
	See accompanying notes forming part of the Financial Statements	23		

As per our report of even date

For Murthy & Kanth

Chartered Accountants

(FRN No. 002195S)

T. Umakanth
Partner
M.No. 023126
UDIN : 23023126BGZEKW6179
Place : Hyderabad
Date : 5th September, 2023



For and on behalf of the Board

K V Jagannath
K V Jagannath
Managing Director
DIN : 01791977

Tandava Krishna Moorthy Sriduluri
Tandava Krishna Moorthy Sriduluri
Director
DIN : 08626357



CASH FLOW STATEMENT FOR THE PERIOD ENDED 31-03-2023

Particulars	2022-23	2021-22
	₹ in '000	₹ in '000
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra Ordinary Items	1,039.05	(18,600.89)
Adjustment for		
Add: Depreciation	1,520.61	2,642.03
Less: Interest Income & Other Incomes	(7,687.53)	(6,508.49)
Less: Sales of Investments (Shares)	-	-
Add: Adjustment for Interest Expenses (Finance Charges)	8,500.01	6,663.47
Add: Bad Debts Written Off	-	-
Operating Profit Before Working Capital Changes	3,372.15	(15,803.89)
Movements in Working Capital		
(Decrease) / Increase in Trade Payables	(12,404.18)	33,055.77
(Increase) / Decrease in Receivables	20,480.53	(12,307.59)
(Increase) / Decrease in Other Current Assets	2,159.58	1,154.53
(Increase) / Decrease in Long Term Loans & Advances	-	-
(Increase) / Decrease in Short Term Loans & Advances	(8,789.71)	(3,393.29)
(Increase) / Decrease in Inventories	5,570.54	(3,679.44)
(Decrease) / Increase in Current Liabilities	(2,597.19)	(2,306.99)
(Decrease) / Increase in Long Term Provisions	-	-
(Decrease) / Increase in Short Term Provisions	-	(1,702.85)
(Increase) / Decrease in Other Non-Current Assets	-	-
Less: Income Tax Paid	-	-
Net Cash from Operating Activities (A)	7,791.73	(4,983.74)
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including CWIP	(84.74)	-
Investment (Increased) / Decreased	-	-
Dividends Paid	-	-
Bad Debt Write Off	-	-
Interest Received & Other Income	7,687.53	6,508.49
Sales of Investments (Shares)	-	-
Net Cash from Investing Activities (B)	7,602.79	6,508.49
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (Repayment of) Short Term Loans	-	(213)
Interest Paid	(8,500.01)	(6,663.47)
(Decrease) / Increase in Cash Credit	(4,308.65)	6,210
Net Cash from Financing Activities (C)	(12,808.66)	(666.14)
(D) Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	2,585.85	858.61
Opening Cash and Cash Equivalents	33,332.91	32,474.30
Closing Cash and Cash Equivalents	35,918.76	33,332.91
(E) Increase / (Decrease) in Cash & Cash Equivalents	2,585.85	858.61

The Cash Flow is prepared under Indirect Method as set out in Accounting Standard-3

For Murthy & Kanth
Chartered Accountants
(FRN No. 0021955)



T.Umakanth
Partner
M.No. 023126
UDIN : 23023126BGZEKW6179
Place : Hyderabad
Date : 5th September, 2023

For and on behalf of the Board

K V Jagannath
Managing Director
DIN : 01791977

Tandava Krishna M... Satturri
Director
DIN : 08626357



CHOICE SOLUTIONS LIMITED

Hyderabad

Notes forming part of the Financial Statements



Note : 1 Share Capital

Particulars	31st March, 2023		31st March, 2022	
	Number	₹ in '000	Number	₹ in '000
(a) Authorised 70,00,000 Equity Shares of ₹ 10/- each	70,00,000	70,000.00	70,00,000	70,000.00
(b) Issued 68,34,844 Equity Share of ₹ 10/- each	68,34,844	68,348.44	68,34,844	68,348.44
(c) Subscribed & fully paid up 68,34,844 Equity Share of ₹ 10/- each	68,34,844	68,348.44	68,34,844	68,348.44
Total	68,34,844	68,348.44	68,34,844	68,348.44

Note 1a: The Company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each share holder is eligible for one vote per share. The dividend proposed by the Board of Directors is Subject to the approval of the Shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after payment of all preferential amounts, in proportion of their shareholding.

Note 1b : Reconciliation of Shares Outstanding

Particulars	Equity Shares			
	31st March, 2023		31st March, 2022	
	Number	₹ in '000	Number	₹ in '000
(a) Shares outstanding at the beginning of the year	68,34,844	68,348.44	68,34,844	68,348.44
(b) Shares issued during the year	-	-	-	-
(c) Shares bought back during the year	-	-	-	-
(d) Shares outstanding at the end of the year	68,34,844	68,348.44	68,34,844	68,348.44

Note 1c: Details of Share Holders Holding morethan 5% of Shares

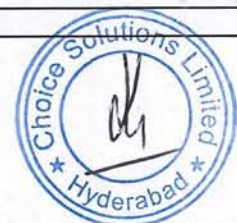
S.No	Particulars	Equity Shares			
		31st March, 2023		31st March, 2022	
		No of Shares held	% of Holding	No of Shares held	% of Holding
1	K V Jagannath	23,14,568	33.86%	23,14,568	33.86%
2	Ravi D	13,88,492	20.31%	13,88,492	20.31%
3	Kamal S Kumar & Reena S Kumar	4,81,557	7.05%	4,81,557	7.05%
4	Srinivas Kallakurchi	12,21,035	17.86%	12,21,035	17.86%
5	K Rajani	3,81,902	5.59%	3,81,902	5.59%

Note 1d: Promoters Share Holding Disclosure

Shares held by promoters at the end of the year			% Change during the year
S. No	Promoter name	No. of Shares	% of total shares
1	K V Jagannath	23,14,568	33.86%
2	Ravi D	13,88,492	20.31%
3	Srinivas Kallakurchi	12,21,035	17.86%
4	Aparna Kallakurchi	1,33,315	1.95%
5	Kamal & Reena S Kumar	4,81,557	7.05%
6	Srinivas Marla	1,87,500	2.74%
7	K Rajani	3,81,902	5.59%
8	K J Venkoba Rao	1,06,666	1.56%
	Total	62,15,035	

Note 1d: Details of Aggregate Number and Class of Shares Bought Back

S.No	Particulars	Aggregate no of Shares(for last 5 Financial Years)
	Equity Shares:	
	Shares bought back During the Fiancial Year	Nil



CHOICE SOLUTIONS LIMITED
Hyderabad

Notes forming part of the Financial Statements



Note : 2 Reserves and Surplus

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Securities premium account		
	Opening balance	1,138.20	1,138.20
	Add : Premium on shares issued during the year	-	-
	Less : Utilised during the year for:	-	-
	Closing balance	1,138.20	1,138.20
(b)	General Reserve		
	Opening Balance	8,123.86	8,123.86
	(+) Current Year Transfer	-	-
	(-) Assets written off in Current Year	-	-
	Closing Balance	8,123.86	8,123.86
(c)	Profit and Loss Account		
	Opening Balance	81,837.07	1,00,182.12
	(+) Net Profit/(Net Loss) for the current year	640.66	(18,345.05)
	(-) Proposed Dividends	-	-
	(-) Provision for tax on Proposed Dividends	-	-
	(-) Transfer to Reserves		
	General Reserve	-	-
	Closing Balance	82,477.73	81,837.07
	Total	91,739.79	91,099.13

Note : 3 Long Term Borrowings

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Secured :		
	Vehicle Loans		
	(i) SBI Vehicle Loan	-	-
	Total	-	-



CHOICE SOLUTIONS LIMITED
Hyderabad



Notes forming part of the Financial Statements

Note : 4 Deferred Tax

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Deferred Tax			
(a)	Opening Balance Asset	6,548.79	6,292.94
(b)	(-)Deffered Tax Liability for the year (+)Deffered Tax Asset for the year	(398.39)	255.84
Closing Balance		6,150.40	6,548.79

Note : 5 Short-term borrowings

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Secured			
(a)	Working Capital Loan from Bank Cash Credit a/c with State Bank of India SME Branch, Saifabad, Hyderabad	40,858.63	42,029.44
Un Secured			
(b)	Loan from Director	35,900.00	38,600.00
(c)	Aditya Birla Finance Ltd	16,307.57	16,780.00
(d)	Adani Capital Private Limited	34.59	-
Total		93,100.79	97,409.44

Nature of Security

I. Nature of facility : Cash Credit facility in State Bank of India, SME Branch, Saifabad, Hyderabad.

- (a) Fund Based ₹ 4.08 Crores ,
- (b) Non Fund Based(LC/BG) ₹ 1.00 Crores.

Security :

(a) Primary : First charge on Current assets of the company.

(b) Collateral

1. First charge of the Fixed assets of the company, present and future.
2. Equitable mortgage of flat No. 304, Green-Terrace Aprt.Kondapur, Hyderabad, admeasuring 2344 Sq. ft with 130 Sq.Yards of undivided share of land in the name of Smt. K Rajani w/o Shri K V Jagannath.
3. Cash Collateral of Rs. 2.65 Crores.
4. Pledge of 30% shares belongs to the promoters of the company.

(c) Personal Guarantee of

Shri K V Jagannath and Shri Ravi Rama Krishna Devulapalli.



CHOICE SOLUTIONS LIMITED
Hyderabad

Notes forming part of the Financial Statements



Note : 6 Trade Payable

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
	Trade Payable		
	Acceptance		
(a)	Sundry Creditors for Purchases	92,281.17	1,05,012.00
(b)	Sundry Creditors for Expenses	14,670.77	14,344.12
Total		1,06,951.94	1,19,356.12

Note : 7 Other Current Liabilities

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
	Other Current Liabilities		
(a)	Advances from Customers	633.02	450.00
(b)	Dealership Deposit	35.00	35.00
(c)	Unclaimed Dividend	125.45	202.26
(d)	Provident Fund Payable	804.12	879.88
(e)	ESIC Payable	50.11	59.22
(f)	Professional Tax Payable	34.27	38.49
(g)	TDS Payable	1,123.95	2,925.60
(h)	GST Payable	2,162.76	2,975.43
Total		4,968.68	7,565.87

Note : 8 Short-term Provisions

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Others		
(i)	Provision for Taxation	-	-
TOTAL		-	-



Name of the Asset	01.04.2022		31.03.2023		01.04.2022		31.03.2023		31.03.2023		31.03.2022	
	Additions	Deletions	Additions	Deletions	Dep for the year	Dep for the year	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2022	31.03.2022
Land	1,700.00	-	1,700.00	-	-	-	1,700.00	-	1,700.00	-	1,700.00	1,700.00
Vehicles	17,027.83	-	17,027.83	-	15,751.21	233.49	15,984.70	15,984.70	1,043.13	1,276.62	1,043.13	1,276.62
Furniture & Fixtures	22,526.26	-	22,526.26	-	20,336.02	380.83	20,716.85	20,716.85	1,809.41	2,190.24	1,809.41	2,190.24
Office Equipment	5,061.21	-	5,061.21	-	4,618.91	128.98	4,747.89	4,747.89	313.32	442.30	313.32	442.30
Smartcool Systems on Lease	5,686.07	-	5,686.07	-	4,205.62	672.83	4,878.45	4,878.45	807.61	1,480.45	807.61	1,480.45
Computer & Data Processing Units (End user devices, Desktop, Laptop Etc.)	6,543.46	84.74	6,628.20	-	6,312.17	39.54	6,351.71	6,351.71	276.49	231.29	276.49	231.29
Computer & Data Processing Units (Servers & Networks)	2,040.73	-	2,040.73	-	1,957.70	-	1,957.70	1,957.70	103.04	103.04	103.04	103.04
Robotics on Lease	1,293.23	-	1,293.23	-	1,179.45	49.12	1,228.57	1,228.57	64.66	113.78	64.66	113.78
Plant & Machinery (Office Equipment)	7,617.75	-	7,617.75	-	7,213.92	15.82	7,229.74	7,229.74	388.01	403.83	388.01	403.83
Capital Work In Progress (IoT - Energy Efficiency Frame)	86,466.42	-	86,466.42	-	-	-	-	-	86,466.42	86,466.42	86,466.42	86,466.42
Total	1,55,982.96	84.74	1,56,067.69	-	61,574.99	1,520.61	63,095.60	63,095.60	92,972.09	94,407.97	92,972.09	94,407.97
Previous Year	1,55,982.96	-	1,55,982.96	972.71	58,932.96	2,642.03	61,574.99	61,574.99	94,407.97	94,407.97	94,407.97	97,050.00



CHOICE SOLUTIONS LIMITED

Fixed Assets and Depreciation - as per IT Act, 1961



(₹ in '000)

Particulars	Opening WDV				Depreciation			Closing WDV			
	As at 01.04.22	Additions 1st Half	Additions 2nd Half	Sale/ Transfer	As at 31.03.23	1st Half	2nd Half	Total 31.03.23	As at 31.03.23		As at 31.03.22
Land - Freehold	1,700.00	-	-	-	1,700.00	-	-	-	1,700.00	1,700.00	0%
Vehicle	5,948.98	-	-	-	5,948.98	892.35	-	892.35	5,056.63	5,948.98	15%
Furniture & Fixtures	8,161.46	-	-	-	8,161.46	816.15	-	816.15	7,345.31	8,161.46	10%
Office Equipment	6,934.53	-	-	-	6,934.53	1,040.18	-	1,040.18	5,894.35	6,934.53	15%
Computer & Peripherals	565.86	84.74	-	-	650.60	260.24	-	260.24	390.36	565.86	40%
Electrical Installation (Generator & Others)	66.21	-	-	-	66.21	9.93	-	9.93	56.28	66.21	15%
Plant & Machinery (Power Meters)	85.10	-	-	-	85.10	34.04	-	34.04	51.06	85.10	40%
Grand Total	23,462.14	84.74	-	-	23,546.87	3,052.88	-	3,052.88	20,493.99	23,462.14	



CHOICE SOLUTIONS LIMITED
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Notes forming part of the Financial Statements



Note : 10 Non-current Investments

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Investments at cost			
(a)	Investment in equity Instruments		
(i)	Boon IT Solutions Inc 5,000 share of 10 USD (valued at an exchange rate of ₹ 59.47 per USD)	2,973.73	2,973.73
(ii)	Eco Power Pvt Ltd 70,000 Shares @ ₹ 214.29 per share	15,000.00	15,000.00
Total		17,973.73	17,973.73

Note : 11 Inventories

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Stock in Trade at cost or net realisable value which ever is lower	22,414.01	27,984.55
Total		22,414.01	27,984.55

Note : 12 Trade Receivable

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Trade receivable (Unsecured, considered good) To the extent not written off or adjusted		
	for a period exceeding six months from the date they were due for payment		
	Unsecured, considered good Less: Bad Trade Receivables, written off	24,250.14 2,315.50 21,934.63	27,361.00 3,928.44 23,432.56
(b)	for a period less than six months from the date they are due for payment	76,520.53	95,503.14
Total		98,455.17	1,18,935.70



CHOICE SOLUTIONS LIMITED

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Notes forming part of the Financial Statements**Note : 13 Cash and Bank Balances**

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Cash and Cash equivalents			
(a)	Cash on hand	325.48	224.73
(b)	Cheques, drafts on hand	1,350.27	1,059.99
(c)	Balances with banks		
	(i) in current accounts	194.83	194.83
	(ii) in EEFC accounts	65.96	66.42
	(iii) in deposit accounts	33,982.23	31,786.94
	Margin money - LC / BG/CC & Term Deposits		
Total		35,918.76	33,332.91

Note : 14 Short-term Loans and Advances

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Unsecured, considered good			
(a)	Deposits with Government Departments	3,226.69	2,967.88
(b)	Other Deposits	9,357.10	7,059.64
(c)	Loan to Associate Eco Power Pvt Ltd	46,480.61	41,463.28
(d)	Interest Accrued and due on above	4,870.65	3,654.54
Total		63,935.05	55,145.34

Note : 15 Long-term Loans and Advances

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Unsecured, considered good			
(a)		-	-
Total		-	-

Note : 16 Other Current Assets

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Unsecured, considered good			
(a)	Advances to Suppliers	1,415.42	2,282.98
(b)	Chit Advances	9,400.00	10,100.00
(c)	Staff Advances	37.26	39.68
(d)	Advance Tax & T D S	15,625.70	15,748.64
(e)	Prepaid Expenses	812.06	1,278.72
Total		27,290.44	29,450.02



CHOICE SOLUTIONS LIMITED

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**Notes forming part of the Financial Statements****Note : 17 Revenue from Operations**

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Sale of Products	4,15,266	3,50,559
(b)	Sale of Services	39,089	41,551
(c)	Export Sales	42,437	35,073
Total		4,96,792	4,27,182

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
Sale of Product & Service comprises			
(a)	Traded Goods		
	Power Products	97,648.28	75,617.26
	Software Products & Services	3,17,617.59	2,74,941.41
		4,15,265.88	3,50,558.67
(b)	Sale of Services		
	Service Sales	39,089.10	41,550.54
		39,089.10	41,550.54
(c)	Export Sales		
	Software Development	40,125.66	34,422.92
	Export Services	2,311.32	649.62
		42,436.98	35,072.54
Total		4,96,791.96	4,27,181.74

Note : 18 Other Income

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Interest Income	6,521.39	4,678.13
(b)	Interest on Income Tax Refund	502.06	326.03
(c)	Dividend on Chits	664.08	1,504.34
Total		7,687.53	6,508.49



CHOICE SOLUTIONS LIMITED

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**Notes forming part of the Financial Statements****Note : 19 a Purchases of Traded Goods**

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
	Trade Goods		
(a)	Power Products & Services	75,615.50	69,742.15
(b)	Software Products & Services	2,20,556.25	2,02,717.17
	Total	2,96,171.75	2,72,459.32

Note : 19 b Change in Inventories of Stock-in-Trade

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
	Inventories at the end of the year		
(a)	Power Products	14,673.20	17,543.32
(b)	Software Products	5,639.22	8,339.64
(c)	Solar Products	2,101.59	2,101.59
		22,414.01	27,984.55
	Inventories at the beginning of the year		
(a)	Power Products	17,543.32	16,564.30
(b)	Software Products	8,339.64	5,639.22
(c)	Solar Products	2,101.59	2,101.59
		27,984.55	24,305.11
	Total	5,570.54	(3,679.44)

Note : 20 Employee benefits expenses

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
	Salaries	1,23,851.28	1,19,962.44
	Directors Remuneration	-	-
	Provident Fund	5,081.83	5,283.93
	Gratuity	2,162.35	219.28
	ESIC & Medical Insurance	2,740.59	2,977.00
	Staff welfare	1,138.52	642.01
	Total	1,34,974.57	1,29,084.66

Note : 21 Finance cost

Particulars		31-Mar-23	31-Mar-22
		₹ in '000	₹ in '000
(a)	Interest expenses on		
	(i) Borrowings	8,125.08	6,243.87
	(ii) Trade Payables	-	-
	(iii) Interest on delayed payment of Income Tax TDS	0.24	-
(b)	Other borrowing costs		
	(i) Bank Charges	374.70	419.60
	Total	8,500.01	6,663.47



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Notes forming part of the Financial Statements

Note : 22 Other Expenses

Particulars	31-Mar-23	31-Mar-22
	₹ in '000	₹ in '000
Advertisement	-	-
Audit Fee- Note 22(a)	400.00	400.00
Books & Periodicals	2.80	4.00
Bad Trade Receivables, written off	2,315.50	3,928.44
Communication Expenses	478.35	665.29
Conveyance	1,895.57	1,678.68
Electricity Charges	1,985.98	1,675.09
Fees & Taxes	740.11	328.58
Freight, Installation, Loading & Unloading Charges	1,093.27	968.18
Insurance-Stocks	613.19	125.82
Insurance-Vehicles	107.35	130.55
Internet charges	1,242.86	1,249.20
Postage & Courier charges	538.65	594.19
Printing & Stationary	128.86	86.37
Professional & Consultancy charges	9,901.66	6,862.80
Recruitment & Training Expenses	69.00	193.00
Rent	6,028.77	5,811.77
Repairs & Maintenance(offices)	569.02	230.59
Sales Commission	5,084.53	5,520.15
Sales Conference & Meetings	346.75	-
Sales Promotions Expenses	407.97	527.64
Sales Tax & Income tax	446.60	287.53
Security Charges	180.35	156.67
Office Maintenance	6,494.97	4,745.98
Software online accessing charges	3,442.58	1,997.64
Subscription	-	1.23
Travelling Expenses	9,756.75	5,513.98
Vehicle Maintenance	916.98	376.72
Forex Gain / (loss)	473.68	275.07
Donations	50.00	-
Chit Loss	990.85	785.92
		-
Total	56,702.95	45,121.09

Note : 22(a) Payment of Auditors

Particulars	31-Mar-23	31-Mar-22
	₹ in '000	₹ in '000
(a) As Statutory Auditor's Fee	400.00	400.00
Total	400.00	400.00

Note : 23 Applicability of MAT Provisions under Section 115JB of the Income Tax Act,1961

The Minimum Alternate Tax (MAT) provisions are applicable for the Company for the F.Y.2022-23 as the Company has book profits, though there are losses under normal provisions of Income Tax. However, while calculating adjusted book profit as per the MAT provisions, it is resulting into a negative figure (loss) to the tune of Rs.16,02,980/-. Thus, no Provision for taxation has been created for the F.Y.2022-23





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Note: 23 Notes on Account on Financial Statements.

1) Significant Accounting Policies(AS -1) :

(i) Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards specified under section 113 of the Companies Act,2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules,2014 and other accounting principles generally accepted in India (GAAP), to the extent applicable. The financial statements are presented in Indian Rupees.

(ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on a going basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

(iii) Current and non – current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
- b. It is held primarily for the purpose of traded;
- c. It is expected to be realised within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non – current financial assets. All other assets are classified as non – current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the Company's normal operating cycle;
- b. It is held primarily for the purpose of traded;
- c. It is due to be settled within 12 months after the reporting date;
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non - current financial liabilities. All other liabilities are classified as non- current.



Operating Cycle

The company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1. Fixed assets and depreciation(AS-10)

Tangible fixed assets

Tangible fixed assets are carried at cost acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of tangible fixed assets comprises of its purchase price, taxes, duties, freight and any other directly attributable costs of bringing the assets to their working condition for its intended use.

Subsequent expenditures related to an item of tangible fixed asset are added to its value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet are disclosed as capital advances under long term loans and advances and the cost of fixed assets under construction and acquired but not ready for their intended use are disclosed as capital work in progress.

Depreciation on tangible fixed assets other than leasehold improvements, temporary structures and assets less than ₹ 5,000 are provided on straight line method.

With effect from 1 April 2014, the company changed the estimated useful lives as specified in the schedule XIV to the Companies Act, 1956 to the estimated useful lives specified in the central Electricity Regulatory Commission (CERC) Guidelines as specified in part-B of Schedule II to the Companies Act, 2013.

Estimated useful lives adopted by the company as specified in the CERC Guideline is given below;

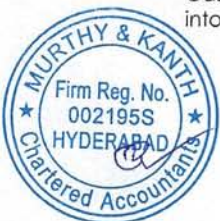
Category of Asset	Estimated useful life
Vehicles	8
Furniture & fixtures	10
Office Equipment	5
Computer & Data Processing Units (End User devices, Desktop, Laptop Etc.)	3
Computer & Data Processing Units(Servers and Networks)	6

(a) Inventories (AS-2):

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

(b) Cash and cash equivalents:

Cash comprises cash on hand and demand deposits, EEFC account with bank. That is readily convertible into cash and is subject to an insignificant risk of changes in value.





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(c) Revenue recognition(AS-9):

(a) Sale of Goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customer Sales, exclude GST.

(b) Income from Services

Revenues from maintenance contracts are recognised on as and when invoices are raised.

(d) Other Income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(e) Foreign currency transactions and translations(AS-11)

Initial recognition:

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences:

Transactions in foreign currencies in EEFC A/C are recorded at the notional rates of the bank (authorized dealer) prevailing on the date of the transaction. Monetary assets and monetary liabilities are translated at the yearend rate. The difference between the rate prevailing on the date of the transaction and on the date of settlement as also on translation of monetary assets and monetary liabilities -at the end of the year is recognized as income or expense as the case may be.

(f) Employee benefit Plan(AS-15):

Employee benefits include provident fund, gratuity, ESIC, Medical Insurance. Leave encashment and Sales Incentives.

Defined benefit plans

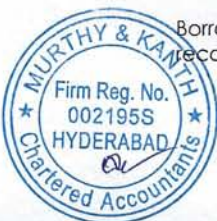
For defined benefit plans in the form of gratuity fund and the cost of providing benefits is determined with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

Leave Encashment:

Leave encashment shall be accounted for basing on the encashment of leave salary of the employees on payment basis.

(g) Borrowing costs(AS-16):

Borrowing costs include interest and other cost incurred in connection with the borrowing funds and recognized as an expense in the period in which they are incurred.





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(h) Segment reporting(AS-17):

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(i) Earnings per Share(AS-20)

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by number of equity shares outstanding during the year.

(j) Taxes on Income(AS-22)

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date.

(k) GST input Credit

GST input credit is accounted for in the books in the period in which the underlying Goods and Service received is accounted and when there is no uncertainty in availing/utilising the credits.

2 Contingent Liabilities and Commitments(AS-29)

(a) Contingent Liabilities

Unexpired Bank Guarantees as at 31st March 2023 amounted to ₹19,57,425 /- (As at 31st March 2022: ₹ 40,17,500/-).

(b) Commitments

The Company preferred appeals before the respective Appellate Authorities aggrieved by the demands raised in Service Tax amounting to ₹ 1,15,35,000/-.





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3. **Employee Benefit Plans(AS-15)**

(a) **Defined Contribution Plans:**

(i) The company makes Provident fund contributions to defined contribution plans for qualifying employees. The company is required to contribute a specified percentage (as per the rules of the scheme) of the payroll cost to fund the benefits. The Company recognized ₹ 50,81,834/- for the year ended 31st March 2023 (₹52,83,900 /- for the year ended 31st March 2022) in the statement of profit and loss.

(ii) The Company also makes ESIC contribution for qualifying employees. The company is required to contribute a specified percentage (as per the rules of the scheme) of the payroll cost to fund the benefits. The Company recognized ₹5,10,249/- for the year ended 31st March 2023 (₹6,44,100/- for the year ended 31st March 2022) in the statement of profit and loss.

(b) **Defined benefit plans**

(i) Gratuity

(j) **Components of employer expenses**

(i) Gratuity: The Company has paid Gratuity of ₹ 21,62,351/- towards Present liability for payment of gratuities on the basis of actual payments made to the qualifying outgoing employees.

4. No provision for leave encashment is made as the company is following the treatment of encashment of leave salary of employees on payment basis.

5. Depreciation on fixed assets is provided on WDV method, on the basis of life and in the manner specified in Part C of Schedule II of the Companies Act,2013.

6. **Managerial Remuneration paid / payable to Directors:**

Particulars	2022-23			2021-22		
	Managing Director	Executive Director	Director	Managing Director	Executive Director	Director
Salary	-	-	-	-	-	-
Total	-	-	-	-	-	-

7. **Value of Imports (on CIF basis).**

Particulars	2022-23	2021-22
Software Purchases	₹ 2,64,91,311	₹ 2,51,07,600
Imports		₹ 76,900
Total	₹ 2,64,91,311	₹ 2,51,84,500

8. **Expenditure in foreign currency :**

	2022-23	2021-22
Foreign Travel :	₹ 8,05,660	₹ 6,35,300
Total	₹ 8,05,660	₹ 6,35,300





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9. Related Party Disclosure(AS-18) : Name of the related Parties and description of relationships

S.No	Related Parties	Relation	Details of Transaction		Balance
A.	Boon IT Solutions Inc	100% Subsidiary	Sales/Service	₹ 4,01,25,658/-	₹ 0.00
			(i) Investment	₹ 0.00	₹ 1,50,00,000
			(ii) Un Secured Loan including interest	₹ 48,70,653	₹ 4,64,80,606
B.	Eco Power Pvt Ltd	100% Subsidiary	(iii) Purchases	₹ 0.00	₹ 0.00
C.	Sirena Technologies Pvt Ltd	Company in which Director of Choice Solutions Ltd is Related as Director	Purchases	₹ 0.00	₹ 0.00
S.No	Key Man Persons	Relation	Details of Transaction		
A	K V Jagannath	CEO & Managing Director	Remuneration	-	-

10. During the year the Company has recognized Deferred Tax liability of ₹ 3,98,390/- in accordance to the Accounting Standard (AS 22) relating to the "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.

Particulars		₹ in '000
Depreciation as per IT act		3053
Depreciation as per Companies act		1521
		1532
Deffered Tax Asset/(Liability)	0.26	(398)
Deffered Tax Asset/(Liability)		(398)

11. Relationship with struck off companies
Following are the transactions with companies struck off under Sec. 248 of the Companies Act, 2013 or Sec. 560 of the Companies Act,1956. - Not Applicable-
12. Details of Crypto Currency or Virtual Currency
The company has not traded or invested in crypto currency or virtual currency during the Financial Year.



13. Trade Payables ageing schedule

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	-	-	-	-	-
(ii)Others	1,00,443	1,659	619	4,229	1,06,950
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

14. Trade Receivables ageing schedule

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	76,521	1,318	813	3,023	-	81,675
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	19,095	19,095
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-



15. Ratios

<u>Particular</u>	<u>31.03.2023</u>	<u>31.03.2022</u>	<u>% of Change</u>
1) Current Ratio			
Current Assets	2,48,013	2,64,849	
Current Liabilities	1,11,920	1,26,922	
	2.22	2.09	-6%
2) Debt - Equity Ratio			
Total Debt	93,100	97,409	
Share Holder's Equity	68,348	68,348	
	1.36	1.43	4%
3) Debt Service Coverage Ratio			
Earnings Available for Debt Service	9,539	(11,937)	
Debt Service	8,500	6,663	
	1.12	(1.79)	163%
4) Return on Equity			
Net Profits After taxes - Pref.Dividend	640	(18,345)	
Average Share Holder's Equity	68,348	68,348	
	0.01	(0.27)	103%
5) Inventory Turnover Ratio			
Cost of Goods Sold	3,01,742	2,68,780	
Closing Inventory	22,414	27,985	
	13.46	9.60	-40%
6) Trade Receivable Turnover Ratio			
Net Credit Sales	4,96,791	4,27,182	
Average Accounts Receivable	98,458	1,18,936	
	5.05	3.59	-40%
7) Trade Payable Turnover Ratio			
Net Credit Purchases	3,01,742	2,68,780	
Average Accounts Payable	1,06,951	1,19,356	
	2.82	2.25	-25%
8) Net Capital Turnover Ratio			
Net Sales	4,96,792	4,27,182	
Working Capital	42,992	40,517	
	11.56	10.54	-10%
9) Net Profit Ratio			
Net Profit	640	(18,345)	
Net Sales	4,96,791	4,27,182	
	0.00	(0.04)	103%
10) Return on Capital Employed			
Earning Before Interest and Taxes	9,539	(11,937)	
Capital Employed	2,53,189	2,56,857	
	0.04	-0.05	181%



Debt Service Coverage Ratio is decreased due to the Earnings available for Debt Service are in positive.

Return on Equity is Increased due to Net profit.

Net Capital Turnover Ratio is increased due to Net sales increased.

Net Profit Ratio is in positive due to Net profit.

Return on Capital Employed is in positive due to Net profit.

16. Figures were rounded off to the nearest Thousands. Previous year figures were re grouped, rearranged, reclassified and rounded off to the nearest hundreds wherever necessary.

For Murthy & Kanth
Chartered Accountants



T Uma Kanth
Partner
Membership No. 23126
Firm Registration No.: 02195S
UDIN : 23023126BGZEKW6179
Place: Hyderabad
Date: 5th september, 2023



For Choice Solutions Limited



K V Jagannath
Managing Director
DIN : 01791977



Tandava Krishna Moorthy Satuluri
Director
DIN : 08626357





M/s Murthy & Kanth Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHOICE SOLUTIONS LIMITED
Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **CHOICE SOLUTIONS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries Boon IT Solutions Inc and Eco Power Pvt Ltd (the Holding Company, its subsidiaries together referred to as "the Group").

Comprising of the Consolidated Balance Sheet as at 31st March, 2023, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Basis for Opinion

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

Key Audit Matters

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

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M/s Murthy & Kanth Chartered Accountants

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies

included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to

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M/s Murthy & Kanth Chartered Accountants

the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Other Matters

We did not audit the financial statements / financial information of Boon IT Solutions Inc. subsidiary whose financial statements / financial information reflecting total assets of Rs 1,15,47,746.74/- as at 31st March, 2023, total revenues of Rs.4,18,28,652.78. for the year ended on that date, as considered in the consolidated financial statements.

We did not audit the financial statements / financial information of Eco Power Pvt Ltd subsidiary whose financial statements / financial information reflecting total assets of Rs1,52,18,182.36/- as at 31st March, 2023, total revenue is Nil for the year ended on that date, as considered in the consolidated financial statements.

The consolidated financial statements also include the Group's share of net profit / (loss) of Rs (1,24,64,351)/- for the year ended 31st March, 2023 as considered in the consolidated financial statements, in respect of Boon IT Solutions Inc. and Eco Power Pvt Ltd financial statements / financial information have not been audited by us. The Financial statements / financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, the financial statements / financial information is not material to the Group.

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M/s Murthy & Kanth Chartered Accountants

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- 1) As required by Companies (Auditor's Report) order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the order.
- 2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books. The Balance Sheet, the statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
 - c. In our opinion, the aforesaid Consolidated financial statements comply with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - d. On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - e. With respect to the adequacy of Internal Financial Control over Financial Reporting of the Company and the operating effectiveness of such controls, referred to in our separate report in Annexure "1".
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us.
 - i. The Company does not have any pending litigations which would impact its financial position.

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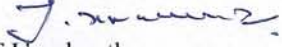
M/s Murthy & Kanth Chartered Accountants

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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There was no amount of which were required to be transferred to the Investor Education and Protection Fund by the Company.

Hyderabad
05-09-2023



For **Murthy & Kanth**
Chartered Accountants
Firm Regn.No.02195 S


T. Umakanth
Partner
Membership No.23126

UDIN : 23023126BGZEKX8877.

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