



## WE CARE



Vaccination Drive  
At Choice House

# OUR VISION & MISSION

सर्वश्रेष्ठ

To become "The Institution of Choice" by delivering the best services and innovative products, for clients across the Globe, for business partners and our employees



# FinTech Products Roadmap



-  Pre Digitization Era  
2010-2015
-  INVESTICA  
2017
-  JIFFY  
2018
-  Choice Connect  
2019
-  Alphabee  
March 2021
-  ISMOS  
April 2021
-  E-filex  
May 2021
-  Alphabee global  
July 2021
-  Spark  
July 2021
-  Credue  
October 2021
-  OPTIMO  
October 2021
-  Financial education  
2022
-  neo  
Neo Bank License  
2022

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# CREATING NEW BENCHMARKS IN SERVICE DELIVERY

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## Letter From Chairman



CA SUNIL PATODIA  
CHAIRMAN

### Dear Stakeholders,

As we start a new year, I would like to thank all the stakeholders, Board of Directors, employees and investors who believed in me and my vision and shall consider my appointment as the Chairman of the Company at the 28th Annual General Meeting.

A few years ago I saw a dream to become the leading financial services firm in the country and now I can proudly say that we have reached that level that I once hoped to achieve. This would have been an impossible task without the help and support of my colleague, business partner and more than that my friend Kamal Poddar, our Managing director and all my colleagues of the "Choice Parivaar".

A very famous life quote that I truly believe in, "Great things take time" and this is absolutely true in our case. We as a group are growing and giving our best foot forward always. The growth that once seemed unattainable is now within our reach. With constant hard work and determination of each and every person of the "Choice Parivaar", we can dare to dream higher and achieve many more impossible tasks.

"Choice" aims to become a fintech company and build a robust ecosystem for our customers and to aid in their end to end financial journey. The group as a whole is expanding geographically and has successfully added many business associates under its umbrella. Along with this, we are pleased with the financial growth of your group as we are growing organically and inorganically. We aim to continue this growth in the coming years and the goal is to make Choice one of the best financial services firm in the country.

"Growth is never by mere chance; it is the result of forces working together" and therefore, we have always believed in team work and working towards one common goal. The COVID-19 pandemic has taught us to fight our vulnerabilities and stand up against difficulties. Our vision to become "Sarvasresth" will always be our top most priority and we promise to grow your company in the future and put our best foot forward always.

With best wishes,  
Thanking You,

Sd/-  
SUNIL KUMAR PATODIA  
Chairman  
DIN No: 00751941

## From Managing Director's Desk



**Mr. Kamal Poddar**  
MANAGING DIRECTOR

### Dear Stakeholders,

The world has seen a turnaround in the last financial year due to COVID-19 and most of the economies have witnessed the most difficult times historically. But with strong determination and utmost strength we have all stood firm and faced these unprecedented times.

As this year has been difficult for everyone, I would like to take this opportunity and thank each and every employee and our stakeholders for your immense support. It is because of your hardwork and unconditional faith that we have been able to achieve our goals for the past year.

I can proudly say that we have managed to keep ourselves motivated during these hard times and have given the best services to all our stakeholders. We have handled all the key operations smoothly by working at 25-30% capacity and rest from home almost the entire year without hampering the day to day operations. We expect the same to continue for the next financial year as well.

In the financial year 2020-2021, the group has done really well in terms of business and financials. We have managed to clock in a growth of 35% YoY in our revenue with a growth of 25% YoY in our bottom-line. This was possible only through our efficiency in business and managing our operations well.

From the business perspective, I can proudly say that our equity broking business has achieved new heights this year and we now belong to the Top 25 broking houses in the country. We expect this bull run to continue for the next three years which will aid our future growth. As far as the other businesses our concerned, they are picking up steadily and we hope to clock in a hundred percent growth in revenue in the coming financial year.

Choice group now can be synonymously known as a Fintech company as we have managed to launch new fintech products in this financial year and have many more in the pipeline for the coming year which can be seen in the road map which forms the part of the report. We have launched a new fintech product for our customers called Alphabee (for long term investors) and are in process of launching multiple products like ISMOS, e-filex, SPARK, Credue and Optimo in the upcoming years. Choice is at the foothold for a very strong year ahead and we hope to launch a fintech ecosystem for our customers assisting them in their end-to-end financial journey.

We believe our employees are our strength and we have made all efforts to provide the best working infrastructure and support to them. This year we have decided to provide financial security to all its employees in case of an unfortunate incident with the member. Under this, the Group shall bear the expenses of their children's education till graduation for children below 18 years of age. In addition to this, the family shall get the last drawn salary of the deceased employee till 12 months.

I take this opportunity to thank all our stakeholders for their faith in our Company and further appeal for their continued support in achieving our vision of being "Sarvasrestha"

**With best wishes,  
Thanking You,**

Sd/-  
**KAMAL PODDAR**  
Managing Director  
DIN No: 01518700



While innovation influxes a CHANGE in the system, It's the leadership that distinguishes you from being a ME TOO & become सर्वश्रेष्ठ



**CA SUNIL PATODIA**  
Non executive and  
Non Independent Chairman



**CA KAMAL PODDAR**  
Managing Director

## Board of Directors

**Mrs. Hemlata Poddar**  
Non - Executive Director



**Mr. Kanhaiyalal Berwal**  
Independent Director



**CA Ajay Kejriwal**  
Executive Director



**Mr. Ashok Kumar Thakur**  
Independent Director

**CA Subodh Kumar Agrawal**  
Independent  
Director



**CA Sudha Bhushan**  
Independent  
Director



**Mr. Sandeep Singh**  
Independent  
Director



# Corporate Information

**CS Karishma Shah**  
Company Secretary



**CA Manoj Singhania**  
Chief Financial Officer

## BANKERS

AXIS | P N B | ICICI | HDFC | INDUSIND

## SUBSIDIARY COMPANIES

- Choice Equity Broking Private Limited
- Choice Capital Advisors Private Limited
- Choice Consultancy Services Private Limited
- Choice Finserv Private Limited
- Choice Portfolio Management Services Private Limited

## STEP-DOWN SUBSIDIARY COMPANIES

- Choice Corporate Services Private Limited
- Choice Wealth Management Private Limited
- Choice Retail Solutions Private Limited
- Choice Tech Lab Solutions Private Limited



### Register And Share Transfer Agent

M/s. Link Intime India Pvt Ltd  
Address: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.  
Contact No: 022 - 4918 6270;  
Fax No: 022 - 4918 6060  
Website: <https://www.linkintime.co.in/>  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



### Registered Office

**CHOICE HOUSE**  
Shree Shakambhari Corporate Park, J. B. Nagar, Andheri (east), Mumbai - 400099  
Phone No.: +91-022- 6707-9999  
Fax No.: +91-022-6707-9898  
Email : [info@choiceindia.com](mailto:info@choiceindia.com)  
Website : [www.choiceindia.com](http://www.choiceindia.com)



### Statutory Auditors

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai  
  
**SECRETARIAL AUDITORS**  
M/s. R.M.Mimani & Associates LLP  
Practicing Company Secretaries Thane





## Board Report

### Dear Member,

At the onset, your company's Director's place before you, their prayers for the families of all employees & shareholders who have succumbed their family member's to the Pandemic COVID-19.

Your Director's are pleased to present the Twenty-Eight Annual Report detailing the Business & Operations of the Company together with the Audited Financial Statements both Standalone & Consolidated for the Year ended March 31, 2021.



## CORPORATE OVERVIEW

"Choice Group" an end-to-end Financial service conglomerate through its multiple subsidiaries offers financial services across all platforms catering to Retail & Institutional Client, Corporates, State & Central Government Authorities.

The group successfully has created a Fintech eco system which combines all its services under one roof for all its financial products.

## FINANCIAL SUMMARY & HIGHLIGHTS:

The highlights of the Company's Standalone & Consolidated Financial Results are incorporated below:

(Rupees in Lakhs)

Particulars	Consolidated		Standalone	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Revenue</b>				
Revenue from Operations	16,874.35	12882.00	835.83	875.89
Other Income	707.23	539.88	30.91	26.19
<b>Total Revenue</b>	<b>17,581.88</b>	<b>13,421.88</b>	<b>866.74</b>	<b>902.08</b>
<b>Expenses</b>				
a) Operating Expenses	7,648.43	2,882.85	-	-
b) Employee benefit expenses	4,193.80	4,746.16	83.34	78.38
c) Finance Cost	1545.75	1,729.76	192.05	154.31
d) Depreciation & Amortisation Expenses	308.74	345.54	71.39	73.72
e) Administrative & Other Expenses	1,603.31	1,897.20	192.11	299.45
<b>Total Expenses</b>	<b>15,300.03</b>	<b>11,601.52</b>	<b>538.89</b>	<b>605.86</b>
<b>Net Profit before Tax</b>	<b>2,281.56</b>	<b>1,820.35</b>	<b>327.85</b>	<b>296.22</b>
<b>Tax Expenses</b>				
a) Current Tax	1,002.22	480.50	75.89	70.90
b) Earlier Years Tax Expense	12.84	(18.31)	6.48	-
c) Deferred Tax	(404.51)	115.06	15.28	27.90
<b>Total Tax Expenses</b>	<b>610.55</b>	<b>577.25</b>	<b>97.65</b>	<b>98.80</b>
<b>Net Profit After Tax</b>	<b>1671.00</b>	<b>1243.11</b>	<b>230.20</b>	<b>197.42</b>
Other Comprehensive Income	36.38	134.60	0.43	0.66
<b>Total Income</b>	<b>1707.38</b>	<b>1377.71</b>	<b>230.63</b>	<b>198.08</b>
<b>Paid Up Equity Share Capital</b>	<b>2856.83</b>	<b>2000.48</b>	<b>2856.83</b>	<b>2000.48</b>
Reserves excluding Revaluation Reserves as per Balance Sheet	19,276.19	15,149.64	13,072.37	10,422.56
<b>Earnings Per Share</b>				
1. Basic	7.78	6.21	1.07	0.99
2. Diluted	5.11	5.86	0.70	0.93



## PERFORMANCE HIGHLIGHTS

### Consolidated Financial Performance

The Consolidated gross income of the Company for the financial year ended March 31, 2021 is ₹ 17,581.58 Lakhs as against ₹ 13,421.88 Lakhs in the previous year. Consolidated net profit during the year under review is ₹ 1671.00 Lakhs as compared to ₹ 1243.11 Lakhs in the previous year.

Consolidated Financial statements for the financial year ended March 31, 2021 have been prepared in accordance with Section 133 of the Companies Act, 2013 (the "Act") read with rules made thereunder and Indian Accounting Standards (the "Ind AS") 110. The Consolidated Financials reflect the cumulative performance of the Company together with its various subsidiary companies.

### Standalone Financial Performance

The total gross income of the Company for the financial year ended March 31, 2021 on standalone is ₹ 866.74 Lakhs as against ₹ 902.08 Lakhs in the previous year. The Company reported a net profit of ₹ 230.20 Lakhs for the year ended March 31, 2021 as compared to the Net Profit of ₹ 197.42 Lakhs in the previous year.

Pursuant to the provisions of Section 136 of the Act, the Annual Report of the Company, containing, inter alia, its Standalone and the consolidated financial statements, along with the relevant documents and separate audited financial statements for each of the subsidiaries are available on the Website of the Company [www.choiceindia.com](http://www.choiceindia.com) under the "Investor's Relation" tab.

## DIVIDEND

Considering the existing economic situation, the Board of Directors of the Company has decided to safeguard the resources to augment our long term growth, the Board hence has not recommended the Dividend for the Financial Year ended March 31, 2021.

The details of the Unclaimed / Unpaid Dividend pertaining to the previous year's lying in the unpaid account liable to be transferred to the Investor Education & Protection Fund is detailed in the Corporate Governance Report forming part of this Report.

## RESERVES

The Board of Directors of the Company has decided to retain the entire amount of the Profit for FY 20-21 in the Profit & Loss account.

## COVID-19 PANDEMIC

It has been more than one & half year since "COVID 19" pandemic infiltrated the Human Society, leaving each one of us in grief. After the first wave of the on-going pandemic there was a subsequent lifting of the Nation-wide Lockdown presuming the control over on-going active cases. However, situations got deteriorated even more in the month of March & April 2021, leaving us in the turmoil followed again with the State Lockdowns.

But it is always believed that, even the worst times teaches you the best lessons of life. Similarly the pandemic COVID-19 has forever reformed the operational synergies of how the organizations across the world operate.

The Pandemic has by no choice transferred the working culture from being Manual to Digital, the organisations across has entered in to the sphere of an "Digital Era". Likewise your Company too have by all means have transformed their Scope of Service in to an gamut of Digital Financial services under one gable with least human interference.

Further the Pandemic has also introduced the "Work from Home" policy in the interest of the employees of the company, your

company too has adopted the policy for the safety & security of our employees.

We are further glad to inform you that the Business activities of the Company & its Subsidiaries have not been halted at any point time. The Management of your Company do not anticipate any medium to long term risk in the Company's ability to continue as a going concern and meeting its liabilities. An elaborative narration on the impact of COVID-19 is detailed in notes to the Financial Statements.

## MATERIAL CHANGES AFFECTING THE COMPANY

1) As detailed in the previous report, the company was awaiting the Voluntary Cancellation of its "NBFC" status on transferring its entire "NBFC Business" to its Subsidiary Company M/s. Choice Finserv Private Limited.

On November 25, 2020 the company was in receipt of communication from the "Reserve Bank of India" detailing the order of Voluntary Cancellation of our "NBFC" status with effect from October 23, 2020.

On cancellation of our "NBFC" status the company M/s. Choice International Limited is acting as a "Holding Company" to its various subsidiaries.

2) The Company on approval of its Members dated December 23, 2019 & on receipt of the In Principal approval from the exchange, dated December 24, 2019, the Company on January 02, 2020 had allotted 19800000 Equity Warrants at a price of Rs. 51/- Per warrants to be converted in to equivalent number of Equity within 18 Months of allotment on Preferential Basis.

On the receipt of the entire consideration amount, the Warrants were converted in to equivalent number of Equity shares in trenches. As on the date of report, there are no outstanding warrants to be converted in to Equity.

3) The Board of Director's at their Meeting held on June 25, 2021 has approved the raising of Funds on Right Issue basis amounting to Rs. 60 Crores. For infusing the additional capital through Right Issue basis, the Company need to increase the Authorised Capital of the Company.

Your Board seeks the approval from the Members for Increase in the Authorised Capital of the Company from Rs. 40,10,00,000/- (Rupees Forty Crores Ten Lakh only) divided in to 4,10,00,000 Equity Shares of Rs. 10/- each to Rs. 50,10,00,000/- (Rupees Fifty Crores Ten Lakh only) divided in to 5,10,00,000 Equity Shares of Rs. 10/- each.

Resolution seeking approval of the Members forms part of the Notice to the 28th Annual General Meeting of the Company.

4) The Company M/s. Choice International Limited had applied to the Company M/s. Paramone Concepts Limited to reclassify its status from "Promoter Category" to "Public Category". The request for reclassification was further placed before the exchange by the company M/s. Paramone Concepts Limited which was approved by the exchange BSE Limited on March 31, 2021.

The Company do not stand as a Promoter to the Company M/s. Paramone Concepts Limited With effect from March 31, 2021.

5) Post the Financial Year end, M/s. Choice Equity Broking Private Limited "CEBPL" our wholly owned Subsidiary has entered in to the agreement with Promoters and Shareholders of M/s. Escorts Securities Limited "ESL" subsidiary of M/s. Escorts Limited a renowned Business House located at National Capital Region, listed on BSE & NSE for acquisition of ESL, which is mainly in Broking business.

M/s. Escorts Securities Limited an Unlisted Public Company, incorporated in the year 1996 is a prominent player in the Broking Industry since last two decades headquartered in "Delhi".

6) During the Year under review, our step down subsidiary M/s. Choice Wealth Private Limited had acquired the "Mutual Fund" Distribution Business of "Bank Bazar". The acquisition of Mutual Fund Distribution process of "Bank Bazar" shall enable our product "Investica" to rapidly grow its AUM and number of clients and push itself to the category of large Mutual Fund Investment Platform with complete focus on wealth creation for its clients.

7) The application of our subsidiary Company M/s. Choice Equity Broking Private Limited "CEBPL" to acquire an "IRDA" Registered company has been transferred in the name of M/s. Choice International Limited, the application for acquiring an "IRDA" Registered Company is pending now with the "Insurance & Development Authority of India (IRDA) in the name of M/s. Choice International Limited, the approval of which is soon awaited.

8) During the Year under review, the Registrar & Share Transfer Agent of the Company M/s. Sharex Dynamics India Pvt Ltd has been merged in to M/s. Link Intime India Pvt Ltd with effect from Aug 31, 2020.

### RTA Details:

Website: <https://www.linkintime.co.in>  
 Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)  
 Address: C. 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.  
 Contact No: 022-49186270; Fax No: 022-49186060

There are no other material changes or commitments affecting the Financial position of the Company which have occurred during the end of the financial year and the date of the report.

## SHARE CAPITAL

### AUTHORISED CAPITAL:

As on March 31, 2021 the Authorised Capital of the Company is Rs. 40,10,00,000/- (Rupees Forty Crores Ten Lakhs Only) divided in to 4,10,00,000 Equity Shares of Rs. 10/- each.

However the same is to be increased by Rs. 10,00,00,000/- (Rupees Ten Crores Only) subject to the approval of the members in the proposed Annual General Meeting scheduled to be held on September 23, 2021.

### PAIDUP CAPITAL:

As on March 31, 2021 the Issued, Subscribed & Paid up Capital of the Company on account of conversion of Warrants in to Equity was increased from Rs. 20,00,48,000/- (Rupees Twenty Crores Forty Eight Thousand only) divided in to 2,00,04,800 Equity Shares to Rs. 28,56,82,730/- (Rupees Twenty Eight Crores Fifty Six Lakhs Eighty Two Thousand Seven Hundred Thirty Only) divided in to 2,85,68,273 Equity Shares of Rs. 10/- each.

As on date of the report, on conversion of all the outstanding Warrants in to Equity, the Issued, Paid up & Subscribed Capital of the Company was further increased to Rs. 39,80,48,000/- (Rupees Thirty Nine Crores Eighty Lakhs Forty Eight Thousand) divided in to 3,98,04,800 Equity Shares of Rs. 10/- each.

The Details of Change in Capital Structure during the Year are as follows:

Details of Equity Share Capital of M/s. Choice International Limited: ISIN No: INE102B01014

Sr. No.	Particulars	Date of Allotment	Number of Shares Allotted	Cumulative Total	Nominal Capital bearing face value of Rs. 10/- each (Cumulative Total)
1	Equity Shares at the beginning of the Year	April 01, 2020	-	20004800	200048000
2	Conversion of Warrants in to Equity	December 14, 2020	2663473	22668273	226682730
3	Conversion of Warrants in to Equity	January 14, 2021	2550000	25218273	252182730
4	Conversion of Warrants in to Equity	March 17, 2021	3350000	28568273	285682730
5	Conversion of Warrants in to Equity	April 17, 2021	3449989	32018262	320182620
6	Conversion of Warrants in to Equity	June 17, 2021	3236538	35254800	352548000
7	Conversion of Warrants in to Equity	June 25, 2021	4550000	39804800	398048000

As on date of the report, there are no outstanding Warrants to be converted in to Equity Shares of the Company. The above allotted shares have been Listed & Traded on BSE Limited as on the date of the Report, except the last trench dated June 25, 2021 for which the the approval is awaited.





## DEBENTURES

The Debentures issued by the Company in its previous Financial Years, have been duly redeemed by the Company on timely payment of Principal & the Interest amount. However the Company on due verification shall transfer the funds to the legal claimant of a deceased Debenture Holder holding Seven Debentures of face value of Rupees One Lakh each with accrued Interest thereby.

## DEPOSITS

During the year under review, the Company has not accepted any Public Deposits nor there are any outstanding Public Deposits during the Year ended March 31, 2021.

## INVESTOR EDUCATION AND PROTECTION FUND

In accordance with the applicable provisions of Companies Act, 2013 read with Investor Education and protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to the IEPF after completion of seven (7) Years. Further according to IEPF Rules the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF authority. The details relating to amount of dividend transferred to the IEPF and corresponding shares on which dividend were unclaimed for seven (7) consecutive years, are provided in the General Shareholders Information section of this Annual Report.

## FINANCIAL ACCOUNTING

As mandated by the Ministry of Corporate Affairs, the Financial Statements for the Year ended on March 31, 2021 has been prepared in accordance with Provisions of the Sec 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, Profit and cash flow for the Year ended March 31, 2021.

## SUBSIDIARY COMPANIES

### Financial Performance:

Pursuant to Section 129(3) of the Companies Act, 2013 the Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with the relevant Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, forms a Part of the Annual Report.

Pursuant to the provisions of the said section, a statement containing the salient features of the financial statements of the Company's subsidiaries, Joint Ventures & Associates in Form AOC -1 is given in the Annual Report.

In accordance with Section 136 of the Companies Act, 2013 the Financial Statements of the Subsidiary Companies are available for inspection by the Members at the Registered Office of the Company during Business Hours on all days except Saturdays, Sundays and Public Holidays up to the date of the Annual General Meeting "AGM". Any member desirous of obtaining a copy of the said Financial Statements may write to the Company Secretary at the Registered Office of the Company.

The Financial Statements including the Consolidated Financial Statements, Separate Audited Financial statements along with other relevant documents required to be attached to this report have been

uploaded on the website of the Company [www.choiceindia.com](http://www.choiceindia.com)

The detail of Material Changes in the Operations/ Nature of the business of the Subsidiaries during the Financial Year 2020-21 have been highlighted down below. The impact of such changes, if any has been adequately disclosed in the Financial Statements. **As on March 31, 2021 the Company has 9 Subsidiaries in its group out of which 4 are step down subsidiaries.** All the Financial services offered by the group "Choice" are conducted through each of its subsidiary Company.

### Details of the Subsidiaries:

#### 1) M/s. Choice Equity Broking Private Limited - Wholly owned Subsidiary

The Securities Broking Business along with Depository Participant Business & Distribution Services are routed through our subsidiary M/s. Choice Equity Broking Private Limited ("CEBPL"). "CEBPL" is a Member Broker with NSE, BSE, MSEI, ICEX, NCDEX, MCX and a Depository Participant with CDSL & NSDL.

Post the Financial Year end, the company "CEBPL" has entered in to the agreement with Promoters and Shareholders of M/s. Escorts Securities Limited "ESL" subsidiary of M/s. Escorts Limited a renowned Business House located at Delhi to acquire "ESL" a prominent player in the Broking Industry since last two decades. The said acquisition on obtaining the necessary statutory clearances shall lead to increase in clientele's of the group "Choice". The group's Broking segment its getting its feet stronger by increasing its PAN India Presence.

During the Year under review, the Subsidiary has been awarded for outstanding Research in the Commodity Segment by the "National Commodity & Derivatives Exchange Limited ("NCDEX")

In spite of the difficult business environment, the subsidiary continues to do well as the Gross Revenue of the Company for FY 2021 stood at ₹ 11,063.91 Lakhs (Previous Year: ₹ 9,594.60 Lakhs). During the year under review, the subsidiary made Profit before tax of ₹ 2,064.28 Lakhs (Previous Year: Profit ₹ 907.58 Lakhs).

#### 2) M/s. Choice Finserv Private Limited - Subsidiary

The "NBFC" Business of the group is carried out through our subsidiary M/s. Choice Finserv Private Limited. M/s. Choice Finserv Private Limited" had secured its Registration as an "Non-Deposit Taking Non-Banking Financial Company" with effect from January 12, 2018.

As on March 31, 2021 the Company holds, 94.26% stake in the "Choice Finserv" & the balance 5.74% stake is held by M/s. Choice Equity Broking Private Limited which is the wholly owned subsidiary of the Company.

Over a period of three years the Loan Book has increased by 156% from ₹ 96 Crores in 2019 to ₹ 246 Crores in 2021

The Gross Revenue of the subsidiary for FY 2021 stood at ₹ 2935.28 Lakhs (Previous Year: ₹ 1515.76 Lakhs). The Company recorded Profit after Tax of ₹ 971.68 Lakhs (Previous Year: Profit ₹ 134.49 Lakhs).

#### 3) M/s. Choice Portfolio Management Services Private Limited - Subsidiary

The Portfolio Management Services of the group is catered to the clients through our Subsidiary M/s. Choice Portfolio Management Services Private Limited a SEBI Registered Portfolio Managers.

The Company M/s. Choice International Limited holds 52.61 % stake in the Company M/s. Choice Portfolio Management Services

Private Limited & the balance 47.39% stake is held by M/s. Choice Equity Broking Private Limited which is the wholly owned subsidiary of the Company.

During the year under review, the Company registered a loss of ₹ 5.77 Lakhs, with a decline in Revenue to ₹ 41.06 Lakhs for the FY 2021 as Compared to Previous Year: ₹ 44.73 Lakhs.

#### 4) M/s. Choice Capital Advisors Private Limited - Wholly Owned Subsidiary

M/s. Choice Capital Advisors Private Limited ("Choice Capital Advisors") is a SEBI registered category-I merchant banker, offering services such as IPO advisory, valuations, corporate finance etc. The Investment Banking & Merchant Banking services of the group are catered through our wholly owned Subsidiary "Choice Capital Advisors".

The subsidiary reported a decline in Gross Revenue to ₹ 157.52 Lakhs for the FY 2021 as compared to previous Year: ₹ 283.75 Lakhs. However the Company registered a Profit after Tax of ₹ 12.62 Lakhs as compared to Previous Year: ₹ 10.46 Lakhs.

#### 5) M/s. Choice Consultancy Services Private Limited - Wholly Owned Subsidiary

The group operates its Infrastructure consultancy business through its wholly owned subsidiary Choice Consultancy Services Private Limited ("CCSPL"). The subsidiary is distinguished consultant in the sectors such as Road, Highways and Bridges Development, Water Management, Affordable Housing, Solid Waste Management, Public Financial Reforms, Urban Development and sustainability, Information Technology, E-learning, Smart Education etc.

The various Joint ventures initiated by the company as on March 31, 2021 & as on date of the report are as follows:

- Thoughts Consultants Jaipur P Lin JV with Choice Consultancy Services PL
- VSC Consulting Private JV with Choice Consultancy Services Private Limited
- Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd
- CCSPL-I&RJV
- Samokit Learning Management Private Limited

Further as on date of the report, the Company is partnering two LLP'S namely "Choice Soft Skills Trainings LLP" & "Choice Science Eduhub LLP" for conducting its Business model of smart Education.

The Gross Revenue of the subsidiary for FY 2021 stood at ₹ 3630.80 Lakhs (Previous Year: ₹ 2306.61 Lakhs). The Company earned a Profit after Tax of ₹ 147.59 Lakhs (Previous Year: ₹ 47.52 Lakhs).

#### 6) M/s. Choice Wealth Private Limited - Step Down Subsidiary

During the Year under review, the name of our step down Subsidiary Company was changed from M/s. Choice Wealth Management Private Limited to M/s. "Choice Wealth Private Limited" pursuant to circular issued by "Association of Mutual Funds of India" or "AMFI" directing the Mutual Fund Distributors to amend/ modify their names as per their circular dated October 20, 2020 bearing No. AMFI/CIR-19/2020-21. The change in name of the Company as aforesaid does not change the legal status or constitution of the Company, nor does it affect any rights or obligations of the Company, nor does it change the Main Object

of the Company

The group provides its mutual fund distribution services through its subsidiary M/s. Choice Wealth Private Limited. The Company M/s. Choice Wealth Private Limited (Choice Wealth) is registered with the "Association of Mutual Funds of India" (AMFI) as a Mutual Fund Distributor and is empanelled with various Mutual Fund Houses to distribute their services to the end clients.

Entire Shareholding of the company M/s. Choice Wealth Private Limited is held by M/s. Choice Equity Broking Private Limited our wholly owned Subsidiary.

During the Year under review, our step down subsidiary M/s. Choice Wealth Private Limited had acquired the "Mutual Fund" Distribution Business of "Bank Bazar". The acquisition of Mutual Fund Distribution process of "Bank Bazar" shall enable our product "Investica" to rapidly grow its AUM and number of clients and push itself to the category of large Mutual Fund Investment Platform with complete focus on wealth creation for its clients.

The Gross Revenue of the subsidiary for FY 2021 stood at ₹ 85.06 08 Lakhs (Previous Year: ₹ 68 Lakhs). During the year under review, this company incurred a Loss of ₹ 52.90 Lakhs (Previous Year: Loss of ₹ 156.25 Lakhs).

#### 7) M/s. Choice Corporate Services Private Limited - Step Down Subsidiary

The group provides its "Retail Loan Distribution" services through our step down subsidiary M/s. Choice Corporate Services Private Limited". The subsidiary strives on providing its clients speedier disbursement of Loans from the Bank at the promising interest rates.

Entire Shareholding of the company M/s. Choice Corporate Services Private Limited is held by M/s. Choice Equity Broking Private Limited our wholly owned Subsidiary.

The Gross Revenue of the Company for FY 2021 stood at ₹ 29.66 Lakhs (Previous Year: ₹ 51.35 Lakhs). The Company earned a profit of ₹ 0.76 Lakhs (Previous Year: Loss of ₹ 51.92 Lakhs).

#### 8) M/s. Choice Tech Lab Solutions Private Limited - Step Down Subsidiary

Choice Tech Lab Solutions Private Limited (Choice Tech Lab) our step down subsidiary is the Technology arm of the group "Choice". The Subsidiary has been instrumental in shaping the group as a "Fintech" Financial Hub. The details of the "Applications" developed by the subsidiary for converting the services of the group in to "Fin Tech" model is detailed below in the Management Discussion & Analysis Report forming part of this Report.

Entire Shareholding of the company M/s. Choice Tech Lab Solutions Private Limited is held by M/s. Choice Equity Broking Private Limited our wholly owned Subsidiary.

The Gross Service Revenue of the Company for FY 2021 stood at ₹ 930.08 Lakhs (Previous Year: ₹ 907.85 Lakhs). The Company registered profit of ₹ 20.33 (Previous Year: Profit of ₹ 8.86 Lakhs).

#### 9) Choice Retail Solutions Private Limited - Step Down Subsidiary

To widen our Network, the group has created an online platform where we shall on Board Business Associates through our online platforms named "Choice Connect" for Distribution of our group services.





Through our step-down subsidiary M/s. Choice Retail Solutions Private Limited (Choice Retail Solutions) efforts are made to connect to our prospective client via our online platform "CHOICECONNECT".

Entire Shareholding of the company M/s. Choice Retail Solutions Private Limited is held by M/s. Choice Equity Broking Private Limited our wholly owned Subsidiary.

During the year under Review, the Company registered a Gross Revenue of ₹340.76 Lakhs for the FY 2021 (Previous Year: ₹16.09 Lakhs). The Company earned a profit of ₹34.01 Lakhs (Previous Year: Loss of ₹101.78 Lakhs).

#### MATERIAL SUBSIDIARIES

The company's policy for determining material subsidiaries, as adopted by the Board of Directors, is in conformity with

Regulation 16 of the SEBI LODR Regulations, the policy may be accessed on the website of the company at [www.choiceindia.com](http://www.choiceindia.com) under the "Investor's Relation" tab.

In terms of the said policy & in compliance with the provision of Regulation 16 of the LODR Regulations, below mentioned subsidiaries are the Material Subsidiaries of the Company as their Net worth / Income exceeds 10 % of the Consolidated Net worth of the Company.

#### Details of Material Subsidiaries as on March 31, 2021:

- i) Choice Equity Broking Private Limited
- ii) Choice Consultancy Services Private Limited
- iii) Choice Finserv Private Limited



## Director & Key Managerial Person

#### Brief Profile of the Board of Directors of the Company as on March 31, 2021 & as on the date of the Report:

##### 1) Mr. Sunil Kumar Patodia- Non Executive Non Independent Chairman

Mr. Sunil Kumar Patodia our founder Promoter has been inducted on the Board as Non Executive Non Independent Chairman of the Company. The seeds of a fully integrated Financial Service Firm were sowed by our Promoter. A Chartered Accountant by Profession with distinguished experience of over 25 Years. Mr. Patodia had served as a Chairman & Secretary of Western Indian regional Council of the Institute of Chartered Accountants of India in his Past Years. An idol of many amidst Chartered Accountancy profession, his journey in itself is an encouragement.

##### 2) Mr. Kamal Poddar- Managing Director

Mr. Kamal Poddar, a Fellow Member of the Institute of Chartered Accountants of India is leading the "Choice Group" for over a decade and is instrumental in delivering financial services with novelty.

Mr. Poddar has been instrumental in converting a CA practice firm into full fledged financial service hub. It is his vision and mantra of "Sarvashreshth" that is implemented by each member at Choice Group in bringing innovation in every service and addition of services to its kitty year on year. With his meticulous approach, Choice has expanded its horizon throughout the country and also internationally.

##### 3) Mr. Ajay Kejriwal- Executive Director

A fellow member of the ICAI having experience of more than two decades in financial markets, Mr. Ajay Kejriwal has been very influential in steering the Technological advancement of the group "Choice".

A "SEBI" registered "Investment Adviser", a Diploma in "Information System Audit", Mr. Kejriwal has a distinguished knowledge & experience in the field of Finance, Taxation & Management and thus has played a pivotal role in the progress of group "Choice".

##### 4) Mrs. Hemlata Poddar- Non Executive Director

Mrs. Hemlata Poddar our Non-Executive Women Director holds a post-graduate degree in political science and has extensive experience in management and administrative functions. Her areas of interest include management training and leadership.

##### 5) Mr. Ashok Kumar Thakur - Independent Director

Mr. A K Thakur was the General Manager of Union Bank of India and has experienced more than 40 years of services in several and varied areas like Banking services, HR functions, Marketing, and management services.

##### 6) Mr. Kanhaiyalal Berwal - Independent Director

Mr. Kanhaiya Lal Berwal is a retired I.P.S and an Ex. Member of the Rajasthan Public Service Commission (R.P.S.C). Presently he is the D.G. Dr. B.R. Ambedkar foundation. He is associated with many Ngo's for the upliftment of SC/ST and other backward communities especially in the tribal area of Rajasthan.

##### 7) Mr. Subodh Kumar Agrawal - Additional Independent Director

A Chartered Accountant by profession, Mr. Agrawal also holds a certification on "D.L.S.A" from the "Institute of Chartered Accountants of India" (ICAI). Further to add to his wings Mr. Agrawal also holds a Chartered Accountant Degree from the Institute of Chartered Accountants of Australia.

A Law graduate from the University of Calcutta, Mr. Agrawal has served as the President of "ICAI" and also has aided BSE & NSE as an Arbitrator in Capital Market cases.

##### 8) Ms. Sudha Bhushan- Additional Independent Director

Ms. Bhushan is Chartered Accountant, Company Secretary, Registered Valuer by Profession. Ms. Bhushan is an expert in FDI Policy & FEMA Regulations with 15 Years of experience. An advisor to "Bank of Baroda" for its NRI & International operations Ms. Bhushan have also authored various books on FDI, Foreign Exchange Management Act & Taxation.

A Scholar throughout her life Ms. Bhushan has been awarded many awards & recognitions.

##### 9) Mr. Sandeep Singh - Additional Independent Director

Mr. Singh is a Post Graduate in Rural Development from Xavier Institute of Social Sciences, Ranchi and has a specialization in Media Planning and General Business Management.

Mr. Singh is currently the interim Chairman of the Board of Governor of "IIM Kashipur" & also on the Advisory Board of "National Institute of Mass Communication & Journalism" Ahmedabad and Indian "Institute of Democratic Leadership" Mumbai.





## CHANGE IN DIRECTORSHIP DURING THE YEAR

During the year under review, Mr. Bharat Kumar Shah (DIN No. 07393863) the Independent Director of the Company resigned from the Office of Directorship with effect from December 08, 2020 due to his pre-occupation.

During the Year under review Mr. Subodh Kumar Agrawal (DIN No. 00553916) was appointed as Additional Non Executive - Independent Director with effect from November 10, 2021

Further, during the year under review Ms. Sudha Bhushan (DIN No. 01749008) & Mr. Sandeep Singh (DIN No. 02814440) were appointed as Additional Non - Executive Independent Director with effect from February 12, 2021.

## APPOINTMENT OF CHAIRMAN OF THE COMPANY

On the recommendation of the Nomination and Remuneration Committee & on the approval of the Board of Directors of the Company, Mr. Sunil Kumar Patodia our founder Promoter has been inducted on the Board as Non Executive Non Independent Chairman of the Company with effect from August 13, 2021.

Resolution seeking approval of his appointment forms part of the notice of the 28th Annual General Meeting of the Company.

## RETIREMENT BY ROTATION & SUBSEQUENT REAPPOINTMENT

In accordance with the Provisions of Section 152 & other Applicable provisions if any of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014( including any statutory modification(s) or re-enactment(s) thereof for the time being in force ) and the Articles of Association of the Company , Mr. Ajay Kejriwal Executive Director (DIN No. : 03051841) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for reappointment.

The Board recommends his re - appointment for consideration of Members at the forthcoming Annual General Meeting of the Company. Appropriate resolutions for his re - appointment is being placed for the approval of the Members along with his Brief Resume and other related information has been placed in the Notice convening the 28th Annual General Meeting of the Company.

## INDEPENDENT DIRECTOR'S APPOINTMENT

During the Financial Year 2020-21, the board pursuant to section 161 of the Companies Act , appointed Mr. Subodh Kumar Agrawal (DIN No. : 00553916) as an Additional Non- Executive Independent Director with effect from November 10, 2020, appointed Mr. Sandeep Singh (DIN No. 02814440) as an Additional Non - executive Independent Director with effect from February 12, 2021 , appointed Ms. Sudha Bhushan (DIN No. 01749008) ) as an Additional Non - executive Independent Director with effect from February 12, 2021 , subject to the approval of Members of the Company.

The required resolution seeking approval for the appointment of the above mentioned Directors is included in the Notice convening the 28th Annual General Meeting. The initial term of appointment of Mr. Subodh Kumar Agrawal as an Independent Director shall be five years effective from November 10, 2020, and Initial term of appointment of Ms. Sudha Bhushan & Mr. Sandeep Singh as an Independent Director's shall be five years effective from February 12, 2021.

The Board is of the opinion that Mr. Subodh Kumar Agrawal , Ms. Sudha Bhushan & Mr. Sandeep Singh are persons of integrity with high level of ethical standards along with massive experience in our Financial Industry

The Company is in receipt of a notice from a member signifying his

intention to propose the candidature of the above mentioned Director's for the Office to act as the Director.

## INDEPENDENT DIRECTOR'S REAPPOINTMENT

Mr. Ashok Kumar Thakur (DIN No. 07573726) & Mr. Kanhaiyalal Berwal (DIN No. 07535424) the existing Independent Directors of the Company have completed their one term of five years - serving as an Independent Director of the Company.

Your Board has recommended their Re - appointment for a second term of five years with effect from July 14, 2021 subject to the approval of the members in the 28th Annual General Meeting of the Company.

The required resolution seeking approval for the Re-appointment of the above mentioned both Director's is included in the Notice convening the 28th Annual General Meeting.

The Company is in receipt of a notice from a member signifying his intention to propose the candidature of the above mentioned both the Director's for the Office to act as the Director.

## INDEPENDENT DIRECTOR'S DECLARATION

The Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act. & regulation 16(1)(b) of the Listing regulations.

The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In terms of requirements of the Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning, which are detailed in the Corporate Governance Report.

In terms of Section 150 of the Act read with rule 6 of the Companies (Appointment and Qualification of Directors) Rules , 2014 as amended , the name of all the Independent Director of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

## KEY MANAGERIAL PERSONNEL (KMP)

The following are named personnel are the KMP'S of the Company as on March 31, 2021 as per Sec 203 of the Companies Act, 2013

- 1) Mr. Kamal Poddar - Managing Director
- 2) Mr. Ajay Kejriwal - Executive Director
- 3) Mr. Manoj Singhania - Chief Financial Officer
- 4) Ms. Karishma Shah - Company Secretary

## NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the Financial Year 2020-21. The details of the meetings of the Board of Directors of the Company during the Financial Year 2020-21 are given in the Corporate Governance Report which forms part of this Annual Report. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

## COMMITTEES OF THE BOARD

The Board of Directors has the following Committees as on March 31, 2021:

- I) Audit Committee
- II) Nomination & Remuneration Committee
- III) Stakeholder Relationship Committee
- IV) Corporate Social Responsibility Committee

The details of the above mentioned committee along with their Composition, Number of Meetings, held and attendance at the meetings are provided in the Corporate Governance Report.

For the smooth articulation of our operational & procedural part , the Company had constituted various Internal Committees consisting of the Executive, Independent Director of the Companies along with the involvement of the Senior Level Management in the Committee for the smooth operations of the Company , the details of the Committees constituted by the Company are as follows:

- i) Finance Committee
- ii) Investment Committee
- iii) Securities Allotment Committee

The meetings of the above mentioned Committees are held at Regular Intervals and decisions undertaken are the set of collective people on the consent of the majority of the members of the Committee. The resolutions undertaken by the Committees are verified by the Board in their subsequent Meetings.

## NOMINATION & REMUNERATION POLICY & COMMITTEE

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis of payment of remuneration.

The policy also provides the criteria for determining Qualifications, positive attributes and Independence of Directors and criteria for appointment of Key Managerial Personnel, Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Company has a Nomination and Remuneration Committee (NRC), which is responsible for formulating the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company including their remuneration and other matters as provided under Section 178 of the Companies Act , 2013 and the Listing Regulations. The role of the NRC Committee encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Directors appointment or re-appointment is required. The NRC Committee is also responsible for reviewing the Profiles of Potential candidates the required, competencies and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

### Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

In terms of the Provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

**Qualifications:** The Board Nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

**Positive Attributes:** Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communications skills and independent judgement. The Directors are expected to abide by the respective code of conduct as applicable to them.

**Independence:** A director will be considered independent if / she meets the criteria laid down in section 149 (6) of the Act, the Rules frames thereunder and Regulation 16(1)(b) of the Listing Regulations.

**Evaluation Process:** Choice International Limited believes in value for its stakeholders through ethical process and integrity. The Board plays a very important role in ensuring the Company's performance to monitor and provide timely inputs to enhance the Company's Performance and set right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

At "Choice" we follow annual evaluation for our Key Managerial Persons and other eligible employees including the senior management team. A process sculpted on this method has been designed for evaluation of Directors under this process, the company management will:

- Formulate the process for evaluating and rating Directors
- Design the evaluation template / questionnaire and implementation process
- Peer review of each Director
- Analyse feedback received from each Director
- Weighting the Evaluation summary of each Director.

### Key Evaluation Criteria:

- Attendance and contribution at Board and Committee meetings
- His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities,
- Sense of sobriety and understanding of business; strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making & understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

### Criteria for Determining Remuneration of Director's, Key Managerial Personnel and Particulars of Employees:

The Remuneration paid to the Directors is in accordance with the Nomination & Remuneration Policy formulated in accordance with section 178 of the Act and Regulation 19 of the Listing Regulations (including any statutory Modification(s) or re- enactment(s) thereof for the time being in force.





# Auditor's



The Auditors of the Company have issued an unmodified opinion on the Financial Statements for the Financial Year ended March 31, 2021. The Auditor's Report for the Financial Year ended March 31, 2021 on the Financial Statements (Standalone & Consolidated) of the Company is part of this Annual Report.

### Secretarial Auditor/ Audit

The Board of Directors of the Company has appointed M/s. R M Mimani & Associates LLP, practising Company Secretaries (CP No. 11601) as the Secretarial Auditor of the Company for the Financial Year 2021-22.

The Secretarial Audit Report for the Financial Year ended March 31, 2021 under Companies Act, 2013, read with Rules made thereunder under Listing Regulation 24 A of the Listing Regulations (including any Statutory Modifications) or re-enactment(s) thereof for the time being in force is set out in the Annexure to this Report.

The Secretarial Compliance Report for the Financial Year ended March 31, 2021 in relation to Compliance of all applicable SEBI Regulations/ Circulars / guidelines issued thereunder, pursuant to requirement of Regulation 24 A of the Listing Regulation, obtained from M/s. R M Mimani & Associates LLP, (Company Secretaries) is set out in Annexure to this Report. The Secretarial Compliance Report has been disclosed as a Part of Annual Report as good disclosure practice.

### Secretarial Audit for Material unlisted Subsidiaries

All the material subsidiaries of the Company had undertaken Secretarial Audit for the Financial Year 2020-21 pursuant to Section 204 the Act. The Secretarial Audit Report issued by the Secretarial Auditor's of the Unlisted Material Subsidiaries are appended to this report.

### Internal Auditor

The Board of Directors of the Company has appointed M/s. Gupta Shyam & Co. Chartered Accountants (Registration No: 103450W) as the Internal Auditor of the Company for the Year 2021-22. The reports submitted by the Internal Auditor have been reviewed by the Statutory Auditor's and the Audit Committee on regular intervals.

### Statutory Auditor's

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai (Registration No. 117366W/W-100018) are the Statutory Auditors of the Company for the year ended March 31, 2021.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company at the 24th Annual General Meeting of the Company held on September 18, 2017, to hold office until conclusion 5 years from the date of the said Annual General Meeting held on September 18, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors. The appointment of Statutory Auditor was subject to ratification by the Members at every subsequent AGM held after the AGM held on September 18, 2017. Pursuant to the amendments made to Section 139 of the Act by the Companies (Amendment) Act, 2017 effective from May 07, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

M/s. Deloitte Haskins & Sells LLP have confirmed that they are not disqualified from continuing as the Statutory Auditor of the Company.



### PARTICULARS OF LOAN, GAURANTEES OR INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of the Companies Act, 2013 along with the applicable Rules of the Act are given in the notes to the Financial Statements forming part of this Annual Report.

### RELATED PARTY TRANSACTION

All Contracts / arrangements/ transactions entered in to by the Company during the Year under review with the Related Parties were in ordinary course of business and on arm's length basis in terms of the provision of the act.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. All the transactions with the related parties were reviewed and approved by the Audit Committee and are in accordance with the policy on dealing structure of Related Party Framework adopted by the Company.

All related party transactions that were entered during the financial year 2020-21, were on arm's length basis and in ordinary course of business. The Company's policy on dealing with and materiality of Related Party Transaction is available on the website of the Company [www.choiceindia.com](http://www.choiceindia.com)

The Company in terms of Regulation 23 of the Listing Regulations submits within 30 days from the date of Publication of its Financial Results for the Half Year end, disclosures of related party transactions on a consolidated basis, as per the format specified in the relevant accounting standards for annual results to the Exchange. The Said disclosures can be accessed on the website of the Company at [www.choiceindia.com](http://www.choiceindia.com)

The details of the transactions with related parties during FY 2020-21 are provided in the accompanying financial statements.

The details of Related Party transactions are set out in notes to the Financial Statements. Form AOC -2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rules is set out in the Annexure to this report & also forms a part of the Financial Statements.

During the year under review there are no material related party transactions with the Directors, Promoters & Key Managerial Persons of the Company.

### REPORTING OF FRAUDS

There were no instances of Fraud aroused during the year under review.

### SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operation's in future.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (herein referred to as "Listing Regulations") is provided in a separate section and forms a Part of this report. The section covers the overall industry structure, global and domestic economy, development in Business Operations & performance of various segments of the Company's Business.

### CORPORATE GOVERNANCE

As per Regulation 34(3) read with schedule V of the Listing Regulations, a separate section on Corporate Governance practices followed by the Company together with a certificate from the Secretarial Auditor confirming Compliance forms an integral part of the Report.

### EXTRACTS OF ANNUAL RETURN

In accordance with the requirements under Section 92(3) and Section 134(3)(a) of the Act and the applicable rules, the annual return as on March 31, 2021 is available on the website of the Company [www.choiceindia.com](http://www.choiceindia.com)

### MANAGERIAL REMUNERATION

Information to be disclosed pursuant to section 197(12) of the act, & the statement comprising the names of top 10 employees forms part of this report as Annexure. However the said annexure is not being sent along this Annual Report to the members of the Company in line with the provisions of Sec 136 of the Act. Members interested in obtaining these particulars may write to the Company Secretary at the Registered office of the Company.

### BUSINESS RESPONSIBILITY REPORT

Regulation 34(2) of the SEBI Listing Regulations, 2015 inter alia provides that the Annual Report of the top 1000 listed entities based on market capitalisation (calculated on March 31 every financial year shall include Business Responsibility Report (BRR) as part of the Report.

Your Company does not fall within the purview of the above mentioned Regulation, however in order to follow the best practices and in the interest of the Shareholders your company has adopted its Business Responsibility Report ( BRR) which is enclosed as Annexure to the Director's Report.

### CEO / CFO CERTIFICATIONS

In terms of Regulations 17(8) of the Listing Regulations, from Mr. Kamal Poddar the Managing Director of the Company and Mr. Manoj Singhania, Chief Financial Officer of the Company, for the Financial Year 2020-21 with regards to Financial statements and other matters as required under the Listing Regulations forms part of the Report on Corporate Governance.

### POLICIES ADOPTED BY THE COMPANY

To follow the best practice of Good Corporate Governance & Transparency in its operations, the Company has set rules for its internal working and smooth functionality of its operations embedded the Company's policy. The policies adopted by the Company are as follows:

- Whistle Blower Policy
- Policy on Material Subsidiary
- Policy on Related Party
- Policy on Materiality of Events
- Policy on Archival of Information
- Nomination & Remuneration Policy
- Code of Conduct for the Board Members and Senior Managerial Employees
- Code of Fair Disclosure of Unpublished Price Sensitive Information
- Insider Trading Policy
- Code for Employees



- Policy on prevention of Sexual Harassment at Work Place

#### WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177 of the Companies Act & Regulation 22 of the Listing Regulations.

The Company has in place the structure to report genuine concerns or grievances & to provide adequate safeguards against victimization of persons. The Whistle Blower Policy has been posted on website of the Company [www.choiceindia.com](http://www.choiceindia.com)

The Company's Vigil Mechanism allows the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of Conduct. The policy also provides protection to the employees and business associates who report unethical practices and irregularities.

During the Year under review there are no Complaints/ reporting's received by the Company in the said mechanism for the Company and for its subsidiaries.

#### POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

As per the requirement of the Sexual Harassment of women at Work place (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of the Act and the Rules framed thereunder for prevention and redressal of Complaints of Sexual Harassment at work place.

The Company has complied with provisions relating to the constitution of the Internal Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013.

During the Financial Year 2020-21, no cases in the nature of Sexual harassment were reported at any work place of the Company or any of its subsidiaries.

#### CORPORATE SOCIAL RESPONSIBILITY

Your company voluntarily has adopted CSR Policy to shoulder its responsibility towards the society and also continued a CSR Committee to ascertain the activities taken by the Company in the best interest of the society although the company does not fall in the mine of applicability of Section 135 of the Companies Act, 2013.

Within the ambit of the provisions of the Company Acts, 2013, the company focuses in the following major areas for the ecological development of the Society and environment and thus being desirous to make the world a better place to survive and sustain:

- Hunger, Poverty, Malnutrition & Health
- Education
- Gender Equality
- Supporting Rural Development
- Ensuring Environmental sustainability
- Promoting Sports and healthy living

#### RISK MANAGEMENT

Today's Business world is constantly changing its dynamics and is getting complex day by day, these relentlessly changing dynamics brings along uncertain obstacles affecting the company's performance. In order to adopt to these persistent changes, the Company has in place a well-defined process in place to ensure

appropriate identification and treatment of risk.

Risk management is embedded in your company's operational framework. The Company's approach to articulate the Business risk is exhaustive and includes periodic review of such risks and framework for mitigating controls and reporting mechanism of such risks.

The Key strategic, business and operational risks which are significant in terms of their impacts to the overall objectives of the Company along with the status of the mitigation plans are periodically presented and discussed. All significant risk are well integrated with functional and business plans and are reviewed on a regular basis by the senior Management team and presented to the Board at Regular intervals.

The Company through risk management process aims to restrict the risk within the range of risk appetite of the Company. There are no risk which in the opinion of the Board threatens the existence of the Company. However some risk which are set out in the Management Discussion and Analysis report forms a part of this Annual Report.



#### INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

The Board has adopted policies and procedures for governance of orderly and efficient conduct of its business, including adherence to the company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of the accounting records, and timely preparation of financial disclosures.

The Company has a well-defined outlay for delegation of authority with specified limits for approval of expenditure, both capital and revenue. The Company has workflows to ensure adherence to the delegation of authority. The Company has in place software named "HRMS" to diligently approve the expenditure, as per the level of Hierarchy set in the organisation keeping in mind the level of authorizations before approving any expenditure.

Your Company has an effective internal control and risk mitigation system, which is constantly evaluated and reinforces with standard operating procedures. Internal Financial control systems of the Company have been designed to provide reasonable assurances with regards recording and

providing reliable financial and operating information, complying

with applicable Accounting Standards.

The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvement to strengthen the same. The Audit Committee of the Board of Directors, statutory Auditors and the Business Heads are periodically appraised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board.

#### DIRECTORS RESPONSIBILITY & STATEMENT

Pursuant to Section 134 of the Act (including any statutory modification(s) or re-enactment(s) thereof for time being in force), the Directors of the Company State that:

- in the preparation of the annual accounts for the financial year ended March 31, 2021 the applicable accounting standards have been followed along with proper explanation relating to material departures if any;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profits of the Company for the Financial Year ended March 31, 2021
- proper and sufficient care has been taken for maintenance of adequate accounting records with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the Annual accounts / financial statements have been prepared on a going concern basis;
- internal financial control were in place and that the financial control were adequate and were operating effectively.
- proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The Company is engaged in the Business of Financial Services, the operations of the Company are not energy intensive. Hence the information required under Section 134(m) of the Act, read with the Companies Accounts (Rules) 2014 is not applicable to the Company.

Though the operations of the Company are not energy intensive, the Company promotes green energy and energy saving initiatives among its employees. The Company has installed a roof top solar power plants at its corporate office.

Adopting the thumb rule of "Go Green" the Company has adopted technology, procedure & practise of Paperless working.

#### Foreign Exchange Earnings and outgo

There are no Foreign Exchange earnings and outgo during the Year under review.

#### HUMAN RESOURCE

A healthy work culture is instrumental in bringing out the best in employees. Human Resource plays a significant role in bridging the gap between the Management & their employees. Human Resource enriches cordial relation within employees and inculcates a sense of reliance and respect among peers. Your Company believes that Human Resource is important to the organizations in innumerable areas, ranging from strategic planning to company image.

At Choice we believe that employees are the most treasured possessions and Crucial Players for the growth and Success of the Business. Employee Engagement activities are done on regular basis to create a healthy environment and foster happiness at workplace.

The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. The Company has continued to conduct various employee benefit, recreational, knowledge up gradation, soft skill developments and team building programs to enhance employee skills, motivation and in all to foster the team spirit.

#### APPRECIATION & ACKNOWLEDGEMENT

**The Company's attainments would not have been possible without the fuel of our employees in the regular course of our Business & specifically in this challenging time of COVID -19. The Board of Directors place their sincere appreciation, for the contribution made by all our employees.**

The Directors also place on record their earnest gratitude for the continued support extended by the Bankers, Financial Institutions, Lenders and Stakeholders for their conviction and faith rested with the group "Choice".

Further the Directors express their sincere appreciation to the all the Regulators of the Company namely the Reserve Bank of India, BSE Limited, Securities & Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, Depositories, other Government & Regulatory Authorities for their on-going support extended by them towards the Company.

On behalf of the Board of Directors







## Annexure to Director's Report AOC-1

Statement containing the salient features of the financial statement of subsidiaries/ associate companies/ joint venture

PART "A" SUBSIDIARIES  
[Pursuant to first proviso to Sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Account) Rules, 2014]

Sr. No.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Shareholding
1.	Choice Equity Broking Pvt Ltd.	March 31, 2021	INR	80,178,000	83,03,82,874	3,38,89,17,871	2,47,83,57,003	12,18,27,908	95,13,55,583	4,86,21,727	NIL	3,27,21,800	-	100
2.	Choice Wealth Management Pvt Ltd.	March 31, 2021	INR	6,415,790	(58,93,390)	89,44,974	84,22,574	NIL	84,95,645	(52,82,416)	NIL	(52,90,416)	-	-
3.	Choice Portfolio Management Services Pvt Ltd.	March 31, 2021	INR	21,100,000	4,27,693	2,34,56,928	19,39,235	NIL	2,51,047	(5,03,125)	NIL	(5,77,474)	-	52.61
4.	Choice Capital Advisors Pvt Ltd.	March 31, 2021	INR	50,500,000	2,51,20,059	10,44,92,465	2,88,72,406	4,50,00,000	1,05,62,975	13,34,874	NIL	14,51,247	-	100
5.	Choice Corporate Services Pvt Ltd.	March 31, 2021	INR	100,000	(75,39,729)	28,49,007	1,02,88,136	NIL	29,25,662	90,767	NIL	76,751	-	-
6.	Choice Tech Lab Solutions Pvt Ltd.	March 31, 2021	INR	100,000	98,12,265	6,28,66,698	5,29,54,431	NIL	9,29,49,506	26,02,856	NIL	20,33,303	-	-
7.	Choice Retail Private Limited	March 31, 2021	INR	100,000	(74,95,351)	1,02,77,945	1,76,73,294	NIL	3,40,57,722	33,50,082	NIL	34,01,031	-	-
8.	Choice Consultancy Services Pvt Ltd.	March 31, 2021	INR	50,000,000	7,84,82,039	34,11,61,838	21,26,79,799	26,000	34,80,10,236	1,95,36,444	NIL	1,47,58,917	-	100
9.	Choice Treasury Private Limited	March 31, 2021	INR	43,56,00,000	51,51,34,278	2,49,31,75,949	1,54,74,41,672	2,05,60,000	29,34,60,788	12,55,97,603	NIL	9,55,07,592	-	91.95

## Part "B" ASSOCIATES/ JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Sr. No.	Name of Associates / Joint Ventures	
1.	Latest audited Balance Sheet Date	-
2.	Shares of associates/ Joint Ventures held by the company on the year end i. Numbers ii. Amount of Investment in Associates/ Joint Ventures iii. Extent of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associates/ joint venture is not consolidated	-
5.	Networth attributable to shareholding as per latest audited Balance Sheet	-
6.	Profit/ Loss for the year i. Considered in Consolidation ii. Not considered in Consolidation	-







## AOC-2

PARTICULARS OF CONTRACTS/ARRANGEMENTS  
MADE WITH RELATED PARTIESPursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of  
the Companies (Account) Rules, 2014Form for disclosure of particulars of contract/ 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 length transaction under third proviso thereto

## 1. Details of contracts or arrangements or transaction not at arm's length basis:

There were no contracts or arrangements or transaction entered in to during the year ended March 31, 2021, which were not at arm's length basis.

## 2. Details of material contracts or arrangements or transaction at arm's length basis:

Names of the Related Party	Nature of Relationship	Nature of contracts	Duration of Contracts	Silent Terms of Contracts	Dates of Approval by the Board	Amount Received in Rs.(including Interest thereon)
Choice Equity Broking Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	June 30, 2020	1,88,79,500
Choice Capital Advisors Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	June 30, 2020	32,26,600
Choice Consultancy Services Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	June 30, 2020	1,08,93,000
Choice Wealth Private Limited	Step - Down Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	June 30, 2020	4,96,800
Choice Corporate Services Private Limited	Subsidiary Company	Support Service Charge	5 Years	Service Charge	June 30, 2020	13,700
Choice Techlab Solutions Private Limited	Step - Down Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	June 30, 2020	23,17,100

## Form No.MR-3

## Secretarial Audit Report for the financial year ended on March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

## The Members

## Choice International Limited

[CIN: L67190MH1993PLC071117]

Shree Shakambhari Corporate Park,  
156 1 Chakravorty Ashok Society,  
J.B. Nagar, Andheri (E) Mumbai -400099

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Choice International Limited** hereinafter called ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' book, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- The Companies Act, 2013 (the "Act") and the rules made thereunder including any re-enactment thereof;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- The Depositories Act, 1996 and the regulations and bye-laws framed thereunder
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made there-under;
- The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made there-under;
- The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company:
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- Laws specifically applicable to the industry to which the Company belongs, as identified and compliance whereof as confirmed by the management, that is to say:
  - The Reserve Bank of India Act, 1934
  - Rules, regulation and guidelines issued by the Reserve Bank of India as are applicable to the Non-Banking Financial Company (NBFC)

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;
- The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and listing agreement entered into by the Company with Stock Exchanges in India.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above except the following:

- The Company has delayed in transferring the amount of unclaimed dividend of the financial year ended on March 31, 2013 to Investor Education and Protection Fund account.
- The Company is in process of filing the return of Deposit/Exempted Deposit in form DPT-3 and proceedings of AGM 2020 in form MGT-15, with the Registrar of Companies.

During the audit period under review, provisions of the following regulations were not applicable to the Company:

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is generally given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and there was no formal system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the







Company and Committee thereof were carried out with requisite majority.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion system and process exists in the company required to be strengthened to commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards except as follow:

1. The confirmation of cancellation of NBFC license, application for which was filed by the Company on August 20, 2018, have been received by the Company vide RBI letter ref No. 65/02.13.001/2020-21, dated November 25, 2020.

For **R M Mimani & Associates LLP**  
[Company Secretaries]  
[Firm Registration No. L2015MH008300]

**Manoj Mimani**  
(Partner)  
ACS No: 17083  
CP No: 11601  
PR No.: 1065/2021  
UDIN: A017083C000778162

Place: Mumbai  
Dated: August 13, 2021

**Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.**

### Annexure - "A"

**The Members**  
**Choice International Limited**  
[CIN: L67190MH1993PLC071117]  
Shree Shakambhari Corporate Park, 156 1 Chakravorty Ashok Society,  
J.B. Nagar, Andheri (E) Mumbai -400099

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R M Mimani & Associates LLP**  
[Company Secretaries]  
[Firm Registration No. L2015MH008300]

Sd/-  
**Manoj Mimani**  
(Partner)  
ACS No: 17083  
CP No: 11601  
PR No.: 1065/2021  
UDIN: A017083C000778162  
Place: Mumbai  
Dated: August 13, 2021

### Secretarial Compliance Report of Choice International Limited for the year ended March 31, 2021

**The Board of Directors**  
**Choice International Limited**  
[CIN: L67190MH1993PLC071117]

Choice House  
Shree Shakambhari Corporate Park,  
Plot No. 156-158, J.B. Nagar, Andheri (East), Mumbai -400099

We have been engaged by **Choice International Limited** (hereinafter referred to as 'the Company') whose equity shares are listed with BSE Limited (Security Code: 531358) to conduct an audit in terms of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, read with SEBI's Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 and to issue Annual Secretarial Compliance Report thereon.

It is the responsibility of the management of the Company to maintain records, devise proper systems to ensure compliance of the provisions Securities and Exchange Board of India Act, 1992 ("SEBI Act"), the Securities Contracts (Regulation) Act, 1956 ("SCRA"), and all applicable Rules, Regulations and circulars/ guidelines issued there under from time to time and to ensure that the systems are adequate and are operating effectively.

Our responsibility is to verify compliances by the Company with provisions of all SEBI Act, SCRA and all applicable Rules, Regulations and circulars/ guidelines issued there under from time to time and issue a report thereon.

Our audit was conducted in accordance with Guidance Note on Annual Secretarial Compliance Report issued by the Institute of Company Secretaries of India and in a manner which involved such examinations and verifications as considered necessary and adequate for the said purpose, subject to the limitation that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs for containment of spread of Covid-19, the Company has provided registers, minute books, forms, returns and other records maintained by it by electronic means for our verification as required for the purpose of issuance of this report and have not been physically verified by us. However, the management of the Company has confirmed that all documents provided by electronic means are true and correct copies of original documents.

Annual Secretarial Compliance Report in the format prescribed is enclosed herewith.

For **R M MIMANI & ASSOCIATES LLP**  
[Company Secretaries]  
[Firm Registration No. L2015MH008300]

Sd/-  
**Manoj Mimani**  
(Partner)  
ACS No: 17083  
CP No: 11601  
PR No.: 1065/2021  
UDIN: A017083C000551958  
Place: Mumbai  
Dated: June 30, 2021

**Secretarial Compliance report of Choice International Limited for the year ended March 31, 2021**  
[Under regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

- We have examined:
- a all the documents and records made available to us and explanation provided by **Choice International Limited** ("the listed entity"),
  - b the filings/ submissions made by the listed entity to the stock exchanges,
  - c website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended on March 31, 2021 ("Review Period") in respect of compliance with the provisions of:

- a the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
- b the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:-

- a Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable as there was no reportable event during the review period]
- e Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable as there was no reportable event during the review period]
- f Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable as there was no reportable event during the review period]
- g Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; [Not applicable as there was no reportable event during the review period]
- h Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

and circulars/guidelines issued there under; and based on the above examination, we hereby report that during the Review Period;

- a The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under.
- b The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued there under insofar as it appears from my/our examination of those records.
- c The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard

Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued there under:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g., fines, warning letter	Observations/ Remarks of the Practising Company Secretary
NIL				

- d The listed entity has taken the following actions to comply with the observations made in previous reports [Not applicable, as there was no observation made in previous report.]

For **R M MIMANI & ASSOCIATES LLP**  
[Company Secretaries]  
[Firm Registration No. L2015MH008300]

Sd/-  
**Manoj Mimani**  
(Partner)  
ACS No: 17083  
CP No: 11601  
PR No.: 1065/2021  
UDIN: A017083C000551958  
Place: Mumbai  
Dated: June 30, 2021



Secretarial Audit Report of Choice Equity Broking Private Limited for the year ended March 31, 2021

**FORM NO. MR. 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To,  
The Members  
**CHOICE EQUITY BROKING PRIVATE LIMITED**  
(CIN: U65999MH2010PTC198714)  
Shree Shakambhari Corporate Park, 156-158,  
Chakravarti Ashok Society,  
J.B.Nagar, Andheri (East),  
Mumbai - 400 099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOICE EQUITY BROKING PRIVATE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not applicable to the Company during the Audit period**);
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not applicable to the Company during the Audit period**);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during the Audit period**);
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding

the Companies Act and dealing with client.

(**Not applicable to the Company during the Audit period**);

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (**Not applicable to the Company during the Audit period**); During the financial year, the Company is engaged in business activities which are not subject to any specific law and hence no specific law is applicable to the Company. We have also examined compliance with the applicable clauses of the following to the extent applicable;
  - a. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
  - b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - c. The listing agreement entered into by the Company with Stock Exchanges in India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Debt Listing Agreement etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided, received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Section 185 and Section 186 is applicable to Companies according to the Companies Act, 2013. The Company has passed the requisite resolution and file the e-form MGT-14 for the same.**

As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further informed that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) vide orders for containment of spread of Covid-19, the above mentioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium, wherever required but the audit was done subject to limitation of availability of documents.

**For Nidhi Bajaj & Associates  
Company Secretaries**

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596  
UDIN: A028907C000798137  
Date: 17th August, 2021  
Place: Mumbai

**Annexure - "A"  
The Members  
CHOICE EQUITY BROKING PRIVATE LIMITED  
Mumbai**

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Nidhi Bajaj & Associates  
Company Secretaries**

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596  
UDIN: A028907C000798137  
Date: 17th August, 2021  
Place: Mumbai



## Secretarial Audit Report of Choice Finserv Private Limited for the year ended March 31, 2021

### FORM NO. MR. 3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

To,  
The Members  
**CHOICE FINSERV PRIVATE LIMITED**  
(CIN: U74999MH2016PTC281908)  
Shree Shakambhari Corporate Park, 156-158,  
Chakravarti Ashok Society,  
J.B.Nagar, Andheri (East),  
Mumbai - 400 099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOICE FINSERV PRIVATE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;  
**(Not applicable to the Company during the Audit period);**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;  
**(Not applicable to the Company during the Audit period);**
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;  
**(Not applicable to the Company during the Audit period);**
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.  
**(Not applicable to the Company during the Audit period);**

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
**(Not applicable to the Company during the Audit period);**

During the financial year, the Company is engaged in business activities which are not subject to any specific law and hence no specific law is applicable to the Company.

We have also examined compliance with the applicable clauses of the following to the extent applicable to the Company;

- a. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
- b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. The listing agreement entered into by the Company with Stock Exchanges in India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Debt Listing Agreement etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided, received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further informed that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) vide orders for containment of spread of Covid-19, the above mentioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium, wherever required but the audit was done subject to limitation of availability of documents.

For Nidhi Bajaj & Associates  
Company Secretaries

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596

UDIN: A028907C000798126

Date: 17th August, 2021  
Place: Mumbai

## Annexure - "A"

### The Members CHOICE FINSERV PRIVATE LIMITED Mumbai

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Nidhi Bajaj & Associates  
Company Secretaries

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596

UDIN: A028907C000798126

Date: 17th August, 2021  
Place: Mumbai





## Secretarial Audit Report of Choice Consultancy Services Private Limited for the year ended March 31, 2021

**FORM NO. MR. 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To,  
The Members  
**CHOICE CONSULTANCY SERVICES PRIVATE LIMITED**  
(CIN: U72900MH2010PTC198603)  
Shree Shakambhari Corporate Park, 156-158,  
Chakravarti Ashok Society,  
J.B.Nagar, Andheri (East),  
Mumbai - 400 099

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHOICE CONSULTANCY SERVICES PRIVATE LIMITED** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**Not applicable to the Company during the Audit period**);
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**Not applicable to the Company during the Audit period**);
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable to the Company during the Audit period**);
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. (**Not applicable to the Company during the Audit period**);

- e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (**Not applicable to the Company during the Audit period**); During the financial year, the Company is engaged in business activities which are not subject to any specific law and hence no specific law is applicable to the Company. We have also examined compliance with the applicable clauses of the following to the extent applicable;
  - a. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and
  - b. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - c. The listing agreement entered into by the Company with Stock Exchanges in India.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Debt Listing Agreement etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that based on the information provided, received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Section 185 and Section 186 is applicable to Companies according to the Companies Act, 2013. The Company has passed the requisite resolution and file the e-form MGT-14 for the same.

As informed, the Company has responded appropriately to communication received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further informed that due to lockdown and social distancing guidelines issued by the Ministry of Home Affairs (MHA) vide orders for containment of spread of Covid-19, the above mentioned documents, registers, forms, etc. have not been physically verified by us, as being maintained by the Company at their offices. While we have taken all possible steps to verify the records as made available to us by the Company through electronic medium, wherever required but the audit was done subject to limitation of availability of documents.

**For Nidhi Bajaj & Associates  
Company Secretaries**

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596

UDIN: A028907C000798148

Date: 17th August, 2021

Place: Mumbai

**The Members  
CHOICE CONSULTANCY SERVICES PRIVATE LIMITED  
Mumbai**

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws; rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Nidhi Bajaj & Associates**

**Company Secretaries**

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596  
UDIN: A028907C000798148  
Date: 17th August, 2021

Place: Mumbai





Vaccination Drive  
At Choice House

### Business Responsibility Reports

The group "CHOICE" recognizes its role as a Corporate Citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to all its stakeholders. The Company's activities are carried out in the sound corporate culture environment. We at "CHOICE" believe in ecological development of our Business, in this constantly changing Business environment. The group caters in to "Financial Services", nonetheless there are continuous efforts by the Management team, for sustainable development of all our Business segments. The company aspires to make optimal consumption of natural resources for its operational activities.

#### Preface:

As mandated by the Securities and Exchange Board of India (SEBI) has mandated, India's top 1000 companies listed on BSE and NSE based on market capitalisation are required to submit "Business Responsibility Report" (BRR) along with their Annual Report. **Although your Company is not in the league of Top 1000 Listed Companies, Your Company**

**voluntarily aims to adopt the guidelines issued by SEBI with respect to Business Responsibility statement to adhere to best philosophies of ethical principles to run a company and to abide to the Corporate Governance practises in true letter & spirit.**

"Choice International Limited" or "Choice" your Company voluntarily for the Financial Year 2020 -21 presents its BRR in line with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) and the BRR Requirements of SEBI. The Business Responsibility Performance of the Company is assessed annually by the Board of Directors of the Company.

The Company is at a very nascent stage to adhere to the regulations stipulated for addressing the Business Responsibility Report; the Company is in the process of adopting structured policies to adhere to the Principles of Business Responsibility Reporting.

Your Company believes in the soul of the guiding Principles, which shall lead us to the path of shouldering our responsibilities towards the society in which we practice.

Your Company "Choice International Limited" along with its subsidiaries and step down subsidiaries are purely engaged in "Service" industry the drill is to make optimum utilisation of environmental resources & adhere to the moral principles of social responsibility towards the society at large in true letter & spirit.

As per Clause 34 (f) of the SEBI Listing Obligation & Disclosure Requirement Regulation, 2015

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identification Number	L67190MH1993PLC071117
2	Name of the Company	Choice International Limited
3	Registered Address	Choice House, Shree Shakambhari Corporate Park, Plot No 156 - 158, J.B. Nagar, Andheri (East), Mumbai - 400099
4	Website	www.choiceindia.com
5	Email Address	info@choiceindia.com
6	Financial Year reported	April 01, 2020 to March 31, 2021
7	Sector(s) that the company is engaged in	<b>Financial Services</b>
8	Three key products/services manufactured/ provided by the company	The Company is the holding Company and the business is carried out in its subsidiaries, the major Business segment of the group comprises of Broking & Distribution, - Broking & Distribution, Advisory & NBFC Business
9	Total Number of locations where business activity is undertaken by the company	49
10	Markets served by the company	Domestic

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	Rs. 28,56,82,730
2	Total Turnover	Rs. 17,581.58 Lakhs
3	Total Profit after Tax	Rs. 1,671.00 Lakhs
4	Total spending on CSR as percentage of PAT (%)	Rs. 11.81 Lakhs ( On Consolidated Basis)
5	List the activities in which expenditure in 4 above has been incurred	Educational Programmes, Rural Development, Environment Sustainability



**SECTION C: OTHER DETAILS**

1	Does the Company has any subsidiary Company/ Companies?	Yes The Company has 5 wholly owned subsidiaries & 4 Step Down as on March 31, 2021
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent Company? If Yes, then indicate the number of such subsidiary company (s).	Yes
3	Do any other entity/ entities ( eg. Suppliers, distributor etc.) that the company does business with , participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/ entities(Less than 30%, 30-60%, More than 60 %)	Not applicable

**SECTION D: BR INFORMATION**

1	Details of Director(s) responsible for BR	
a	Details of the Director responsible for implementation of the BR Policy	
	DIN No	01518700
	Name	Kamal Poddar
	Designation	Managing Director
b	Details of the BR head	
	DIN No (If applicable)	-
	Name	Manoj Singhania
	Designation	Chief Financial Officer
	Telephone Number	022-67079999
	Email Address	manoj.singhania@choiceindia.com
2	Principle-wise BR Policy/ Policies	
3	Governance related to BR	
		Included in the Report
		Included in the Report

**SECTION E: PRINCIPLE WISE PERFORMANCE**

1	Principle-Wise Performance	Included in this report
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**Principle 1:**

**ETHICS, TRANSPERANCY & ACCOUNTABILITY**

By recognizing its role as a Corporate Citizen, the Company attempts to adopt the supreme practices and the highest Standards of Corporate Governance through Transparency in Business Ethics, transparency and Accountability to its Clients, Government and others.

To build the greatest Compliance culture, your Company voluntarily embracing set of strong governance principles and extending its practices beyond legal Provisions.

Considering Corporate Governance as an integral part of Vigilant Organization, Choice Group is committed to act professionally, fairly and with integrity in all its dealings.

The Company Policy on Code of Conduct has already mentioned the Standard on ethics, transparency and accountability.

Code of Conduct defines the behaviour expected from all the employees and stakeholders and practices along with the policies

and systems for effective implementation. The Company's Code of Conduct ensures that all its employees, shareholders and other stakeholders respect the rights of not only each other, but also that of the communities in which they operate.

"Choice" has developed a set of policies, codes, and guidelines to govern its Directors, senior executives, officers, employees (whether permanent, fixed term or temporary) and third parties. Your Company also has a Whistle Blower Policy which allows employees to bring to the attention of the Management, promptly and directly any unethical behaviour suspected fraud or irregularity in the company practises which is not in line with the Code of Conduct of the Company. Adequate measures are in place to ensure safeguards against victimization for employees who report any unethical behaviour.

**Ethics:**

There is a robust system to protect the confidentiality of unpublished price sensitive information. The system works through processes that not only ensures compliance with the requirements prescribed under

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, by making timely disclosures to stock exchanges, declarations by designated persons, but also moves ahead with the help of the Company's Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. The Code is applicable to those employees of the Company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information.

No Stake holders complaints with respect to the Company's code of conduct and whistle Blower Policy were received in the reporting year.

**Transparency:**

Transparency and fairness in dealing with clients and other stake holders is one of the sprite of the company's practice & policy. The Company considers that translucent working in all the strata of the organisation is the most vital aspect of the company's growth story.

The Company regularly through its corporate announcement practice, communicates to its Members & other stake holders about any new development & vital information on the Company's Performance & growth.

**Accountability:**

Your Company's operations are managed by Professionals, where the Company has embedded the Policy of Maker - Checker, which leads to decline of negligence on part of any officials of the Company.

The Company has in place the mechanism for dealing with investor services & resolving the same on priority basis. The detail of Investor Complain received during the year is provided in the Corporate Governance Report.

**Principle 2:**

**PRODUCT LIFECYCLE SUSTANABILITY**

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Choice is a leading financial Services provider is entirely in catering financial services including its subsidiaries and therefore, it is not engaged in any kind of manufacturing activity or services under the purview of BRR.

Equity Broking & Distribution, Commodity Broking, Wealth Management, Investment Banking and Advisory , Retail Loans, Management Consultancy Non- Banking Financial Services are the Core areas of business for "Choice".

Not being engaged directly in any kind of manufacturing activity at work place, the Company is not involve in any direct consumption of Raw Material. Also, your company encourages paperless working and entirely focusing on technology advancement.

**Principle 3:**

**EMPLOYEES WELL BEING**

Business should promote the well-being of all employees

"Employees are the greatest asset of the company", considering which, your Company gives the primary importance to health and safety of its employees.

During the outbreak of the pandemic COVID - 19, the company not only focuses on health and safety of its employees but by all possible means have tried to accommodate their employees by encouraging them with our "Work from Policy " & also by providing Financial aids to the peers in need.

The Choice group has in all 954 employees as a part of Choice family, during the ongoing pandemic best utilisation of time was done by

conducting Webinar on regular basis to update & train the employees with changing Business modules & regulations.

The Company on regular basis conducts, induction programmes for the new employees, to tutor and train them on the Company's Vision & Mission , the Working strategies, policies adopted by the Company, the business conducted by the company, the Code of conduct adopted by the Company, the availability of Whistle Blower Mechanism of the Company, the policy on sexual harassment etc.

The Company appreciates the efforts taken by the employees in writing the Growth story of the Company. The Company strives not only to train the employee for their business needs but at a large the employees are in all trained for the Development of their overall personality.

The Company did not receive any complaint relating to child labour, forced labour, involuntary labour or sexual harassment during the year 2020-21 and are not pending as of March 31, 2021.

**Principle 4:**

**STAKEHOLDER ENAGAEMENT**

Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

Your Company understands that the stakeholder engagement is the greatest source of input for its development activities and it also broadens the horizon for improving the Company's sustainability performance.

Choice Group interacts with stakeholders frequently through various modes and ensures prompt actions to meet stakeholder expectations.

Employees: Fair pay and equal opportunity is what every employee at workplace strives for. "Choice" serves the same to its employees. The Remuneration practices are based on merit without regard to the person's ethnic background or gender discrimination.

**Shareholders and investors**

Your Company regularly interacts with its Shareholders and investors by keeping results, announcement, annual reports, updates on Company Websites and other transaction specific Disclosures in public domain.

Annual General Meeting gives the shareholders as well as Company to communicate with each other. Shareholders can directly address the Board of Directors and the Management during the meeting and Board Members can also directly engage with the shareholders during the Meeting.

A specific e-mail address has been designated for Shareholders for their grievances, if any. Also, continuous efforts are made by your company to resolve the Shareholder's complaints on immediate basis.

**Clients**

Being the provider of Financial Services, Your Company is required to be updated with each and every change in the policy and procedures by the statutory authorities and needs to disseminate the same to the client. Your Company constantly working on technology advancement by understanding the needs of its clients and keeping them informed about any policy change or procedural change.

**Stock Exchange**

Being the Listed Company on BSE Limited, your company abides by the guidelines as stated by Stock Exchange and made all the disclosures and reporting in time bounded manner to the Exchange.



**Principle 5:**

**HUMAN RIGHTS**

Businesses should support and respect the protection of human rights. Your Company is firmly committed to fairness and objectivity in all of its action and interactions with all of its stakeholders.

The group does not have any specific policy on human rights but it strictly follows and comply with all statues which embodies the principles of human rights such as prevention of Child Labour, prevention of sexual harassment, equal employment opportunities etc. Justice and Fairness is imbibed in the Company's fabric to ensure fairness, impartiality and consistency in its operations. Therefore, the group is committed to a work environment in which all individuals are treated with respect and dignity and has decided to uphold the human rights of all its employees.

The Company did not receive any complaint relating to violation of human rights during the year 2020-21.

**Principle 6:**

**ENVIRONMENT**

"Environment is a miracle we depend upon."

Businesses should respect and make efforts to protect and restore the environment.

Though it is not relevant to the Company given the nature of its business, your Company has always acknowledged the need for environment protection and practices towards an environmentally responsible corporate citizen.

Your Company has taken few initiatives in the area of environment sustainability. The Company has installed a roof top solar plant at its corporate office which leads to savings in CO2 (Carbon dioxide) emission. Our offices have been designed such that they are equipped with energy efficient air conditioners, LED Lights and other energy conservation measures. We at Choice have adopted Solar Power plant to have an eco-friendly environment.

The Company has installed various software's which leads to operational ease and thus your Company propagates a Paperless working, to reduce paper consumption, we emphasise the use of alternate communication Channels such as email. The Company's Annual Report 2019-20 was sent to almost 2000 Shareholders via email, thus saving tons of paper and as a measure of protecting the environment saving many trees.

Your company attempts towards absorbing green sustainable products, processes, policies and practices. We at Choice promote cost efficient environment -friendly measures and build awareness and consciousness of our environment among employees.

We have also requested the Shareholder to register their email IDs to get Annual Reports and other Communications through email instead of paper mode.

**Principle 7:**

**POLICY ADVOCACY**

Business, as and when plays a role in influencing regulatory policies or/and public at large, should do the same in responsible manner.

Your Company's approach to advocacy is guided by the Business Principles.

The Company truly believes and maintains honesty, integrity and openness while communicating with government, legislators, regulators or NGO's, as required and in compliance with applicable laws and impose the same on its business associates and officials.

Also, only authorised and trained officials are allowed to interact with these organisations.

From years, your Company takes part in various Stakeholder engagements, and when required, responds to public consultations as well. The group support and participates in various discussions and initiatives taken by the government, regulators and various associations for development or advancement of finance services industry.

**Principle 8:**

**INCLUSIVE GROWTH**

Business should support inclusive growth and equitable development

The Company "Choice International Limited" has continuously conducted Corporate Social Responsibility (CSR) programs on voluntarily basis. Your Company has always ensured that the development initiatives taken are successfully adopted toward achieving the desired results for the betterment at large.

The CSR activities of the group express positive contribution towards economic, social & environment well-being of communities through its CSR activities.

**Principle 9:**

**CUSTOMER VALUE**

Engaging with Customers /Consumers and Serving them value in a responsible manner should be the core tasks for the businesses.

Your Company acknowledges its Clients' needs and Expectations and promptly making efforts to deliver the unique results in order to meet their criteria

Choice as a Group at periodic intervals has evaluated their Customer and employee satisfaction which clearly signifies that the main focus of the Company is on their Client's interests and to serve them better.

Responsible Marketing & Communications:

- Your Company is committed to building trust through responsible practices and through transparent communication both directly to the clients and indirectly through other key stakeholders.
- It's your Company's responsibility to give disclosures to the client before entering in to any kind of agreement.
- Your Company uses a combination of channels, which include websites, customer care numbers and leaflets to communicate openly with its clients.

On behalf of the Board of Directors

Sd/-  
Kamal Poddar  
(Managing Director)  
DIN No: 01518700

Sd/-  
Ajay Kejriwal  
(Director)  
DIN No: 03051841

Place: Mumbai  
Date: August 13, 2021





# Management Discussion & Analysis Report



## GLOBAL ECONOMIC OUTLOOK

Global economic growth is now expected to be 5.8% this year, a sharp upwards revision from the December 2020 Economic Outlook projection of 4.2% for 2021. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

World GDP growth is expected to be 4.4% next year but global income will still be some USD 3 trillion less by end 2022 than was expected before the crisis hit. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

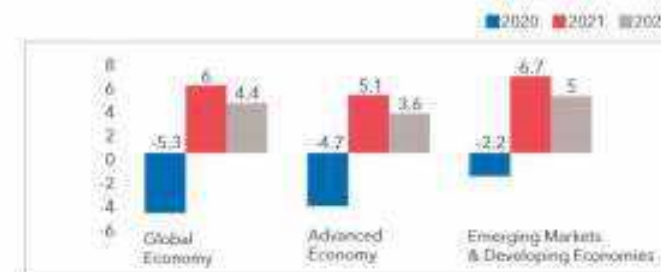
<https://www.oecd.org/economic-outlook/>

The weakness in the global economy due to the pandemic was being expected to reflect in the numbers. While the global economy has now recovered, the recovery has been patchy, with the developing nations staring at weak annual numbers. Meanwhile, the companies catering to the WFH economy continue to report robust numbers.

The original virus may have moved out of focus, but it has left behind more virulent variants. Now, the most dangerous Delta variant is present in about 100 countries, according to the World Health Organisation (WHO). What has changed is the availability of vaccines. But even though the developed world has benefited the most, a big part of the world won't get access to any vaccine till late 2022 or early 2023. The pandemic has exposed the weaknesses in supply chains, not just for vaccines but also for sectors as diverse as semiconductors and chemicals. Already, many countries have started taking measures to mitigate the risks on this front. The focus is on a reduction in dependence on other countries for critical supplies.

Source: IMF

Global GDP Growth (%)



Source: World Economic Outlook, IMF, April 2021

The global economy is on course to rebound from the pandemic-induced recession in 2021 led by an increasing number of large economies. So far, outsized consumer demand for goods and exports to satisfy that demand have fuelled much of the global economic recovery. Importantly, considerable monetary and fiscal policy supports enabled select economies to capitalize on the goods consumption-exports revival more than others.

The 2020 global recession brought about the smallest inflation decline and the fastest subsequent inflation upturn of the last five global recessions. While global inflation is likely to continue to rise over the remainder of this year, inflation is expected to remain within target ranges in most inflation-targeting countries.

<https://conference-board.org/topics/global-economic-outlook>

Global equity markets continued to generate positive returns for the current year as vaccination campaigns accelerated in most developed economies. Governments in most developed markets continued to ease Covid-related mobility restrictions and activity levels picked up.

The global economic recovery continues, but with a widening gap

between advanced economies and many emerging markets and developing economies.

## INDIAN ECONOMIC OUTLOOK

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's real gross domestic product (GDP) at current prices stood at USD 2.71 Tn in FY21, as per the second advance estimates (SAE) for 2020-21. The GDP, which shrank from USD 2.87 Tn in 2019-20 to USD 2.66 Tn in the following year, is estimated to reach around USD 4 Tn in 2024-25.

India's foreign exchange reserves stood at USD 582.04 Bn, as of March 12, 2021, according to data from RBI. RBI's interventions in forex markets ensured financial stability and orderly conditions, controlling the volatility and one-sided appreciation of the Rupee.

External debt stood at USD 556.2 Bn at the end of September 2020, a decrease of USD 2.0 Bn (0.4%) as compared to end-March 2020.

Last year, the coronavirus pandemic and shutdown measures to contain it plunged the Indian economy into recession for the first time in nearly a quarter of a century. Based on the OECD's Economic Outlook 2021, the Indian economy contracted by 7.7% in 2020 as domestic consumption declined. Despite the downturn last year, the OECD has projected India's economy to expand by 9.9% and become the fastest-growing G20 economy in 2021.

Although the OECD's projections provided a positive outlook for the Indian economy, the second wave and new virus variants have now posed a new risk to growth. For India to achieve its growth potential, the government will need to implement an effective vaccination rollout and promote a more resilient, inclusive, and sustainable economy. According to McKinsey Global Institute's latest report, India's economy has reached a "decisive point", which requires reforms over the next 12 to 18 months to create jobs for millions of workers between now and 2030.

India's manufacturing and construction sectors could amplify growth the most, potentially adding 9.6% and 8.5% in annual GDP growth and creating 11 million and 24 million jobs, respectively, from 2023 to 2030.

Source: IEBF, Forbes

## INDIAN FINANCIAL SECTOR

India's financial sector is one of the most upcoming sectors globally and has seen robust growth in the past decade. The banking and financial services sector offers many investment opportunities. It is closely linked to the economy and has the potential to grow faster than the economy. This is reflected on the fact that the share of financial services in India's market capitalisation has increased from ~6 per cent in FY01 to ~24 per cent in FY21. Despite this considerable growth, there is under-penetration in various sub-segments of banking and financial services - be it loan products, mutual funds, demat accounts, insurance - life and non-life, wealth management, etc.

Almost all sub-sectors within the banking and financial services industry have barely scratched the surface in terms of reach. But the unlocking of the true potential of this sector to reach out to crores of Indians has just started off with the digital transformation that is currently happening.

With a rising era of digitization through smartphones and cheap data connections, Indians from even the remote areas of the nation can now apply digitally, complete KYC using Aadhar and link a bank account to make use of financial products like loans, mutual funds, insurance, demat account, wealth management services etc.

Today, financial technology companies or FinTech companies are using technology to improve reach and delivery of financial services. When most financial products are being sold by FinTech businesses, there is a conventional business behind the scene. This is made possible because of the JAM trinity (short for Jan Dhan-Aadhaar-Mobile) trinity refers to the government of India initiative to link Jan Dhan accounts, mobile numbers and Aadhaar cards of Indians to plug





the leakages of government subsidies), all of which is essential to making financial services accessible to the masses of a vast and diversified nation.

Normally, banking and financial services are intuitively related with banks, NBFCs and HFCs, but in reality, it is much more than lending businesses, and diversified with many sub-sectors such as asset management companies, brokerages, wealth management, depositories, exchanges, insurance companies such as life and non-life insurance and other entities, including Rating agencies.

Once the banking and financial services companies manage to increase their reach using the emerging technologies, they will be able to reduce their cost of operations sharply. This is an inflection point for the businesses engaged in the banking and financial services sector.

Source : Economic times

India equities represent one of the fastest growth sectors globally and the country is looked up at the top of the list with China for investment returns over the next 12-24 months (2021-22). The midcap and small cap space is providing investors with an attractive opportunity for long term investment at current valuations. This could be an apt time for investors to build their midcap and small cap portfolio while sticking to their asset allocation

Source: IEBF

## GROWTH OPPORTUNITY

India is being viewed as a potential opportunity by investors with the economy having the capacity to grow tremendously. Buoyed by strong support from the Government, FII investment have been strong and is expected to improve going forward. Foreign investors invested >INR 1.4 Tn (USD 19 Bn) in the Indian stock market in 2020. Foreign Portfolio Investors/Foreign Institutional Investors (FPIs/FILs) have been one of the biggest drivers of India's financial markets, having invested ~INR 2.59 Tn (USD 35.69 Bn) in 2020-21 (as of March 24, 2021).

Highly developed primary and secondary markets have attracted FIIs/FPIs to the country. FDI equity inflow grew by 40% in the first nine months of 2020-21 (USD 51.47 Bn) compared to the year ago period (USD 36.77 Bn) and the same year witnessed strong FPI inflows into the Indian equity markets of INR 2,74,034 Cr.

India's IPO fundraising is at a 13-year high due to increased foreign funds and rising interest from small investors, making it one of the hottest IPO markets in 2021. In 2021, Indian companies raised USD 2.2 Bn through initial public offerings (IPOs), the highest since 2008, as indicated by data from Refinitiv.

As of April 2021, AUM managed by the mutual funds industry stood at INR 3,237,985 Cr (USD 444.11 Bn). Inflow in India's mutual fund schemes via systematic investment plan (SIP) were INR 96,080 Cr (USD 13.12 Bn) in FY21. Equity mutual funds registered a net inflow of INR 8.04 Tn (USD 114.06 Bn) by end of December 2019.

Another crucial component of India's financial industry is the insurance industry. Insurance industry has been expanding at a fast pace. The total first year premium of life insurance companies reached INR 2.59 lakh crore (USD 36.73 Bn) in FY20. India's insurance penetration was pegged at 3.76% in FY20, with life insurance penetration at 2.82% and non-life insurance penetration at 0.94%. In FY21 (until March 2021), premium from new business of life insurance companies in India stood at USD 31.9 Bn.

In India, gross premiums written of non-life insurers reached USD 26.52 Bn in FY21 (between April 2020 and March 2021), from USD 26.49 Bn in FY20 (between April 2019 and March 2020), driven by strong growth from general insurance companies. In March 2021, health insurance companies in the non-life insurance sector increased by 41%, driven by rising demand for health insurance products amid COVID-19 surge.

According to S&P Global Market Intelligence data, India is the second-largest insurance technology market in Asia-Pacific, accounting for 35% of the US\$ 3.66 billion insurtech-focused venture investments

made in the country.

COVID19 is also considered as another landmark in fintech industry. In early covid period, it disrupted the business models of many FinTech, but throughout the year it has jumpstarted the digital or contactless payments and neo banks again. Between January and July 2020, fintech investments reached \$1.47 billion which is approximately a 60% jump when compared to 2019.

Online brokerages were gaining traction, encouraging investors to buy equities, IPOs, ETFs, mutual funds; UPI payments were skyrocketing; more and more people turned to online banking to socially separate themselves and keep themselves safe; and insurance transactions grew.

India stack continues to positively impact FinTech's with newer services. NeoBanks have emerged as a segment of choice for investors. Neo-Entrants are introducing "Fintech as a service line" in their current business models by either developing it organically or buying out fintech's. Lending start-ups are going through the evolution phase. Complex areas like Trade Finance and B2B start-ups are getting support in the new wave.

**Government-led Initiatives:** The Indian payments landscape has been revolutionized by the regulators and the central bank's proactive initiatives, e.g., India Stack and UPI. India has emerged as one of the most exciting markets for digital payments across the world. Last year, home-grown payment networks (Ru Pay and UPI) took the lion's share of the total digital transactions, i.e., 65%, showcasing how their efforts have been in the right direction for achieving targets.

Source : Mobility Foresights

## Wayforward

- As indicated by provisional estimates released by the National Statistical Office (NSO), India posted a V-shaped recovery in the second half of FY21. As per these estimates, India registered an increase of 1.1% in the second half of FY21; this was driven by the gradual and phased unlocking of industrial activities, increased investments and growth in government expenditure.
- As per the Reserve Bank of India's (RBI) estimates, India's real GDP growth is projected at 9.5% in FY22; this includes 18.5% increase in the first quarter of FY22; 7.9% growth in the second quarter of FY22; 7.2% rise in the third quarter of FY22 and 6.6% growth in the fourth quarter of FY22.
- India is expected to be the fourth largest private wealth market globally by 2028.
- AMFI is targeting nearly five-fold growth in AUM to INR 95 lakh crore (USD 1.47 Tn) and more than three times growth in investor accounts to 130 Mn by 2025.
- India is today one of the most vibrant global economies on the back of robust banking and insurance sectors.
- Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform.
- In India, the life insurance industry is expected to increase at a CAGR of 5.3% between 2019 and 2023
- In a report, by Research and Markets, as of March 2020, the FinTech market in India is expected to expand at a CAGR of ~22.7% during the 2020-2025 periods. India is strongly poised to realize a FinTech sector valuation of USD 150-160 Bn by 2025, translating to an incremental value creation potential of approximately USD 100 Bn.
- The recent government initiative of establishing Fintech hubs and an allocation of INR 15 billion to boost digital payments will further immunize the industry in the coming years.

Source: IEBF; Report by Boston Consulting Group: India FinTech: A USD 100 Billion Opportunity







## ISMOS : The Insurance Services of the group shall be provided through our product "ISMOS"

The group is developing a web aggregator platform with the name "ISMOS", initially the product will offer retail products like car insurance, bike insurance, health plans and term plans of multiple companies for comparison and purchase of insurance policies to our customers. Later on other products like commercial vehicles, travel, PA, etc shall be added in the product design. In near future Customers will be able to complete the entire journey from quote

comparison to policy issuance digitally without manual intervention.

POSP : With aim of a digital driven company, we aim to onboard POSPs ( Point of Sales Person) pan India. These POSPs will be able to sell retail insurance products to their customers digitally through "ISMOS".



## OUR UPCOMING SERVICE INSURANCE BROKING

To complete its gamut of financial services, the group is keen on acquiring an "IRDA" registered Insurance Broking Company. The group is keen on partnering its client by assisting them in selecting the Right Insurance Policies.

The vision is to ensure a contented and secure future for our clients by providing them the best risk transfer mechanism in the most transparent manner at optimum cost. The mission is to provide relevant risk solutions, to ensure a rewarding experience during all customer interaction, to achieve sustainable efficiencies and financial returns, to create positive synergy in the community we serve.

The group's Product Profile shall be as follows:

### Life Insurance

Life insurance offers you risk coverage and takes care of monetary needs of your family after your death & inability to earn

- Term Assurance
- Whole life Plans
- Money Back Plans
- Children Plan
- Joint Life Plans
- Pension Plans

### General Insurance

#### Property Insurance:

Property Insurance is a policy that provides financial reimbursement to the owner of a structure and its contents, in the event of damage or theft.

- Fire and Special perils
- Loss of Profits
- Electronic equipment insurance
- Industrial All Risk Policy
- Machinery breakdown insurance
- Burglary insurance

#### Marine Insurance:

Transit Insurance is a policy that covers Business goods or personal belongings while they are being moved from the place of loading to the stated destination over land by a certain transport mode.

- Inland transit insurance
- Export Import insurance
- Sales turnover insurance

#### Engineering Insurance:

Engineering Insurance refers to the insurance that provides economic safeguard to the risk faced by the ongoing construction project, installation project and machines & equipment in project operation

- Storage cum erection
- Contractor's all risk
- Erection all risk
- Contractor's Plant & Machinery

#### Liability Insurance:

Liability Insurance protects the insured from the risks of liabilities imposed by lawsuits and similar claims: It protects the insured in the event he or she is sued for claims that come within the coverage of the insurance policy

- Director's and Offices's Liability
- Public Liability Insurance
- Product Liability Insurance
- Professional Indemnity
- Employee's Compensation

#### Personal Insurance:

Personal Insurance is a type cover that provides financial security to you and your family in the event of a serious injury or illness, loss of ability to earn, total and permanent disablement of death

- Personal Accident
- Individual / Family Mediclaim
- Overseas Travel
- Motor Car Insurance

#### Insurance for employee benefits:

Insurance for employee benefit covers a defined group of people, for example the members of a society or professional association, or the employees of a particular employer

- Group Personal Accident
- Group term insurance
- Group Mediclaim
- Retirement & Pension scheme
- Group gratuity scheme

#### Package insurance:

Package insurance is a single insurance policy that combines several covers previously sold separately

- Office Package
- Shopkeeper's Package
- Householder's Package
- Jeweler's Block Insurance
- Doctor's Package Insurance
- Hoteller's Package Insurance
- Corporate Travel Policy



### OUR CURRENT SERVICES

Choice group, through its multiple subsidiaries, offers financial services across all platforms catering to retail and institutional clients, corporates and state and central governments. The services are bifurcated into Retail services (B2C) and Institutional Services (B2B & B2G). The B2C services include Equity & commodity broking, Wealth Services and NBFC Services. The B2B services comprise of Management consulting, Investment Banking and government services like Infrastructure Consulting and Government Advisory.

The detail discussion on each segment forms part of this report:

## Our Retail Services



## Our Institutional Services







## OUR RETAIL SERVICES

### A) Equity & Commodity Broking

The group's **Equity & Commodity Broking** Business is provided through our subsidiary M/s. Choice Equity Broking Private Limited herein referred to as "Choice Broking".

#### Industrial Facts for FY 20-21:

Stock Market is the barometer for economy of the country, The FY 2020-21 has been a disaster for the world due to pandemic of Covid-19. In spite of this crisis, Indian economy has seen a major inflows of FDI's. FDI increased 27 per cent to USD 64 billion in 2020 from USD 51 billion in 2019, pushed up by acquisitions in the information and communication technology (ICT) industry, making the country the fifth largest FDI recipient in the world.

(Source: <https://economictimes.indiatimes.com/news/economy/finance/india-receives-64-billion-fdi-in-2020-fifth-largest-recipient-of-inflows-in-world-un/articleshow/83708309.cms>)

The GST revenues during March 2021 are the highest since introduction of GST. In line with the trend of recovery in the GST revenues over past five months, the revenues for the month of March 2021 are 27% higher than the GST revenues in the same month last year.

(Source: [http://gstcouncil.gov.in/sites/default/files/gst-statistics/GST-revenue-collection\\_march\\_2021.pdf](http://gstcouncil.gov.in/sites/default/files/gst-statistics/GST-revenue-collection_march_2021.pdf))

In spite of the pandemic, it has been a great year for Indian Equity Market. The Year 2020-21 begins with a negative note i.e. BSE fell to 25,981.24 on 23rd March 2021, lowest since 26th December 2016 but touched to its highest ever level to 52,516.76 on 16th February 2021.

A comparison of BSE Sensex with 10 major world indices across nine countries shows that it has been the best performing in the current financial year (till March 29). On a year-on-year basis, the growth (increase) seen in FY2021 is the highest in the past decade and sixth best since the index's inception (1980).

(Source: <https://www.hindustantimes.com/business/how-did-the-indian-markets-perform-in-fy-2021-101617165892042.html>)

#### Our Services:

- Choice Equity Broking Private Limited (CEBPL) is at pioneer of Choice International Limited. CEBPL is a member of NSE, BSE, MSEI, MCX, NCDEX, ICEX and depository Participant with CDSL & NSDL.
- CEBPL provides to its client "One Roof" platform for all their stock market related requirements. With its motto of "आप कीजिये कामवादी की तैयारी, बाकि हमारी जिम्मेदारी" it aims maximization of wealth for its clients.
- Company has reached at 25th Position from the 60th position in the FY 2017-18. (On account of active clients and based as per NSE data)
- With 48 branches, 1600+ AP's, 687 employees pan India during the year, Company is dedicated to provide its clients with the best services and to guide them through current the market scenario.
- For safeguarding the interest of its employees "Work from Home Policy" was implemented throughout the year. The company has made effective use of the technology to enable the employees to have innocuous working environment.
- Company has been highly motivated to change itself into a FINTECH - "Technology driven company".
- Company has achieved a growth of 39% YOY in Brokerage, i.e. increase of ₹ 2,35.3/- Lakh YOY
- Companies has demonstrated robust IT infrastructure during the year. It has been able to.
- Onboard Approx. 95% of the clients digitally.
- Onboarding of clients in just 5 minutes.



# Trade made easy with Jiffy's New App

We are back with new innovations and an essence of new experience for our users based on your valuable feedback, launching the new level features and benefits that help you trade better and make your money plant grow larger and larger with each trade.





Do visit the Choice portfolio of products at:



## All you need to know about Jiffy's New Features

- New & Innovative Tools & Drawing Chart
- Margin Info on Order Page
- Market Watch Icon on all Pages
- Advanced view of Option Chain & Index Composition
- Picker in Market depth for easy navigation
- Quick order option on company page

**Check out the latest from the Trading Room here**

Improved App Performance  
Fast & Simple Order Placement  
Updates from the industry  
Enhanced UI/UX experience



## Our Services

1. Equity - BSE & NSE Cash Segment
2. FNO - BSE & NSE Future & Options
3. MCX - Trading in Commodity including Trading in Agriculture Commodities, Currency Derivatives - NSE Currency Derivatives
4. Energy Base, Precious metals, It includes NCDEX & ICEX
5. Tailored investment Products for HNI clients
6. Uses Advanced & Hedging Strategies
7. MF, Bonds, FDI & NCD Online & Offline.

## Our Research Coverage For Investor-Long Term



### TECHNO BUY / SELL

These reports consists our positional calls on Commodities, and Currency.



### POST MARKET REPORTS

Fleshed in Creative image form & also in video form on all social media platforms.



### PRE MARKET NEWS

Fleshed in Creative image form & Videos on pre-market stopped on social media platforms.



### IPO ANALYSIS

Offers insight on the IPO company with recommendations to subscribe or to avoid. This report is widely covered by the print media across the country.



### COMPANY REPORTS

It's a detail report on a company which includes recommendations of BUY/SELL or HOLD with typical time frame of 12-18 months.

### Benefits:

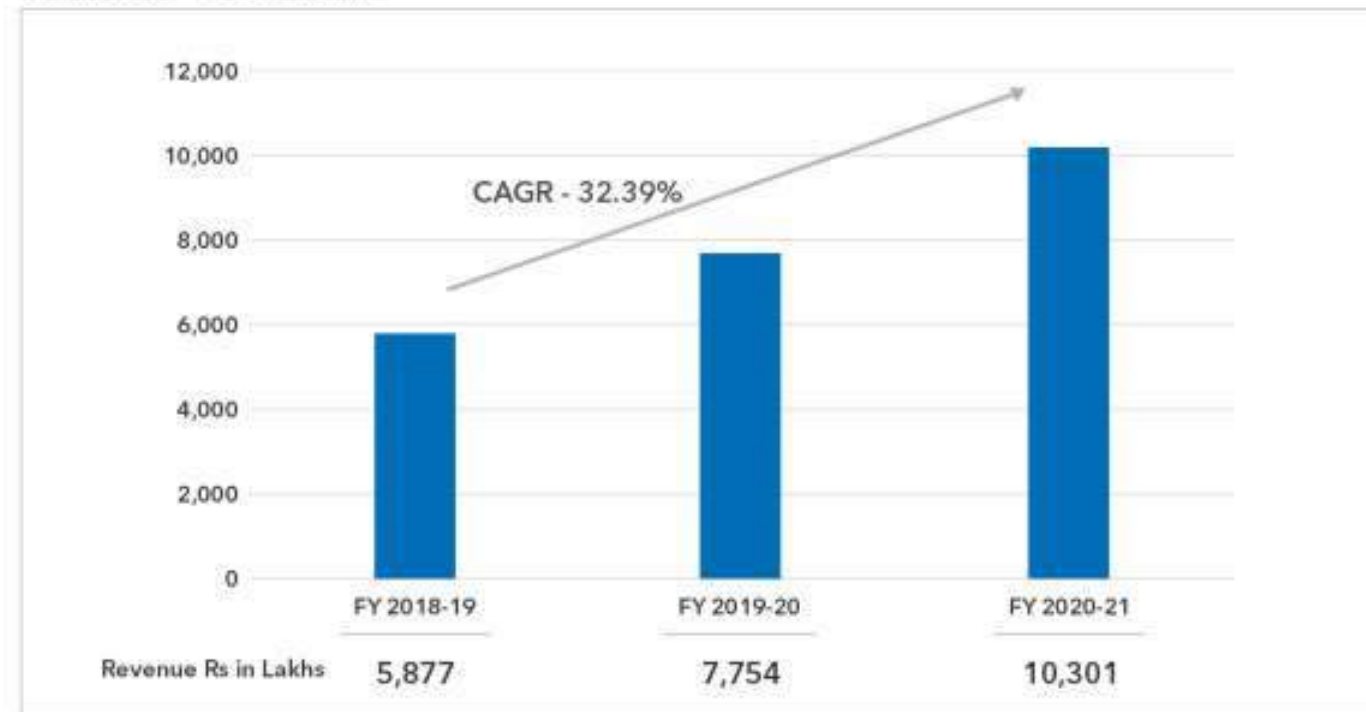
- Easy investment portfolio - online (Mobile App/Web) and offline (Visit at Branch/Over the call).
- Weekly bulletin, daily reports on Equity & Commodities Market
- Dedicated Research team offering technical & fundamental research over the companies & market with more than 75% success ratio
- Bulk & Block Deals
- Company has developed for its employees a in house back end software - "Neuron" - The application provides an accurate view of the business with comprehensive reports, real-time updates, analytics insights & Visual reports.
- The most adventurous benefit of this application is, it reduces the operation time by 40%
- IPO, LIP & CPI updates.
- Current Market Highlights, Technical Buy-out





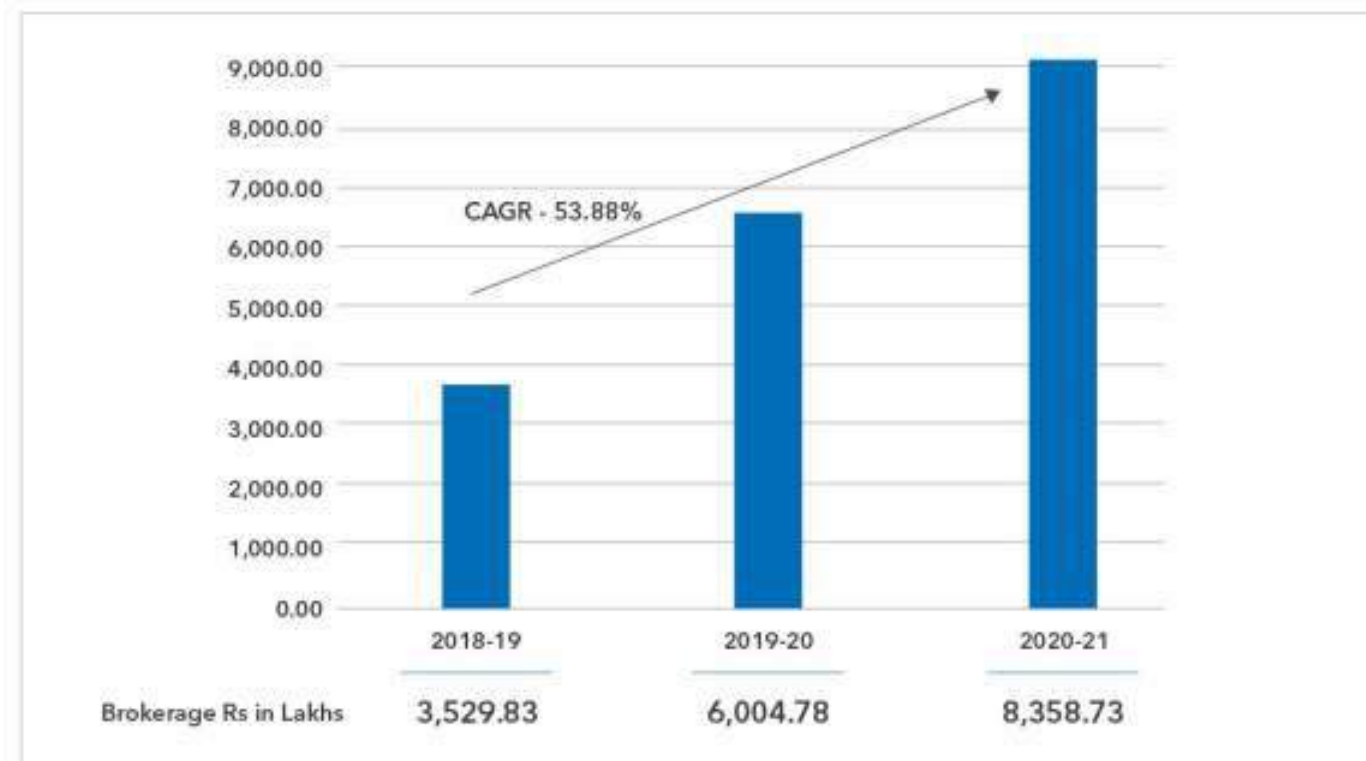
## BUSINESS PERFORMANCE

### Total Revenue - YOY Rs. in Lakhs



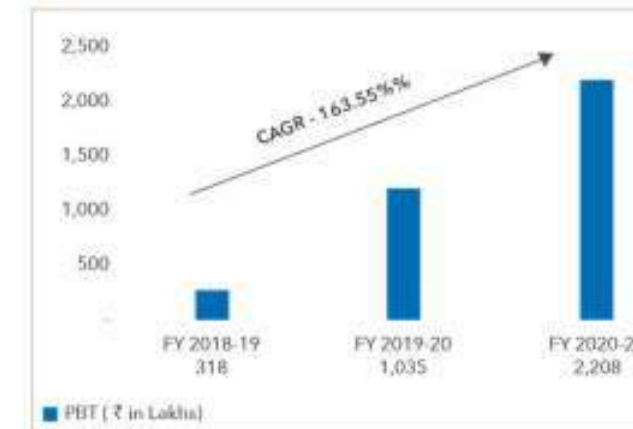
Revenue from Operation of the company has increased by 75.27% over the period of 3 years, it has increased by 32.85% YOY.  
\*Revenue has been considered after eliminating the impact of Inventory's Fair value

### Brokerage Revenue (₹ In Lakh)



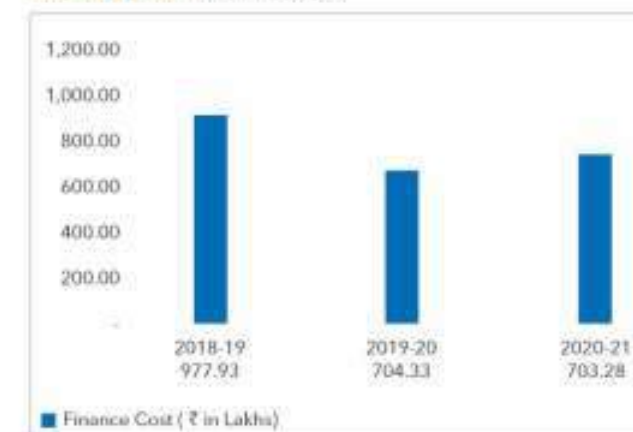
Brokerage of the company has increased exponentially by 2.37 times over the period of 3 Years, it has increased by 39% YoY.

### PBT (₹ in Lakhs)



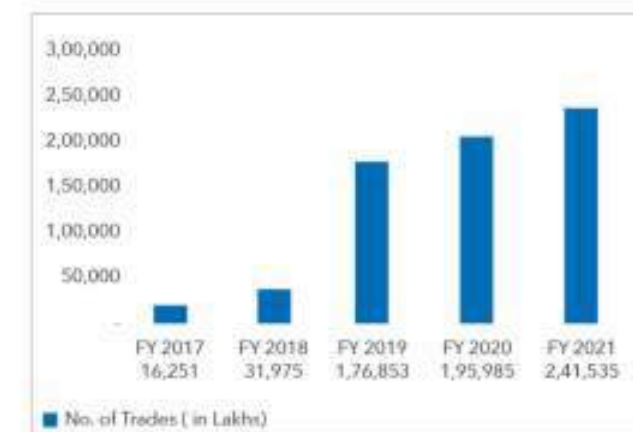
- Company has earned a PBT of ₹ 2,208 Lakhs in FY 2020-21
- PBT of the company has increased by 113% YOY
- PBT has been considered after eliminating the impact of Inventory's Fair value

### Finance Cost (₹ in Lakhs)



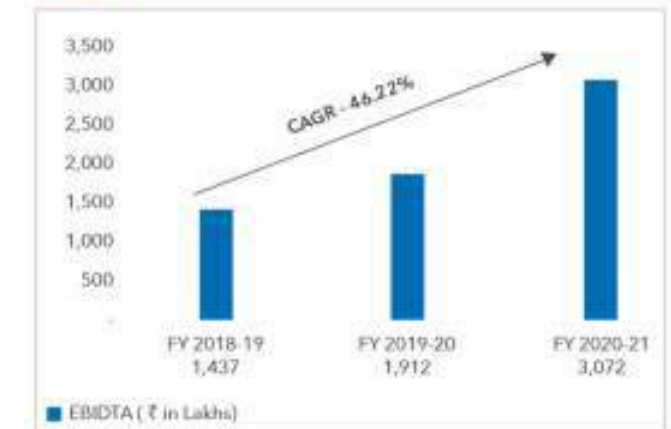
- Finance Cost of the company has decreased exponentially by 28.08% over the period of 3 years.
- Reduction in the Finance cost is due to repayment of Loans & strong working capital Cycle.

### No. of Clients



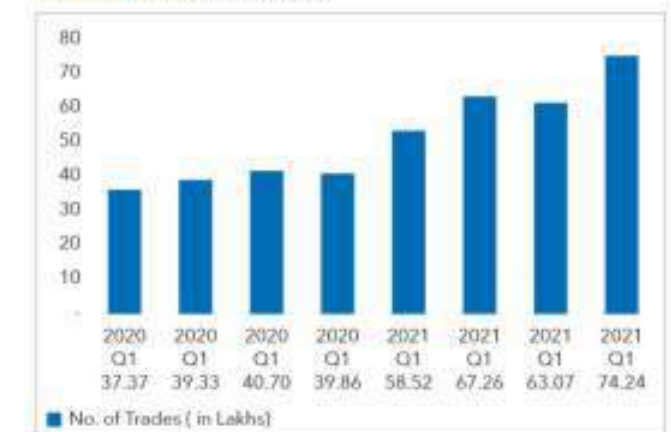
- Total Number of Clients of the company has increased by 15 times over the period of 5 years.
- Total Clients as on March'21 is 2,41,535 as compared to 16,251 in FY 2016-17

### EBIDTA (₹ in Lakhs)



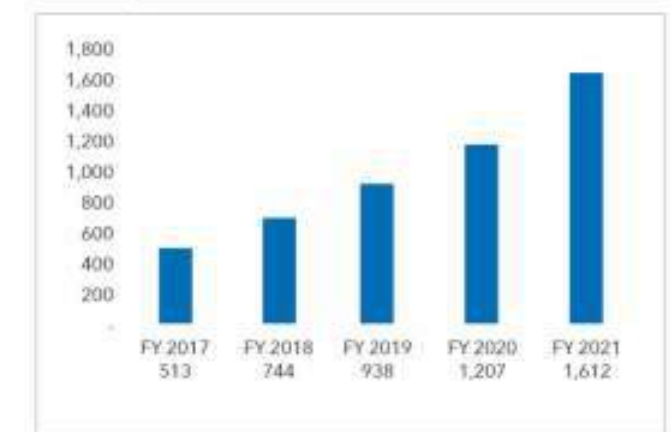
- EBIDTA for FY 2020-21 is ₹ 3,072/-
- EBIDTA has been increased by 114% over the period of 3 years and 61% YOY
- EBIDTA has been considered after eliminating the impact of Inventory's Fair value

### No. of Trades (in Lakhs)



Number of Trades has been increased significantly during last 8 quarters. Trades are increased by 99% as compared to Q1 of 2020.

### No. of Ap's



- Total Number of Ap's of the company has increased by more than 3 times over the period of 5 years.
- Total AP as on March'21 is 1612 as compared to 513 in FY 2016-17.



### TURNOVER ANALYSIS

#### CASH SEGMENT

% Change in Turnover  
Exchange Vs Choice



### TURNOVER ANALYSIS

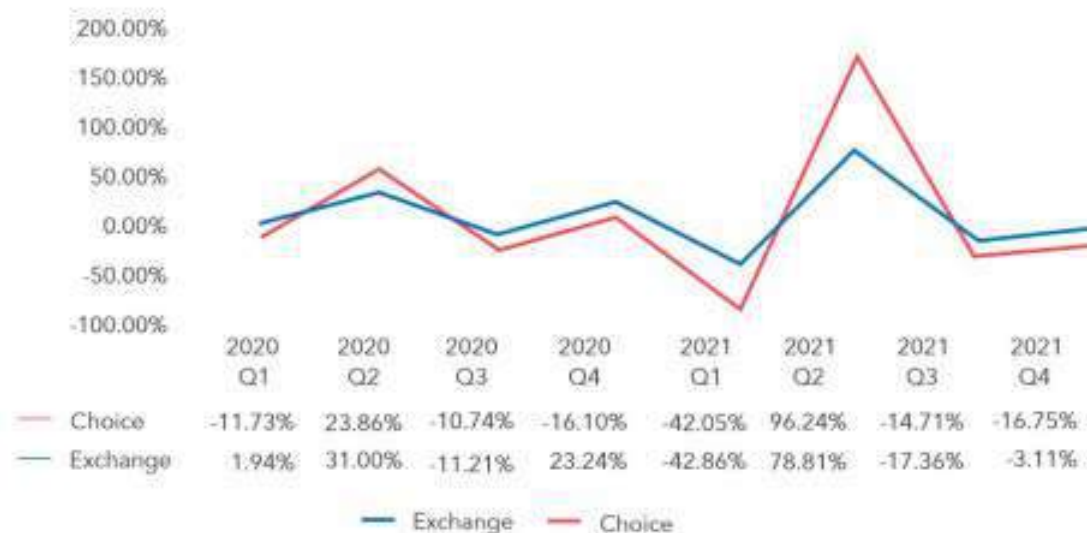
#### NSE FNO SEGMENT

% Change in Turnover  
Exchange Vs Choice



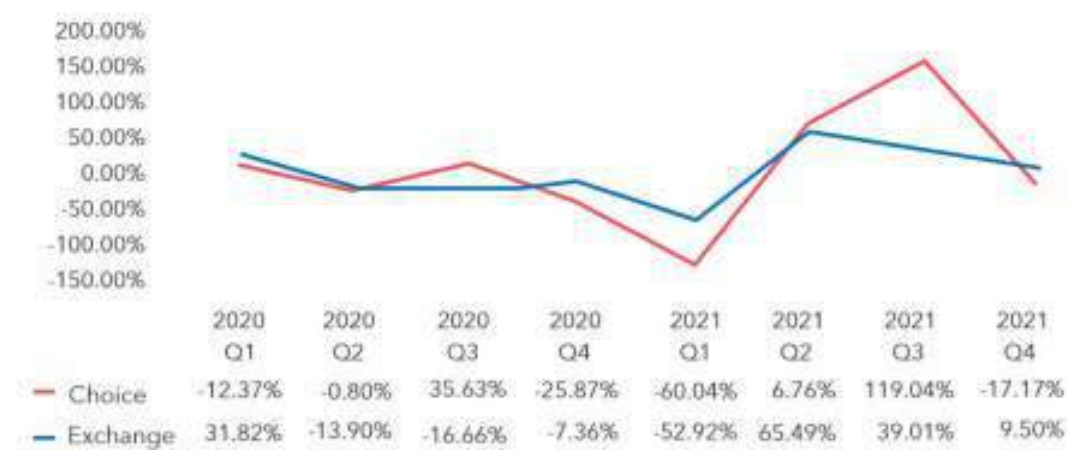
#### MCX SEGMENT

% Change in Turnover  
Exchange Vs Choice



#### NCDEX SEGMENT

% Change in Turnover  
Exchange Vs Choice





CEBPL - Impact of New Margin Regulations

PHASES	% OF PEAK MARGIN	IMPLEMENTATION
Phase I	25%	DEC'20 - FEB'21
Phase II	50%	MAR'21 - MAY'21
Phase III	75%	JUNE'21 - AUG'21
Phase IV	100%	SEP'21 ONWARDS

Brokerage income (₹ in Lakhs)



Total Turnover - FNO (₹ in Cr)



Total Turnover Cash Segment (₹ in Cr)



Total Turnover All Segment (₹ in Cr)



Awards & Accolades

During the year under review the segment has been awarded as the outstanding research house by National Commodity & Derivatives Exchange Limited "NCDX"

OUR TECHNOLOGY ARM

"Choice Tech Lab" is an "Technological Arm" of the group "Choice". The technological services & support to the group for its operational purpose & our "Fintech" Products are provided by M/s. Choice Tech Lab Solutions Private Limited our in-house Company referred to as "Choice Tech Lab". Established in the mid of 2016, Choice Tech Lab, a step down subsidiary, was set up with a vision build in-house digital products for the all business verticals within the Choice Group. Being ahead of time, Choice Tech Lab forayed into multiple financial products, during his journey for various business aspects in and around stock broking to serve the required needs of the consumers.

The very first product "Investica" came into existence as a platform dedicated towards mutual fund investments created by a team of experts; is a state-of-the-art platform today. While, "Investica" was an informed decision of Choice Group for MF investors, the next big initiative was "Jiffy", that would cater to the stock traders. Jiffy is a simplified online trading platform developed to enhance trading experience across the capital markets. Furthermore, "Alphabee" was the new child on the block in core support of long term investment related activities and recently, with "e-filix", the web based platform is inclined to provide regular and useful taxation insights. In insurance segment Products like "ISMOS" was built to cater insurance related needs of our clients. Products like "Neuron-connect" and "Choice connect" specially designed for B2B segment and internal business workflow management. Choice Tech Lab, as an organisation recognises and understands the demand for the consumers from every walk of life falling under the bracket of stock broking. The cutting-edge technology constantly strives to achieve and provide end-to-end solution to the consumers. The "Jiffy Chat", a distinctive feature of Jiffy, emerged to address concerns on a personalised basis to the clients in regards to portfolio management. On the onset of the third anniversary, Choice Tech Lab Lab will be launching "Jiffy Signal" that will act as a one-stop solution for traders and investors through automated trading system with no human intervention. The holistic approach has scaled the organization to new heights with its expert team of engineers, designers, and creative forces. Headquartered in Mumbai, the organization currently enriches the professional talent of over 100+ employees with its workstations in Pune and Bhopal along with Mumbai. In years to come, Choice Tech Lab Lab focuses on enhancing an innovative product experience by hosting new tools and strategies, thus, leveraging AI & Machine learning that would endeavor to provide our customers with seamless growth.



ABOUT THE COMPANY

One of the subsidiaries of the Choice Group of Companies, Choice TechLab Solutions Pvt. Ltd. (ISO 9001:2008, ISO/IEC 27001:2013, CMMI Level 3 certified) is a Product/Software Development and IT Service Provider in India. Up so far, it has built a niche in the Government and Finance Sector and is scaling up in the Real Estate and Educational domain as well, to plan, ideate and execute the digital transformation journey for its clients. Guided by a value-added system, our Information Technology vertical upholds the vision to deliver the best solutions leveraging technology.

SERVICES



Software Development · Data Analytics · Data Administration  
Product Development · IT Security · Cloud Architecture · DevOps



<https://choicetechlab.com> +91 6607 2424



THE SYNOPSIS OF THE OTHER FINANCIAL PRODUCTS CREATED BY OUR TECHNOLOGY TEAM ARE DETAIL BELOW



## Long Term Stock Investments Simplified

AlphaBee is a stock market investment platform focused on long term investment. We strongly believe that long term investment in stocks can lead to wealth creation if it is done properly. We empower our investors by giving in-depth information on every stock with our analysis on quality, valuation, and growth prospects of the stocks.



### Features of AlphaBee

- Curated Stocks List
- Latest Market News and Events
- Alpha Notes Section
- Compare and Track Investments by Top Funds

Do visit the Choice portfolio of products at:





## File Your Income Tax Returns Seamlessly

e-filex is an online income tax return portal to file your income tax returns hassle free. It is inclined to provide regular and useful taxation insights to individual Assessees to save their efforts, time and money for the tax filing process. The online web-based platform is aimed at individuals including salaried employees, stock market traders and investors, and self-employed businessmen.

### Features of e-filex

- Effective and User-friendly UI/UX
- RW-based data integration between Jiffy and e-filex
- Well researched blogs and videos related to Income Tax
- AI-enabled chatbot "SRJEE" for your queries
- Friendly Customer Support

Do visit the Choice portfolio of products at:



## B) WEALTH SERVICES

The group offers its Wealth Services through our subsidiary M/s. Choice Wealth Private Limited. The segment majorly focuses on Mutual Fund Distribution.

### General overview:

Investica is a state-of-the-art platform for investing in mutual funds. It provides individual investors in India with a simple, hassle-free investment experience. It is registered as a Mutual Funds Distributor with AMFI under the name "CHOICE WEALTH PRIVATE LIMITED" and the ARN - 78908. The Investica brand is a part of the Financial Conglomerate -Choice Group.

Investica was launched in 2017, backed by a young and energetic team of skilled professionals with fresh ideas and enthusiasm. It is now celebrating its fourth anniversary with many successful 'firsts' and numerous satisfied investors.

### Industry performance:

Mutual fund industry had a roller coaster ride this year. Since the onset of COVID-19, mutual fund firms have been issuing fewer NFOs, owing to the statewide lockdown and its impact on investor confidence. At the end of March, the mutual fund sector had assets under management (AUM) of 31.43 lakh crore, up from 22.26 lakh crore in March 2020.

Investing in open-ended equity schemes and open-ended debt schemes has remained positive. Equity schemes' AUMs fell slightly from March, while debt fund AUMs increased. After corporate and institutional investors redeemed their investments to pay taxes, money market fund categories faced the brunt of the outflow in the month, resulting in the net outflows of Rs 52,528 crore in March 2021, the worst since the Rs 1.95 lakh crore bleeding in March 2020 after the pandemic scare roiled the markets.

Mutual funds add more than 81 lakh investor accounts in 2020-21. As of April 30, 2021, there were 9.86 crore (98.6 million) accounts (or folios in mutual fund language), with roughly 8.25 crore folios under Equity, Hybrid, and Solution Oriented Schemes, where the greatest investment is from the retail segment (82.5 million).


The number of folios with 43 fund houses increased by 81.19 lakh to 9,78,65,529 at the end of March 2021, up from 8,97,46,051 in March 2020. Investors in equity-oriented schemes increased their holdings by 24.3 lakh to 6.68 crore at the end of the previous fiscal year, up from 6.44 crore in March 2020. In addition, the number of debt-oriented scheme folios increased by 16.16 lakh to 88.4 lakh.

In December 2020, SEBI changed the eligibility requirements for mutual fund sponsors, allowing enterprises with a net worth of Rs 100 crore to start up a fund even if they didn't match the profitability criteria. With this, fintech companies can now enter the mutual fund business if they have a net worth of at least Rs 100 crore irrespective of the company's profits.

### Business performance:

Investica had a successful year, thanks to its diverse product mix and strong volume growth. The financial year 2020-21 was a pivotal year in our company's development because we were able to take both positives and new learning's from our performance this year, which will function as the foundation for our growth prospects. We accelerated our distribution and relationship-building efforts.



Value added features such as goal planning, external fund tractor and instant redemption. The services include Aadhar-based paperless, comparing and switching of funds, signup goal-oriented, intelligent



Say hello to a new way of investing in

# MUTUAL FUND APP INVESTICA

Investica Mutual Fund App is created to exclusively experience 'The Joy of Earning' by Fulfilling your Dreams and Accomplishing your Life Goals. Investica enables you to Invest in Mutual Funds with its easy to use platform, intuitive UI lightning speed, robust privacy protection and smart investment methodology. Invest with the Best Mutual Funds Investment App in India. Investica!

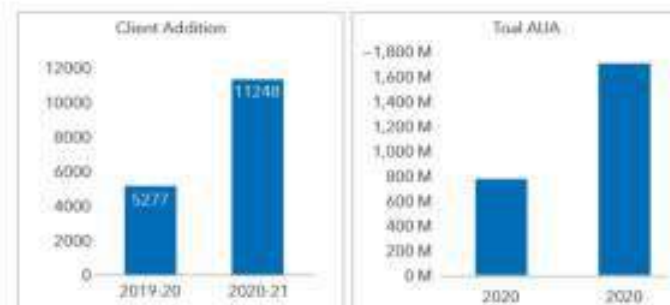





portfolio analysis, basket of mutual funds, tracking your family's investments, scheme wise SIP calculator and a dramatic increase in digitization of client journeys, with account formation.

Digitalization, artificial intelligence, process reengineering, and increased client communication were all used to redefine and make client journeys more client-centric. A large number of service requests were completed within the specified time frame. There has been a rising emphasis on improving the technical and behavioral abilities of front-line employees. To automate, simplify, and personalize its range of products and services, the platform will continue to focus on customer-centric initiatives and innovations.

In the year 2020-21 major transaction took place is the acquisition of the bank bazaar, where it created a new client base for the Investica adding almost 8000 new clients. The number of clients increased by almost 113% growth compared to the last year. Assets under administration (AUA) were increased over 120% at the end of March 2021 compared to March 2020.



**Wayforward:**

Investica launched in 2017 with a vision of 'The Joy of Earning' our clients experience while investing in mutual funds. We take pride in its smooth, hassle-free investment experience and also a customized plan for our clients as per their risk appetite, budget and duration. It churns out a comprehensive investment plan for clients to accomplish their life goals and create wealth.

As per the current scenario, the situation is continuously changing, making it difficult to predict how the pandemic would progress. Fighting COVID-19 is contingent on the success of the vaccine campaign and how quickly the second wave of illnesses is contained. When things settle down following the current Covid-19 issue, many investors' personal finances and savings will resume, which will benefit the overall business as well as resurgence in market demand

and increased business earnings.

Also, with the enlarging scope of FinTech environment in India, management plans in the coming years to make Investica a "super app" by integrating many financial services catering to the needs of individual investors. We continuously work towards enhanced user experience with simplified onboarding process, improving our services in achieving the goals of investors.

**NBFC Business**

"NBFC" activities of the group are provided through our subsidiary M/s. Choice Finserv Private Limited" herein referred to as "Choice Finserv".

Incorporate in the year 2016, "Choice Finserv" secured its " NBFC License" with effect from January 12, 2018. In FY-20-21 " Choice Finserv" nearly contributes 55 % of PBT at consolidated level of the group "Choice".

**Services Provided:**

- CFPL provides the following types of Loans:
  - Loan against Shares
  - Loan against Property
  - Business loans
  - Personal loans
  - MSME Loans

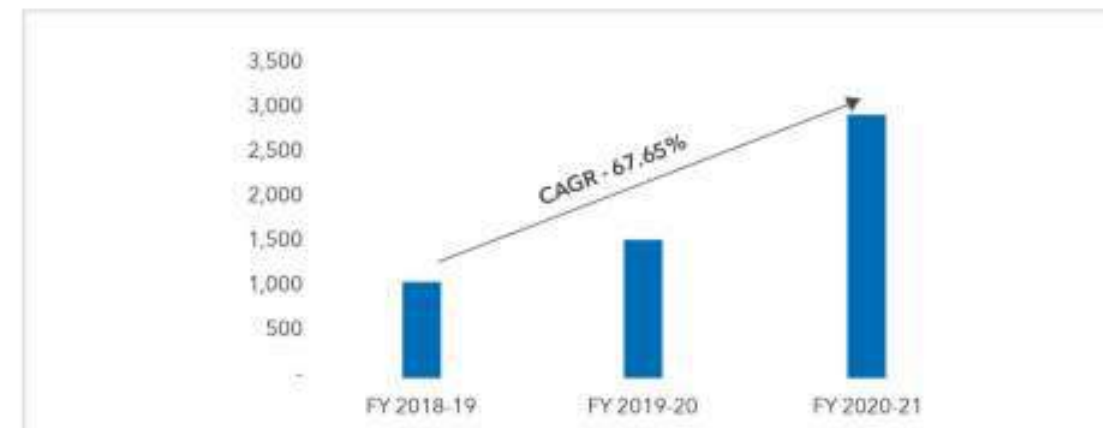
**Highlights**

- It is external rated as A3+ by Brickwork
- The loan Book of CFPL has increased from 120cr in FY 2020 to 246 Cr in FY 2021. (105% increase YOY)
- Loan book has increased by 156% over last 3 years. i.e from 96 cr in 2019 to 246 cr in 2021.
- As on 31st March 2021, Company has a loan outstanding of ₹ 246 cr. Mainly comprising of business loan 39.70%, Personal loan 11.90%, LAP 12.38%, LAS 2.95%.
- Revenue of the company has increased exponentially by 2.81 times. i.e from ₹ 1,044 lakhs in FY 2018-19 to ₹ 2,935 in FY 2020-21.
- Interest coverage ratio has increased from 1.05 times in FY 2019 to 1.85 times in FY 2021
- Company has generated a profit of ₹ 1,256 lakhs in FY 2021, it has shown a tremendous growth of 25 times in three financial year. i.e from ₹ 50 lakh in FY 2019 to ₹ 1,256 lakh in FY 2021.
- Company has been able to quintuplicate its network in last 3 Financial year i.e from 2,047 in FY 2019 to 9,507 in FY 2021

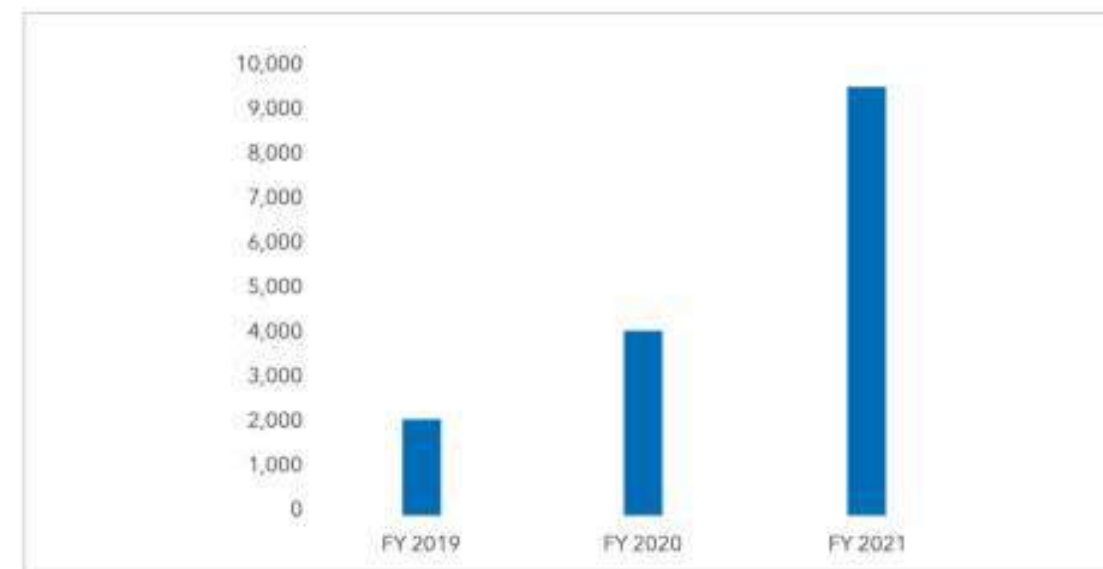
**Online NBFC facilities shall be provided through our below mentioned Financial Products**



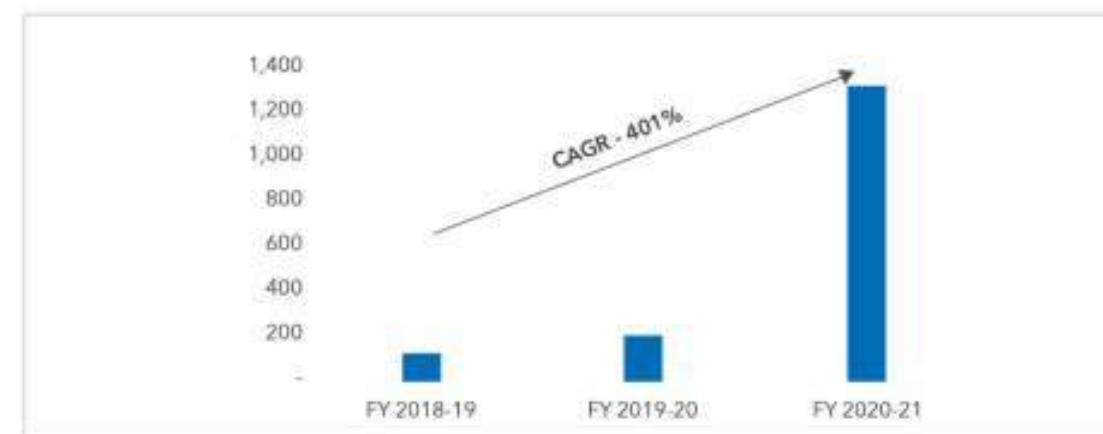
**Business Performance Total Revenue - YOY (₹ in Lakhs)**



Revenue from Operation of the company has increased by 2.81 times over the period of 3 years, it has increased by 1.94 times YOY.



- Net worth of the company has increased by 4.64 times over the period of 3 years.
- Total Net worth as on March'21 is ₹ 9,507 Lakhs as compared to ₹ 2,047 in FY 2018-19.
- Total Net worth of the company has increased by 135% YOY i.e ₹ 5,455 Lakhs.



- Company has earned a PBT of ₹ 1,256 Lakhs in FY 2020-21
- PBT of the company has increased by 25 times in last 3 Financial Year





## OUR INSTITUTIONAL SERVICES

### A) MANAGEMENT CONSULTANCY & INVESTMENT BANKING

Capital Market & Debt Syndication service is provided through our subsidiary "Choice Capital Advisors Private Limited" herein referred as "CCAPL".

#### Market Overview

The economic estimates for growth in India were not looking promising in FY 2020 itself. The government, recognizing the need of the hour, rolled out several economic packages to stimulate the economy which included a significant tax relief to the corporate sector in order to promote investments. However, due to the unprecedented COVID crisis, the stimulus couldn't deliver to its fullest extent.

By the end of FY 2020, the economic engines of India came to a near halt due to the stringent lockdown which was imposed by the government and lasted for more than three months. During the initial stages of the pandemic, the Indian GDP had shrunk by whopping 7.3%. Barring a few exceptions, almost every sector was experiencing an acute demand slump. Investment banking, like other sectors, was no exception to this crisis. However, in investment banking since the stakeholders are spread across varied verticals of industries, the complexities were compounded. Conducting transactions which require personal presence, like Mergers and Acquisitions & Due diligence were severely impacted.

During 3rd and 4th quarter of FY 2021, the markets began to bounce back as the government unveiled its plans for a Rs.2.6 Lakh Crore Stimulus package. Unfortunately as the 2nd wave of the pandemic began to grow, the government had to impose a strict lockdown again, thus putting brakes to an economy which was showing signs of returning to normalcy.

#### Financial Performance

While we generated revenue of 150.62 Lakhs, this year hasn't been good for us. Our revenue stream fell by 80.13% owing to decreased business activity during the pandemic. However, we took this opportunity to improve our operating efficiency. We managed to optimize our fixed costs to a great extent which in-turn increased our gross profit margin by 22.44% from 37.93% to a whopping 60.37%. Our profit for the year stood at 12.62 Lakhs, we have optimized our PAT margin to 8.01% which more than doubled from FY 2020.

#### Wayforward

With a strong GDP forecast between 9% -10% for FY 2022, we are anticipating a quick recovery from the damaging effect of the pandemic. Post pandemic, we expect that companies will actively seek out M&A and fund raising activities in order to consolidate their position in the market which will in turn have a positive impact on the investment banking sector. Atop that, with the policy makers making conscious efforts to boost the economy, the market for investment banking is destined to grow.

#### Services offered

We offer a wide array of services. Services offered by us can be classified into four broad categories -

- Corporate Finance
- Mergers and Acquisition/Private Equity
- Merchant Banking
- IPO Readiness

### Corporate Finance

Corporate Finance deals with the capital structure of the institution. It includes activities like Fund sourcing, capital structuring etc. Under this, we offer the following services:

- 1) Working Capital Finance
- 2) Corporate Loans
- 3) Bank Guarantee
- 4) Letter of Credit
- 5) Trade Finance
- 6) Project Finance
- 7) Mezzanine Finance
- 8) CDR Advisory

### Mergers and Acquisition/Private Equity

Merger and Acquisitions includes consolidation of assets through various types of financial transaction. Under this, we offer the following the service:

- 1) Strategic Advisory
- 2) Private Equity
- 3) Venture Capital
- 4) Angel Investments
- 5) Pipe Deals
- 6) Management Buyouts
- 7) Leverage Buyouts
- 8) Mergers and Acquisitions:

### Merchant Banking

Under merchant banking, we offer the following the services:

- 1) Initial Public Offering (IPO)
- 2) Qualified Institutional Placement (QIP)
- 3) Rights Issue
- 4) Follow on Issue
- 5) Buy Backs
- 6) Takeovers
- 7) Institutional Trading Platform
- 8) Pre-IPO placement

### IPO Readiness

IPO readiness is the first step in launching the company into the public domain. Under this, we offer the following services:

- 1) Due Diligence
- 2) Corporate Governance
- 3) ROC Compliance
- 4) Restated Financial statements
- 5) DRHP documentation

## B) INFRASTRUCTURE CONSULTING & GOVERNMENT ADVISORY

The Infrastructure Consulting & Government Advisory is catered to our Institutional Clients including the consultancy to "Statutory Authorities" through our subsidiary M/s. Choice Consultancy Services Private Limited.

### OVERVIEW OF THE INDUSTRY

The Pandemic of Covid-19 have caused contraction in the world's output in year 2020, with many advanced economies and many

sectors such as infrastructure, travel, hospitality, transportation and aerospace and small enterprises getting impacted across the world. Consequently the global spend of infrastructure declined substantially on full year basis. The impact of Covid-19 on the infrastructure and construction sector in India has been extensive and damaging.

Major implications of pandemic on Infrastructure Segment:

1. Restriction imposed by the Government of India, State Governments and the Union Territories to control the spread and impact of the virus have prevented work in projects, adversely impacted supply chains, plant, equipment, materials and manpower.
2. Delays and disruptions to completion of projects are inevitable with growing losses, cost and expenses.
3. Declaration of force majeure by Contractors and Consultants.
4. Liquidity Challenges resulting in funding gaps.
5. Marginal decline in infrastructure funding by the Governments to prioritise its spending on public health and safety.
6. Availability of workers for infrastructure projects (construction) and operations.
7. Infrastructure funds and investors may diversify their portfolios from traditional infrastructure assets to IT, utilities and health.

Yet not all impacts in infrastructure have been negative, some services have actually seen an increase in demand or positive effects, reflecting a wide variation and heterogeneous nature of infrastructure. For example, construction or maintenance projects on roads may have advanced during confinement periods as less traffic on roads provided opportunity for construction crews to work unencumbered.

In this pandemic, we observed that, Societies cannot be resilient with resilient infrastructure. In the current crisis, the extent and quality of infrastructure related to health such as hospitals, water, and sanitation have proven to be important. Furthermore, there may be scope to consider where infrastructure can play role more generally in support of healthcare value chains, transportation infrastructure to support delivery of essential goods.

Notably, the crisis has brought renewed focus on social or "soft" infrastructure, which is sometimes overshadowed by hard infrastructure like energy and transportation in the context of resilience.

#### An Overview

Choice Consultancy Services Private Limited (CCSPL), wholly owned subsidiary is a consulting business organisation rendering services in the multiple business-verticals with geographical footprints across many States of India. CCSPL is a complete portfolio of offerings - feasibility studies, detailed project reports, project management consultancy, transaction advisory, programme management and implementation support.

The key business verticals are roads & highways, civil structures, water supply & irrigation, solid waste management (SWM), urban development & sustainability, public utility & welfare and information technology (IT), public financial management and education.

#### Company Operations

The COVID-19 pandemic and consequent nationwide lockdown announced by the Government of India since March 24, 2020 had a significant adverse impact on the operations of the Company as being faced by the Nation and the world. Since the Company is involved in infrastructure consulting related activities which falls under the non-essential category, the Company has temporarily suspended

operations in its ongoing projects at site, with intern result into unavailability of resources on timely manner, delays in execution of projects, operational issues etc. Such pandemic always gives an opportunity to bounce back with new initiatives, the recent impetus of the Government on increased budgetary allocation health, sanitation and other basic infrastructure facilities has led to growing opportunities for use and moved our focus on:

- Water Supply (Jal Jeevan Mission)
- Environment (Solid/Liquid waste management)
- Bharatmala Pariyojna
- Pradhan Mantri Awas Yojna

During the year under review, CCSPL has successfully bagged project in Water Supply in Rajasthan and Madhya Pradesh and the Company has ongoing projects in segments like Roads and Highways (Maharashtra, Himachal Pradesh and Karnataka), PMAY (Jharkhand, Chhattisgarh, Madhya Pradesh and Orissa), Public Financial Management (Goa and Uttarakhand)

With Indian economy gaining momentum, CCSPL ensures its continuous engagement with the industry through forward project management and emphasis on rational identification of new tender opportunities, aggressive bidding, speedy settlement of completed projects, timely execution of ongoing projects and prompt realisation of fees. Considering decent budget allocation by the Governments in the segments like public health, water, highways and waste management, the key opportunities includes infrastructure projects in Government funded water projects (Jal Jeevan Mission), Roads & Highways (Bharatmala) and waste management (Bioremediation), healthcare where some momentum is expected.





**OUR DISTRIBUTION & NETWORK PLATFORM**

The Distribution & Network services for increasing the number of Business Associates for distributing our group services is provided through our online platform "Choice Connect" under our subsidiary M/s. Choice Retail Solutions Private Limited.

**1) Impact of the Pandemic on the Business Segment:**

Although the pandemic had challenged the traditional approach of carrying out operations. We were quick to adapt and welcome the fresh change which was going digital and remote working. Because of this, there was not any substantial impact directly on the business. Streamlining our operations was our priority, and it was important to make our communication channel robust.

Apart from this, we onboarded more Business Partners and the rate of active BP and business leads increased exponentially. And as people realized the importance of health, insurance, and investment, the leads to insurance and other services grew.

We are happy that we could provide a source of income to our Business Partners.

**2) Industry Facts:**

Because of the pandemic, many lost their jobs or received pay cuts. This uncertainty made people consider the idea to have a passive source of income. Also, more and more people notice the importance of insurance and investments. This led to an increasing number of people buying insurance policies for their families and investing their money in equity and mutual funds.

It was reported that in pandemic the number of Demat accounts created rose to an all time high at 10.7 million in India. Plus more and more people are starting to buy insurance to be financially secure.

Overall, it had a good impact on the insurance and finance business.

**3) Peer Review:**

It was important to increase our brand awareness this time, as more and more people wanted to have a different source of income. For this, we increased our marketing and communication campaigns to convert prospects into Business Partners.

We ran many promotional contests, which helped many business partners to win something over and above their commission. We started providing extra incentives to our business partners, who were providing us with substantial business.

We increased our bandwidth to provide more sales & technical support to our business partners.

**4) Our Services:**

We have added many new services in our portfolio like Corporate fixed deposits, Bonds, Gold loans with our core services which are loans, Mutual funds, Stock market, and Insurance.

During the Year Choice Connect contributed 5000 new Clients in Insurance Service vertical. As of now we have more than 10,000+ business partners pan India who are bringing in more clients.

We are one of the few platforms in India where anyone can start earning a passive income without investing a rupee. Our business partner can diversify their income source from our platform as, unlike other platforms where you can provide only a particular product (Insurance or loan agent). With us, anyone can provide multiple services like loans, insurance, equity, corporate fixed deposit, mutual fund, etc.

We have assigned a dedicated Relationship Manager who will provide all marketing and sales material along with customer support. And by going digital we added a feature of booking corporate fixed deposits and buying an insurance policy online. This further reduced the delay in submitting documents and many business partners saved their client's time by directly buying the policy online from our portal.



## Start your Journey of Financial Independence with Choice Connect.

Selling single platform for multiple products



Stock Market



Insurance



Mutual Funds



Retail Loan



- No Registration Charges
- Earn more by selling Multiple services
- Work Anytime, Anywhere
- Get customer now and earn for lifetime

**We are happy to help you**

 [www.choiceconnect.in](http://www.choiceconnect.in)
 +91 81242 42424  
 [support@choiceconnect.in](mailto:support@choiceconnect.in)

**5) Business performance**

**6) Partner Addition Report (Month Wise) - FY 2020-21**



CBA Addition growth has been 9.8% Year on Year . Added new 8475 New Partners in FY.2020-21 as compared to 7718 in FY 2019-20

Choice Connect aims to provide all types of financial service through our partners. Through we have added Corporate Fixed deposit and Bonds service in choice connect service portfolio. We partnered with Mahindra and Mahindra financial service, PNB housing finance and Bajaj finance for Corporate fixed deposit services. Through Choice Connect our business partners can provide all types of bonds to clients.

We launched Choice Connect App from where our business partners could easily add enquiry, track their lead, and see their business and payouts.

**Way forward Statement:**

In the next financial year, we will be strengthening our existing services and partner network. Focus will be on increasing partner reach and per partner business ratios. In addition to this we will work adding services like Fixed Income Product, Income Tax, etc in our product offering to our partners.

**INTERNAL CONTROL SYSTEM AND POLICY**

Effective internal control reduces the risk of asset loss, helps to ensure that information is complete and accurate, financial statements are reliable and reported accurately in a timely manner, and operations are conducted in accordance with the provisions of applicable laws and regulations.

The Company maintains adequate internal control systems commensurate with the nature of business, size and complexity of its operations. The Company has well established processes, guidelines, and procedures to augment internal controls. Adherence to these processes is ensured through frequent internal audits. Any deviations are reported to the Management.

Internal Auditors review systems and operations of the Company and ensure that the Company is functioning in accordance with all the applicable statutes. Any internal control weaknesses, non-compliance with statutes and suggestions for improvements in existing practices are reported by the Internal Auditors.

The Internal Audit Report is reviewed by Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with the interests of the Company and regulatory stipulations. The Audit Committee reviews the Internal Audit Report and the quarterly Compliance Report placed before the Committee and ensures that observations pointed out in these reports are addressed in a timely and structured manner by the Management. The Audit Committee reviews an Action Taken Report (ATR) which states the points needing correction and the action taken on the same.

Adequate internal Control system to commensurate with nature of business and size of operations for ensuring includes:

- Orderly and efficient conduct of Business
- Adherence to company's policies and procedures.
- Safeguarding all our assets against loss from unauthorised use or disposal
- Prevention & detection of fraud & error
- Accuracy and completeness of accounting standards

**HUMAN RESOURCE**

Human Resource Development is the framework for helping employees develop their skills, knowledge, and abilities, which in turn improves an organization's effectiveness.

The focus of all aspects of Human Resource Development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

HRD is needed by any organization that wants to be dynamic and growth-oriented or to succeed in a fast-changing environment. Organizations can become dynamic and grow only through the efforts and competencies of their human resources. Personnel policies can keep the morale and motivation of employees high, but these efforts are not enough to make the organization dynamic and take it in new





directions. Employee capabilities must continuously be acquired, sharpened, and used. For this purpose, an "enabling" organizational culture is essential. When employees use their initiative, take risks, experiment, innovate, and make things happen, the organization may be said to have an "enabling" culture.

We at Choice, follow the below ideas to manage and improve employee performance in our organization.

#### 1. Communicate clear expectations

Making sure employees are clear about their work assignments means communicating those expectations well. Continue to manage what is expected through frequent communications.

#### 2. Yearly performance appraisals

Regular and timely appraisals ensure employees know where they stand at all times. Conducting performance appraisals regularly helps in keeping goals in the forefront of daily tasks.

#### 3. We make employee development a priority.

We work closely to fill any skill gaps which will help them achieve long-term goals in return helping the organization to fulfill business objectives.

#### 4. We make sure to take the below steps towards improving morale

Employees perform better when they are satisfied with their job. We constantly review things such as:

- Work environment
- Employee Benefits
- Employee understanding of the mission and vision

Employees who understand how their role helps the company succeed often give their best.

#### 5. We empower employees to do their jobs well

We have an open work environment which helps employees in taking quick decisions and the same results in faster output.

#### 6. Use of right technologies

Implement technology platforms that drive performance and engagement daily. Technology is crucial in today's workforce.

Organizational success thrives when the right rules and systems are in place. Simply wanting to know how to improve employee performance without including employee considerations may not help to achieve the set goals.

### RISK EVALUATION & MITIGATION

A Risk Management Policy for the Company has been adopted by the Board of Directors. The Board sets, approves the charter and objectives for Risk Management and Risk Philosophy. The Risk Management Committee of the Board is set up to assist the Board in its oversight of various risks, review and analyse the risk exposure related to specific issues, provide oversight of risk across the organisation and review the risk profile of subsidiaries.

Risk is an integral part of the Business which aims at delivering superior shareholder value by achieving an appropriate balance between risks and returns. A comprehensive Enterprise Risk

Today's Financial services company operate in an increasingly complex competitive and continuously evolving regulatory environment, where the ability to manage risks across geographic boundaries, products, customer segments is of supreme importance for the effective growth of the organisation.

The Company being an Holding Company with no operating Business on standalone basis derive its income mainly from dividend, interest and capital gains and hence is not directly exposed to many risks. The risk for the Company is mainly associated with the business of its various operating segment through its subsidiaries operating within the group.

The group Business is exposed to many internal & external risks. A team of experienced people within the organisation identify & monitor these risks as an on-going process to monitor and control the same to keep the risks at minimum level. On-going monitoring by our officials help in identifying the Risk at an early stage. The reports of the internal auditors is reviewed and discussed by the Audit Committee of the respective operating companies including the review by your Company's Board.

#### 1) Regulatory Risk:

Regulatory risk is the risk arising out of a change in laws and regulation governing business. It could also arise on account of inadequate observance of regulatory requirements or differences in interpretation of regulations vis-à-vis the regulators. New laws or regulations or changes in the enforcement of existing laws and regulations may adversely affect business/revenue/profits.

Risk mitigation:

The Company has a team of experienced professionals who take care of compliance with applicable laws, rules, regulations, and guidelines affecting our business. The team is strongly supported by our Corporate Functions team to quickly calibrate the action in case of a change in regulation. All the new guidelines, circulars, notifications are complied with. Formulation of the policies as well as its implementation is taken due care of. Internal audit is also carried out to monitor compliance with best practices, approved policies, and applicable regulations.

#### 2) Liquidity Risk is the risk arising due to unavailability of adequate funds at appropriate prices or tenure. It also refers to the risk that arises from the difficulty of selling assets without high impact cost.

Risk Mitigation: We have strong financial position and all our businesses are adequately capitalised, have appropriate credit lines available to address liquidity risks. We also maintain a part of our capital in liquid assets to manage any sudden liquidity needs.

#### 3) Market Risk / Price Risk

Market risk is the risk arising from the adverse movements in market price for various securities, which may impact value of portfolio of investments in securities, which may impact value of portfolio of investments in securities.

Risk Mitigation: Our Portfolios and collaterals / securities are continuously monitored.

#### 4) Product risk:

Product risk refers to the risks arising out of the products a company offers to its customer in the market.

Risk mitigation: The group offers its customers a well-diversified product range in line with customers need and market conditions. The Company offers brokerage, mutual fund distribution and portfolio management to its customers. This diversification and product range helps the Company reduce risks arising out of products.

#### 5) Operational Risk can result from variety of factors including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipments fraud, in adequate training and employee errors. Our businesses are dependent on people and processes. Shortcomings or failure in internal processes or systems may have material adverse impact on the financial position as well as affect its operation.

Risk Mitigation: Well defined policies, operational processes and systems have been devised for our operations. Regular audit are done by internal auditors to monitor the adherence of policies and processes. Maker/ Check mechanism has been put in place to ensure compliance with laid down systems and procedures in all areas of functioning of the Company.

Also the Company's key management team consists of professionals of high level of commitment and the team is well versed in the key issues relevant to the holding company structure.

#### 6) Business Continuity Risk

In the event of disruption in the conduct of business due to incidents like fire, natural calamity, breakdowns of infrastructure etc. We are exposed to risk of loss data, clients or business that can adversely affect our financial results.

Risk Mitigation: Policies on Preservation of documents and records are laid down by the Company and the internal checks are kept at regular intervals.

### CAUTIONERY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objective, projections, estimates and expectations may be "forward looking Statements" within the meaning of applicable laws & regulations. Actual results might differ substantially or materially from those express or implied.

Sd/-  
Kamal Poddar  
(Managing Director)  
DIN No: 01518700  
Mumbai;  
August 13, 2021

Sd/-  
Ajay Kejriwal  
(Director)  
DIN No: 03051841





# Corporate Governance Report

There are four ingredients in true leadership Brain, Soul, Heart & Good Nerves (Good Governance)

-Nelson Mandela

Corporate Governance is all about, operating the Business not only in the outer shell of Rules imposed but conducting the Business activities indeed with the moral principles.

Corporate governance is much more than company management. It refers to a fair, efficient and transparent functioning of the organisation's management system. It refers to a structure, processes and practices which ensure that the Company is managed in the best interest of the Shareholders of the Company.

The practices and principles of good corporate governance have been progressed over a time which fuels the business of the Company rather than suppress it. In the on-going context of liberalization and globalisation there is increasing consciousness in the emerging economies including India that a country's business environment must be maintained and operated in a manner that is conducive to investors' confidence so that both domestic and foreign investors are induced to make adequate investment in Corporate sectors. This will be favourable to rapid wealth creation and constant growth of the economy.



Corporate Governance is concerned with holding the balance between economic and social goals between individual and communal goals. Perhaps one of the most important principles of corporate governance is the recognition of its shareholders. By following the good governance practice, the organisation can aid its Shareholders better. Moreover the Veil of Corporate Governance is not restricted to its Shareholder's but the benefits of Good Governance extends to all its Stake Holders i.e. its Creditors, Customers, Employees & other associated people directly or indirectly & the Society at large.

To safeguard the interest of all its stakeholders, embedding a strong Corporate governance policy is indispensable.

The Board of Directors hereby present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended for the year ended March 31, 2021.

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that strong governance standards, focusing on fairness, transparency, accountability and responsibility are vital, not only for the hale and hearty corporate sector growth, but also for inclusive growth of the economy.

The Company's philosophy on corporate governance treasures the goal of achieving the highest levels of transparency, accountability and fairness in all ranges of its activities and in all its communications with the shareholders, employees, the government and other parties.

"Choice" is committed to high standard of Corporate Governance, Business Veracity & Professionalism. Your Company has laid strong emphasis on Translucent working of its operations along with accountability & integrity, we at "Choice" believe in adhering to law not only in letter but in true spirit.

At "Choice" Corporate Governance is all about undertaking the Business through "Principles than Rules". The Company believes that good Corporate Governance has to be woven into the DNA of the organization helping to build a distinctive culture from top to bottom.

We at "Choice" believe that "Management" are the trustee to the investor's capital, to fulfil their obligations, the Management of the Company has established the best practices of "Corporate Governance" on the basis of its four pillars i.e. Transparency, Accountability, Disclosures & Financial Controls.

Standard Criteria of our Corporate Governance Philosophy:

- Having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.
- Deploying well defined governance structures that establishes checks and balances and delegates decision making to appropriate levels in the organisation;
- Respect, accountability and fairness towards all stakeholders.
- Engaging a diverse and highly experienced Board of Directors, with expertise in industry, finance, management and the law;
- Clear communication of relevant information and high degree of disclosure levels.
- Create value for all stakeholders without compromising on ethical principles.
- Making high levels of disclosures for dissemination of corporate, financial and operational information to all its stakeholders;
- Adoption of transparent and robust systems, processes, policies and procedures;

Through our translucent governance practices, the Company always endeavours to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels. The Company has in place measures to periodically review and revise the Corporate Governance practices by subjecting business processes to audits and checks that measures up to the required standards.

"Choice" is in full compliance with the Corporate Governance practices, norms & disclosures with respect to Listing Regulations with the Stock Exchange. The company has a practice of reporting the financial results and other relevant disclosures/ developments in a clear and timely manner through print and electronic media.

## GOVERNANCE STRUCTURE

At the top-notch comes the "Board of Directors" of the Company who carves out the Road Map of the Company's fortune on the path of success.

Your Company has laid a strong substance for structuring Corporate

Governance as a procedure to create value for its investor's. The Role of the "Management" in the Company's operational activities transcribes the future of the Company.

The Board provides tactical direction to the company's senior management and oversees the interests of all stakeholders. It reviews corporate policies, overall performance, accounting and reporting standards and other significant areas of management, corporate governance and regulatory compliance.

## THE ROLE OF BOARD OF DIRECTORS

The board is in charge for crafting the company's bylaws, which are a set of primary policies that outline the company's mission, values, apparatus and structure. The board creates and approves major policies for board governance.

Good Corporate Governance is the foundation of strong business enactment and the Board has the power & position to articulate the Governance & integrity in the gene of the Organisation structure.

The Board plays a dominant auxiliary and regulatory role in the Corporate Governance structure, provides leadership and guidance to the management and oversees the execution of the strategies.

Further the Board is also entrusted with the responsibility to establish the cultures, values and ethics in the roots of the Company.

At "Choice" the Board is entrusted for the ultimate responsibility of the Management, Directions and performance of the Company. As its principal role being fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring adheres to ethics, transparency and disclosures. The Board reviews Corporate Policies, overall Performance, accounting and reporting standards and other significant areas of Management, Corporate Governance and regulatory compliance.

At "Choice" the Board has an optimal combination of Executive and Non-Executive Director (Independent Director's) who have considerable expertise in their respective fields as per the requirement of Company's Business.

Specific matters reserved for the Board's Consideration and decision are as follows:

- To determine the Company's objectives, missions, strategies, policies and business plans and monitor their implementation
- To set appropriate policies to manage risks in pursuit of the Company's strategic objectives
- To ensure the integrity of the Group's accounting and financial reporting system and compliance with the relevant laws and standards, and that appropriate internal control systems are in place, including systems for risk management, as well as financial and operational control
- To appoint key senior executives
- To ensure timely and accurate disclosure to and communications with stakeholders
- To ensure the adequacy of resources, and staff qualifications and experience of the Group's accounting and financial reporting function

## COMPOSITION OF BOARD OF DIRECTORS

As on the date of this Report, the Board Comprises of 9 (Nine) Directors of which, (1) One Non-Executive Non Independent Chairman 5 (Five) are Non-Executive Independent Director, (1) One is a Non-Executive Women Director and 2 (Two) Executive Director out of which one is a Managing Director. The Independent Director's constitute 55% of the Total Members of the Board of your Company. The composition and



size of the Board is reviewed periodically.

The Board is entrusted with an ultimate responsibility of the Management, Directions and Performance of the Company. The Board Periodically evaluates the need for change in size and Composition.

The Composition of the Board of Directors of the Company is in conformity with Regulation 17 of the Listing Regulation read with section 149 of the Companies Act, 2013.

During the year under review, Mr. Bharat Kumar Shah (DIN No: 07393863) the Independent Director of the Company resigned from the Office of Directorship with effect from December 08, 2020 due to his pre-occupation.

During the Year under review Mr. Subodh Kumar Agrawal (DIN No: 00553916) was appointed as Additional Non Executive - Independent Director with effect from November 10, 2021

Further, during the year under review Ms. Sudha Bhushan (DIN No. 01749008) & Mr. Sandeep Singh (DIN No. 02814440) were appointed as Additional Non - Executive Independent Director with effect from February 12, 2021.

#### APPOINTMENT OF CHAIRMAN OF THE COMPANY

On the recommendation of the Nomination and Remuneration Committee & on the approval of the Board of Directors of the Company, Mr. Sunil Kumar Patodia our founder Promoter has been inducted on the Board as Non Executive Non Independent Chairman of the Company with effect from August 13, 2021, subject to the approval of the members at the 28th Annual General Meeting of the Company.

Resolution seeking approval of his appointment forms part of the notice of the 28th Annual General Meeting of the Company. Also attached is the brief profile of Mr. Patodia as annexure to the notice.



#### INDEPENDENT DIRECTOR & THEIR ROLE

Recent years have witnessed major occurrences of corporate misconduct and lack of internal controls that have aroused the necessity of having high Corporate Governance in place with bringing in the "Independent Director's" as a party to the Company's major decision making thus safeguarding the interest of its "Shareholders".

The need for the independent directors can be established by the fact that they are expected to be independent from the management and act as the trustees of shareholders. The role of Independent directors is to act as a counsellor & mentor to the company & aim the best interest of the Members of the Company. Their roles broadly include improving corporate credibility and governance standards functioning as a watchdog, and playing a vital role in risk management. Independent directors play an active role in various committees set up by company to ensure good governance. Rationale behind having independent directors is that it would

increase the quality of board supervision and reduce the possibility of damaging conflict of interest.

The Company has on its Board, prominent Independent Directors who have brought independent judgement to Board's contemplation. The Independent Directors have played a pivotal role in safeguarding the interest of all stakeholders.

The major role of Independent Directors is as follows:

- To review the performance of non-independent directors and the Board as a whole;
- To determine remuneration of executive Directors & Key Managerial Personnel and Senior Management Team;
- To recommend for appointment, remuneration and terms of appointment of auditors of the Company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To approve & consider the Financial Results;
- Ascertain and ensure that the company has an adequate and functional vigil mechanism and the interests of a person who uses such mechanism are not affected on account of such use
- Report about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

#### INDEPENDENT DIRECTORS MEETING

During the Year under review, the Independent Directors met on September 05, 2020 inter alia to

- review the performance of the Non-Independent Director and the Board as a whole.
- review the performance of the Managing Director of the Company taking in to account review of the Executive and Non - Executive Directors
- weigh the quality, quantity & timelines of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

#### INDEPENDENT DIRECTOR'S DECLARATION

##### Declarations:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The Directors have also given declaration under Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors, if applicable, are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank or such time as amended by the Central Government.

Based on the Declarations received from the Independent Directors, the Company has verified the accuracy of such disclosures and confirm that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and are independent of the management of the Company. The Company has issued formal appointment letters to all the Independent Director in the manner provided under the Companies Act, 2013 read with Rules issued thereunder. The terms and conditions issued to Independent Directors, is posted on the Company's website [www.choiceindia.com](http://www.choiceindia.com)

#### Number of Independent Directorship

As per Regulation 17 A of the Listing Regulations, based on the intimations/ disclosures received from the Directors, none of the Independent Director serve as an Independent Director in more than seven Listed Company. The Managing Director of the Company does not serve as an Independent Director in any Listed Company.

#### Functional Expertise Of Directors

Name of the Director	Expertise in Functional Areas
CA Sunil Kumar Patodia	Finance, Audit, Taxation & Business Management
CA Kamal Poddar	Finance & Business Management
CA Ajay Kejriwal	Finance, Taxation & Management Practices
Mrs. Hemlata Poddar	Human Resource & Administration
Mr. Ashok Kumar Thakur	Finance & Management
Mr. Kanhaiyalal Berwal	Social Responsibility & Human Resource
Mr. Subodh Kumar Agrawal	Finance & Taxation
Ms. Sudha Bhushan	Finance & Taxation
Mr. Sandeep Singh	Business Management & Development

#### BOARD MEETING

The Board Meets at regular intervals to discuss and adopt the business strategies, policies, risk management, financial results / performance of the Company and its subsidiaries. The Board Meetings usually are pre-scheduled and a tentative annual calendar of the Board Meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business constraints the Boards approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The notice and detailed Agenda along with relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performances of the Company in comparison to set targets/ available resources.

The Board Meeting are generally held at the Registered Office or in the nearby vicinity of the Registered Office of the Company. However Due to COVID-19 Pandemic, on the basis of relaxation granted by "MCA" & "SEBI" all the Board Meeting were held through Video Conferencing mode to follow the safety norms.

Five Board Meetings were held during the Financial Year under review i.e 2020-21. The dates of these Board Meetings are June 30, 2020, August 4, 2020, September 5, 2020, November 10, 2020, & February 12, 2021. Further "MCA" & "SEBI" has also relaxed the requirement of having maximum intervening gap between any two meetings had been increased from 120 days to 180 days. Your Company had availed the relaxations so provided.

The details of attendance of the Director at the Board meetings held during the financial year 2020-21 and at the last Annual General Meeting are given below:

Name of the Director	Number of Board Meeting Held	Number of Board Meeting Attendance	Attendance at the previous Annual General Meeting Held in the Year 2020-21
Mr. Kamal Poddar	5	5	✓
Mr. Ajay Kejriwal	5	5	✓
Mrs. Hemlata Poddar	5	2	✓
Mr. Ashok Kumar Thakur	5	5	✓
*Mr. Subodh Kumar Agrawal	1	1	-
**Ms. Sudha Bhushan	-	-	-
**Mr. Sandeep Singh	-	-	-
Mr. Kanhaiyalal Berwal	5	5	✓
***Mr. Bharat Kumar Shah	4	4	✓

\*During the Year under review Mr. Subodh Kumar Agrawal (DIN No: 00553916) was appointed as Additional Non Executive - Independent Director with effect from November 10, 2021

\*\*Further, during the year under review Ms. Sudha Bhushan (DIN No. 01749008) & Mr. Sandeep Singh (DIN No. 02814440) were appointed as Additional Non - Executive Independent Director with effect from February 12, 2021.

\*\*\*During the year under review, Mr. Bharat Kumar Shah (DIN No: 07393863) the Independent Director of the Company resigned from the Office of Directorship with effect from December 08, 2020 due to his pre-occupation.



## FLOW OF INFORMATION

The agenda items for Board/ Committee meetings are finalised by the Company Secretary in consultation with the Chairman. The detailed Agenda, setting out the business to be transacted at the Board/ Committee meetings supported with relevant presentations, explanatory notes and executive summaries is sent to each Director at least seven days before the date of the meetings. In addition to the items which are required to be placed before the Board for its noting and/ or consideration / approval. Information is provided on various significant items.

With regards to matters requiring the approval of the Board, all the concerned person communicate with the Company Secretary in advance to enable inclusion of such matters in the agenda for the Board/ committee meetings. Where it is not practicable to circulate any document or if the agenda item is of a confidential nature, the same is sent separately or tabled at the meeting, as the case may be. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the permission of the Chairman and with the consent of the majority of the Directors present at the Meeting. The senior officials of the Group are invited to the Board meetings in respect of the items concerning them to provide additional inputs as and when necessary.

The Agenda for the Meetings of the Board and its Committees are circulated in advance to the Directors to ensure sufficient time is provided to Director to prepare for the meetings. The Board usually meets at least once in a quarter inter alia to review quarterly standalone and consolidated financial results, compliance report(s) of all laws applicable to the Company, major legal issues or regulatory development, minutes of the Board Meetings of Subsidiary companies, significant transactions and arrangements entered in to by the unlisted subsidiary companies, risk management, borrowings, Joint ventures or any other proposal from the management regarding mergers, acquisitions, restructuring of investments etc.

The draft Minutes of the Board and Committee meetings are circulated are circulated amongst the Directors/ Members for their perusal and comments. Suggestion if any, received from the Directors/ Members are suitably incorporated in the draft Minutes, in consultation with the chairman of the Board/ Committee. The Company has an effective post meeting follow up review and reporting Process. The decisions taken by the Board/ Committees are communicated to the respective departmental heads for their implementation. The implementation of the decisions of the previous Board Meeting is placed in the next Board Meeting.

## AVAILABILITY OF INFORMATION TO THE BOARD

The Board has unrestricted access to all Company related information. At Board Meetings, managers and representatives who can provide additional insights in to the items being discussed are invited. At the Board Meetings, presentations are made by the Senior Management & the Business Heads of the Company and its subsidiaries. The Board periodically reviews and takes note of, all the compliances confirmations in respect of laws and regulations applicable to the company. The annual operating & Capital expenditure plans and budgets, unaudited / audited financial results, minutes of the board Meetings of the unlisted subsidiaries including the summary of the key decisions taken by their respective boards, significant transactions and arrangements entered in to by the unlisted subsidiary companies, risk management update / reports, minutes of meetings of the committees of the board etc. are placed before the Board.

## FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTOR

The Independent Directors have been familiarised with the Company, their roles and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. During the FY 2020-21, Independent Director's were taken through various aspects of the Company's Business and operations. The details of the familiarisation programme imparted to the Independent Directors during FY 2020-21 are put up on the website of the Company and can be accessed at [www.choiceindia.com](http://www.choiceindia.com)

At the time of appointing a Director, a formal letter of appointment is given to the Director, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The Directors are also explained in details the Compliance required from him under Companies Act, 2013, the Listing Regulations and other various statues and an affirmation is obtained.

## SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating robust future for the Company. The Nomination and Remuneration Committee and the Board, as part of succession planning exercise, periodically review the composition of the Board to ensure that the same is closely aligned with the strategy and long term needs of the Company.

## GOVERNANCE CODE

### Code of Conduct & Ethics:

The Company has adopted the Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management team (One Level below the Board of Directors) of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the website of the Company [www.choiceindia.com](http://www.choiceindia.com)

All Members and Employees have affirmed compliance with the said code for the year ended March 31, 2021. A declaration to this effect is signed by the Managing Director is given below:

### DECLARATION ON CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, all Board Members and senior Management Personnel have affirmed compliance with code of conduct for the year ended March 31, 2021.

Place: Mumbai  
Date: August 13, 2021

Sd/-  
Kamal Poddar  
Managing Director  
DIN No: 01518700

## INSIDER TRADING CODE:

The Company has adopted an "Internal Code" of conduct for Regulating, Monitoring and Reporting Trades by Designated Persons ("the Code") in accordance with the SEBI (Prohibition of Insider Trading Regulations, 2015 (the PIT Regulations).

The Code is applicable to Promoters, Members of Promoters Group, all Directors and Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. The Company has formulated the Code of Practices and procedures for fair Disclosures of un-published price sensitive information in compliance with PIT Regulations.

A database is being maintained by the Company, which contains the names and other particulars as prescribed of the persons covered under the Codes drawn up pursuant to the PIT Regulations.

The Company Secretary has been appointed as the Compliance Officer for ensuring implementation of the codes for fair disclosure and conduct. The Board, designated persons and other connected persons have affirmed compliance with the Code.

## BOARD EVALUATION

One of the Key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination & Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and executive / Non-executive Independent Director through peer

evaluation, excluding the Directors being evaluated.

The Board carried out an Annual Performance evaluation of its own performance, the Independent Director individually as well as the evaluation of the working of the committees of the Board. The Performance evaluation of all the Directors was and will be carried out by the Nomination and Remuneration Committee.

A structured questionnaire was prepared after taking in to Consideration inputs received from covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, execution and performance of specific duties, obligations and governance.

The Performance evaluation of the Chairman and Managing Director and the Non - Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## MEMBERSHIP OF THE BOARD

The information relating to the number of other directorship and committee chairmanships/ membership held by the Directors in other public and private companies as on March 31, 2021 is detailed below. Other Directorship includes directorship of Private Limited Companies and Companies under section 8 of the Companies Act, 2013. The information pertaining to the Chairmanship/ memberships of the committee of the Board held by our Directors include audit Committee and stakeholder relationship committee as required under the Listing Regulation.

Name of the Director	Category	Number of Directorship in other Companies	Number of Directorship held in other Listed Company	Number of Committee Position held in other public Companies March 31, 2021		No. of Equity Shares held in "Choice International Limited" as on
				Chairman	Member	
Mr. Sunil Kumar Patodia	Non-Executive Chairman	4	-	-	-	2588500
Mr. Kamal Poddar	Executive Director	16	-	-	-	2500011
Mr. Ajay Kejriwal	Executive Director	9	-	-	-	302000
Mrs. Hemlata Poddar	Non - Executive Director	1	-	-	-	2000000
Mr. Ashok Kumar Thakur	Independent Director	4	2	3	-	-
Mr. Kanhaiyalal Berwal	Independent Director	1	-	-	-	-
Mr. Subodh Kumar Agrawal	Independent Director	2	1	-	2	-
Ms. Sudha Bhushan	Independent Director	4	2	2	1	-
Mr. Sandeep Singh	Independent Director	2	2	-	1	-

- 1) Directorship includes Private Limited Companies and Section 8 Companies.
- 2) Chairmanship / Membership of Committee only include Audit Committee and Stake Holder Relationship Committee in Indian Public Companies. Members of the Board of the Company do not have membership of more than 10 Board level committees or chairman of more than 5 such committees.
- 3) None of the Directors of the Company hold directorships in more than 20 Companies including in more than 10 public companies. None of the Directors of the Company has held Directorship's / independent Directorship in more than 7 Listed Companies.
- 4) The Managing Director of the Company does not hold Directorship in any other Listed Company or act as an Independent Director to any Listed Company.
- 5) Mr. Kamal Poddar & Mrs. Hemlata Poddar are related to each other.
- 6) Brief Profile of each of the above Directors are available on the Company's website [www.choiceindia.com](http://www.choiceindia.com)
- 7) The details provided consist of the Director's Holding Directorship in the Company as on March 31, 2021.
- 8) Mr. Sunil Kumar Patodia, Mr. Kamal Poddar & Mrs. Hemlata Poddar are promoters of the company.



## COMMITTEES OF THE BOARD

The Board has constituted various committees of the Directors to take informed decisions in the best interest of the Company which caters to specific areas and activities. The Committees constituted are in line with the Companies Act, 2013 & Listing Regulations. Following are the Committee constituted by the Board of Directors which comprises of the members of the Board & Senior Management of the Company.

- A) Audit Committee
- B) Nomination & Remuneration Committee
- C) Stake Holder Relationship Committee
- D) Risk Management Committee
- E) Investment Committee
- F) Finance Committee
- G) Securities Allotment Committee
- H) Corporate Social Responsibility Committee

The above mentioned Committee meetings are held at Regular intervals to track the day to day

### Details of the Meeting & Members of Audit Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Presence at the Previous Annual General Meeting held in September, 2020
Mr. A.K Thakur	Independent Director	Chairman	5	5	✓
Mr. Ajay Kejriwal	Executive Director	Member	5	5	✓
*Ms. Sudha Bhushan	Independent Director	*Member	1	1	-
**Mr. Bharat Kumar Shah	Independent Director	**Member	4	4	✓

\* Ms. Sudha Bhushan was appointed as the Member of the Committee with effect from February 12, 2021.

\*\*Mr. Bharat Kumar Shah, the Independent Director of the Company resigned from the office of Directorship with effect from December 08, 2020 & thereon also ceased to be the Member of the Committee.

The Company Secretary of the company acts as the secretary to the committee.

The terms of reference of the Audit Committee are in conformity with the requirements of SEBI Listing Regulations and Section 177(4) of the Companies Act, 2013. Further, the Audit Committee has powers which are in line with SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

- i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv) Reviewing, with the management, the annual financial statements and auditors reports thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's responsibility statement to be included in the board's report in terms of (c) of sub-section (3) of section 134 of the Companies Act, 2013;

## A) AUDIT COMMITTEE

The Primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal auditors and the Independent auditors.

As on March 31, 2021, the Audit Committee comprises of three Directors, the majority of which are Independent Directors. All the members of the Committee are financially literate and holds a varied experience in the Financial Market.

The audit committee met five times during the year 2020-21 i.e. on June 30, 2020, August 4, 2020, September 5, 2020, November 10, 2020, & February 12, 2021. The Minutes of the meetings of the Audit Committee are noted by the Board. The details of the composition of the Committee, meetings held, attendance at the meeting are given in the below mentioned table:

- b) Changes if any, in accounting policies and practices and reasons for the same.
- c) Major accounting entries involving estimates based on the exercise of judgements by management.
- d) Significant adjustments made in the financial statements arising out of audit finding;
- e) Compliance with listing and other legal requirements relating to financial statements;
- f) Disclosure of any related party transactions;
- g) Modified Options in the draft audit report,
- v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (vii) Reviewing and monitoring the auditor's independence and effectiveness of audit process;
- viii) Approval or any subsequent modification of transactions of the listed entity with related parties if any;
- ix) Scrutiny of inter-corporate loans and investments;

- x) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi) Evaluation of internal financial controls and risk management systems;
- xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv) Discussion with internal auditors of any significant findings and follow up there on;
- xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii) To look into the reasons for substantial defaults if any in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii) To review the functioning of the whistle blower mechanism;
- xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
  - The audit committee shall mandatorily review the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined

- by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:

Quarterly statement of deviation(s) including report of monitoring agency, if applicable is submitted to stock exchange(s) in terms of Regulation 32(1).

## B) NOMINATION & REMUNERATION COMMITTEE

The Prominent features of the Nomination and Remuneration Committee has been formulated in accordance with the Companies Act, 2013 and Listing Regulations and the role of the committee inter alia includes is to assist the Board in ensuring that the Board and Executive Committee retain an appropriate structure, size and balance of skills to support the strategic objectives and values of the firm. The Committee assists the Board in meeting its responsibilities regarding the determination, implementation and oversight of senior remuneration arrangements to enable the recruitment, motivation, Board Membership and retention of partners generally. The Committee also assists the Board by reviewing and making recommendations in respect of the remuneration policies and framework for all staff.

The Nomination & Remuneration Committee comprises of three Directors, all being Non - Executive Director as on the date of the Report the Committee constitutes of two Independent Director & one Non - Executive Director. The details of the Members of the Committee & the Committee Meetings held during the year under review are mentioned below in the table:

### Details of the Meeting & Members of Nomination & Remuneration Committee

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Ashok Kumar Thakur	Independent Director	Chairman	2	2
Mrs. Hemlata Poddar	Non- Executive Director	Member	2	2
Mr. Kanhaiyalal Berwal	Independent Director	Member	2	2

The Company Secretary acts as a Secretary to the Committee.

The Composition & role of the Nomination & Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 19 read with Part D of Schedule II of the Listing Regulations. During the Financial Year 2020-21 the Committee meeting was held on November 10, 2020 and February 12, 2021.

#### Terms of reference:

The Broad terms of reference of the Nomination & Remuneration Committee as approved by the Board are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

- Devising a policy on diversity of Board of Directors.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of the performance evaluation of Independent Directors.
- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing / Whole Time Directors and Senior Management Employees.
- To create an evaluation framework for the Independent Director and the Board.
- To provide necessary reports to the Chairman after the evaluation process is completed by the Directors.



**Criteria for Performance Evaluation of Directors**

A separate exercise was carried out to evaluate the performance of individual Directors including the Managing Director were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its shareholders. The performance evaluation of the Managing Director and the Executive Directors and the other Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**Evaluation Criteria:**

- Understanding the Business in connotation with the Risk appetite of the Business and Regulatory requirements;
- Leadership and Management Skills
- Attendance at the Board Meetings and active participation in the discussion of Business Performance.
- Nurturing Leadership & Strategic Management Skills
- Managing the Conflicts in the Board Discussion
- Managing the Potential Conflict of interest.

**Board Membership:**

The Nomination & Remuneration Committee shall formulate the criteria for appointment of a Director and review the said criteria for determining the qualifications, skills, positive attributes necessary for inducting members of the Board. The Committee is also responsible for screening the candidates who meet the criteria, reviewing their appointment/ re-appointment and making recommendations to the Board in this regard.

Few of the parameters considered by the Nomination & Remuneration Committee while recommending the appointment of a Director to the Board, include:

- Composition of the Board
- Board Diversity
- Appropriate Balance of skills & experience and knowledge
- Professional qualifications, expertise and experience in specific area of business;
- any present or potential conflict of interest;
- ability to devote sufficient time and attention to his professional obligation informed and balanced decision;
- ability to uphold ethical standards of integrity and probity in accordance with the Company's values.

**Remuneration Policy:**

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination & Remuneration Committee and approved by the Board with the following broad objective:

- Ensuring that the level and compensation of Remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company Successfully,
- Motivate the Key Managerial Personnel and Senior Management to achieve excellence in their performance,
- Relationship of Remuneration to performance is clear and meets appropriate performance Benchmarks.
- Ensuring that the remuneration to Directors, KMP & Senior Management involves a balance between fixed & incentive pay reflecting between fixed & incentive pay reflecting short & long term performance objective appropriate to the working of the Company and its goals.

Emphasis on efficiency and pay for performance has been the foundations of the Company's philosophy on rewards. The Company values its intangible assets in the forms of its employee and to retain them, the Company regularly benchmarks the remuneration level in

the industry and makes necessary changes in its pay structure to retain their employees.

**a) Remuneration to Non-Executive / Independent Directors:**

The Non-Executive / Independent Director of the Board shall be entitled to sitting fees for attending the meeting of the Board & Committees thereof. The sitting fees paid to the Directors are within the limit prescribed under the Companies Act, 2013. The Independent Directors shall not be eligible for any stock option plans and further shall also not be eligible for any share based payments. The total amount of sitting fees of Rs. 6.5 Lakhs was paid to our Non-Executive Independent Director of the Company. The Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**b) Remuneration to Managing/ Executive Directors**

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of Nomination & Remuneration Committee. Resolutions passed by the Board & Shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective agreement executed between the Director and the Company.

The remuneration payable to the Managing Director is broadly divided in to fixed and variable component. The fixed component comprises of salary, allowances, perquisites and the variable component comprises of performance bonus and may include commission subject to the approval of the members.

The remuneration policy is directed towards rewarding performance based, to retain the talent. The detail of Remuneration to the Managing Director during the year is as follows:

Name of the Director	Salary, Allowances & Perquisites as on March 31, 2021
Mr. Kamal Poddar	Rs. 60,00,000/-

**Note:** The above mentioned Remuneration paid to the Managing Director has been approved by the Members of the Company at the Annual General Meeting of the Company held on September 27, 2019, where the re-appointment of the Managing Director along with his brief profile forming part of the Resolution was put to vote.

However on the approval of the Nomination & Remuneration of committee and on the approval of the Board of the Directors of the Company, the remuneration to be paid to the Managing Director is proposed to be increased from ₹ 60 Lakhs to ₹ 120 Lakhs per annum subject to the approval of the members at the 28th Annual General Meeting of the Company. The resolution seeking approval of the members forms part of the notice of the 28th AGM.

**c) Remuneration to Senior Management Employees**

The Remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay & incentive pay in compliance with the provisions of the Companies Act, and in accordance with Company's Policy. The fixed pay shall include monthly remuneration, employer's contribution to provident fund, pension schemes etc as amended from time to time. The incentive pay shall be decided based on the balance between performance of the Company and Performance of the Key Managerial Personnel and Senior Management, to be decided annually or such intervals as may be considered appropriate.

**d) Appointment of the Chairman of the Company**

As on the date of the report the committee had approved the appointment of Mr. Sunil Kumar Patodia as the Non-Executive Non Independent Chairman of the company with effect from August 13, 2021

**C) STAKEHOLDER RELATIONSHIP COMMITTEE**

The Stake Holder Relationship Committee comprises of three Directors. Detailed below in the table is the Constitution & details of the Meeting held during the year.

**Details of the Meeting & Members of Stakeholder Relationship Committee**

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mrs. Hemlata Poddar	Non- Executive Director	Chairman	2	2
Mr. Ajay Kajriwal	Executive Director	Member	2	2
*Mr. Subodh Kumar Agrawal	Independent Director	Member	1	1
**Mr. Bharat Kumar Shah	Independent Director	Member	1	1

\* Mr. Subodh Kumar Agrawal the Independent Director of the Company, was appointed as a Member of the Committee with effect from February 12, 2021.

\*\*Mr. Bharat Kumar Shah, the Independent Director of the Company resigned from the office of Directorship with effect from December 08, 2020 & thereon also ceased be the Member of the Committee.

The Company Secretary acts as a Secretary to the Committee.

The Committee met twice during the Financial Year 2020-21 on November 10, 2020 & February 12, 2021.

The Company obtains half yearly certificate from a Company Secretary in Practise under Regulation 40(9) of the Listing Regulations, confirming the issue of certificates for transfer, sub division, consolidation etc. and submit a copy thereof to the Stock Exchange in terms of Regulation 40(10) of the Listing Regulations. Further the Compliance Certificate under Regulation 7(3) of the Listing Regulations, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also filed with the Stock Exchange on a half yearly basis.

In accordance with Regulation 76 of the SEBI ( Depositories and Participants ) Regulations, 2018 and SEBI Circular No. D & C/ FITTC/Cir- 16/2002 dated December 31, 2002 a Qualified Practising Company Secretary carried out a Share Capital Audit to reconcile the

total admitted Equity Share capital with NSDL & CDSL and the total issued and paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**The terms of reference of the committee include:**

- approval of transfer of Shares/ debenture and issue of Duplicate /split/consolidation/ subdivision of Share.
- to fix record date/ book closure of Share/ debenture transfer book of the Company from time to time
- Monitoring expeditious redressal of investor grievance matters received from stock exchanges, SEBI, ROC etc.
- to carry out any other duties that may be delegated to the committee by the Board of Directors from time to time.

The Secretarial Department of the Company and the Registrar and Transfer Agent, Link In Time India Private Limited (M/s. Sharex Dynamics (India) Private Limited has been merged in to Link in Time India Private Limited (with effect from September 01, 2020) attend to all the grievances of the Shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

Efforts are made to ensure that the grievances are redressed expeditiously to the satisfaction of the Investors.

**Details of Shareholders Complaints received & redressed during the year 20120- 21 are as follows:**

Opening Balance of Complains received	Complains received during the year	Complains Resolved During the Year	Closing Balance of Complains received
0	0	0	0

**D) RISK MANAGEMENT COMMITTEE**

The Risk Management Committee constituted by the Board of Directors is bound to adhere to the Roles & Responsibility as defined by the Board of Directors in the Policy.

**Term of reference of Risk Management Committee:**

- Identifying the Company's Risk appetite.
- Review the risk management practises and structures and recommend changes to ensure their adequacy
- Framing a Risk Management Policy

- Approve and review the risk management plan put in place by the management
- Such other activities as the Board of Directors may determine from time to time.

The Committee is responsible for the overall risk management process & to address the uncertainties if any to be aroused in the operations of the Company.

The Risk Management Committee meets at Regular Interval. The Risk Management Committee comprises of the Senior Management Team of the Company and the Executive Directors.



## E) INVESTMENT COMMITTEE

The Investment Committee is entrusted with the day to day operations with respect to investments to be made in the name and on behalf of the Company. The maximum amount up to which the Investment shall be made by the Investment Committee is already predefined by the Board of Directors.

The decisions taken by the Investment Committee with respect to the Investments made on behalf of the Committee are reviewed by the Board of Directors at the Board Meeting; the decisions taken by the Investment Committee can be altered by the Board of Directors.

The Investment Committee constituted by the Board comprises of Executive & Independent Directors. The details of the Committee Meeting held during the Year along with the Constitution of the Committee are detailed as follows:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Kamal Poddar	Managing Director	Chairman	3	3
Mr. Ajay Kejriwal	Executive Director	Member	3	3
Mr. A K Thakur	Independent Director	Member	3	3

The meeting of Committee was held on December 14, 2020, January 14, 2021 and March 17, 2021 during the year under review.

## F) FINANCE COMMITTEE

The Finance Committee is entrusted with responsibility of day to day business activities and taking decisions on behalf of the Company in respect of Financial matters pertaining to giving Guarantee, availing loan facility from Banks, Financial Institutions, Monitoring adherence to the Budget, setting Finance goals along with the funding strategies to achieve them, Presenting Finance goals to the Board of Director for approval, Creating, approving, and updating policies that help ensure the assets of the organization are protected, Ensuring approved Finance policies and procedures are being followed by the Company.

The maximum amount up to which the loans to be given or to be availed by the Company is predefined by the Board of Directors of the Company. The decisions taken by the Finance Committee with respect to the Financial decisions on behalf of the Committee are reviewed by the Board of Directors at the Board Meeting; the decisions taken by the Finance Committee can be altered by the Board of Directors.

The details of the Committee Meeting held during the Year along with the Constitution of the Committee are detailed as follows:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Kamal Poddar	Managing Director	Chairman	2	2
Mr. Ajay Kejriwal	Executive Director	Member	2	2
Mr. Manoj Singhania	Chief Financial Officer	Member	2	2

The Meeting of the Finance Committee was held on March 16, 2021 and March 23, 2021 during the year under review.

## G) SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee is entrusted majorly with the role of considering and approving the allotment of Shares/ Debentures arising on account of any Corporate action to be initiated by the Company.

The Securities Allotment Committee Meeting was held on December 14, 2020, January 14, 2021 and March 17, 2021 during the Year under review for the conversion of 26,63,473, 25,50,000 and 33,50,000 Warrants into Equivalent number of Equity Shares Respectively.

The Constitution of the Securities Allotment Committee is as follows:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Kamal Poddar	Managing Director	Chairman	3	3
Mr. Ajay Kejriwal	Executive Director	Member	3	3
Ms. Karishma Shah	Company Secretary	Member	3	3

The Meeting of the Securities Allotment Committee was held on December 14, 2020, January 14, 2021 and March 17, 2021 during the year under review.

## H) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Section 135 of the Companies Act, 2013 does not imply to your company, nonetheless your Company understands the importance of its responsibilities towards the society under which we cater our services. Your Company has voluntarily adopted the CSR Policy to shoulder its responsibilities towards the society and has also constituted the CSR Committee to ascertain the activities undertaken by the Company in the best interest of the Society.

The Constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Kanhaiyalal Berwal	Independent Director	Chairman	1	1
Mr. Kamal Poddar	Managing Director	Member	1	1
Mr. Ajay Kejriwal	Executive Director	Member	1	1

\* Note : The Committee Meeting was held on November 10, 2020 during the year under review.

Terms of reference of the Committee are as follows:

- Formulating and recommending to the Board, CSR Policy which shall indicate the activities to be undertaken by the Company as specified in the Schedule VII of the Act;
- Making recommendation on the amount of expenditure to be incurred on CSR activities;
- To monitor the implementation of the activities to be undertaken by the Company.

## AFFIRMATIONS & DISCLOSURES

### a) Compliance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

### b) Related Party Transaction

All transactions entered in to by the company with related parties, during the financial year 2020-21, were in ordinary course of business and on arms-length basis. The details of the Related Party Transaction are set out in the notes to the Financial Statement in accordance with "IND AS" forming part of this Annual Report.

The Related Party Transaction undertaken by the Company were in compliance with the provisions set out in the Companies Act, 2013 read with rules issued there under and Regulation 23 (1) of the Listing Regulations.

The Audit Committee during the Financial Year 2020-21 has approved Related Party Transactions while granting omnibus approval in line with the policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 read with Rules issues thereunder and the Listing Regulations (including any statutory modification(s) or re-enactments thereof for time being in force, deviations if any to the said process have been brought to the attention of the Audit Committee.

The related party transactions entered in to by the Company pursuant to the omnibus approval granted by the Audit Committee is reviewed at least on a quarterly basis by the said Committee.

The related party transaction policy has been placed and can be accessed on the company's website [www.choiceindia.com](http://www.choiceindia.com)

There are no materially significant Related Party Transactions of the Company which have potential conflict with the interest of the Company at a large.

However the company is in the process of entering into the related party transaction for acquisition of 50% stake in M/s Choice Insurance Broking India Private Limited. The resolution seeking approval forms part of the notice of the 28th AGM.

### c) Vigil Mechanism/ Whistle Blower Policy

Pursuant to Section 177(9)& (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has

formulated Whistle Blower Policy for Vigil Mechanism of Directors and Employees to report to the management about Unethical behaviour, fraud or violation of the Company's Code of Conduct.

The Company has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and Business Associates to raise their concerns in a responsible and effective manner regarding suspected unethical matters involving serious malpractice or wrong doing within the organisation and also to safeguard against victimization. The Mechanism provides adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the Audit Committee in exceptional cases.

In accordance with the provisions of Regulation 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered in to any agreement for themselves or on behalf of any other person, with any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

### d) Details of Non - Compliance by the Company, Penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to Capital Markets during last three Financial Year

The Company has complied with all requirements specified under the Listing Regulations as well as other Regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchange or any statutory authority for non-compliance of any matter related to Capital Markets during the last three Financial Years.

### e) Policy Determining Material Subsidiaries

Pursuant to requirements of Regulation 16 and Regulation 23 of the Listing Regulations the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's Website at [www.choiceindia.com](http://www.choiceindia.com)

During the year under review, the policy for determining material subsidiaries was suitably modified to be at par with the recent amendments to the Listing Regulations.



The Minutes of the Board meeting of the subsidiary company are placed at the Board Meeting of the Company on periodical basis. All significant transactions and arrangements entered in to by the unlisted subsidiary if any are brought to the notice of the Board of Directors of the Company.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's website at given link: [www.choiceindia.com](http://www.choiceindia.com)

**f) Disclosure of Accounting Treatment**

In the preparation of the financial statements the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**g) Risk Management**

Business Risk Management is an on-going process within the Company. The assessment is periodically examined by the Company.

**h) Website**

The Company ensures updating the applicable information under Regulation 46(2) of the Listing Regulations on the Company's website ([www.choiceindia.com](http://www.choiceindia.com)). A separate tab on "Investor Relations" on the website contains details relating to the financial results declared by the Company, Shareholding Pattern, Corporate Governance, and such other News and Announcements made by the Company to the exchange under the tab "News & Announcements".

**l) Secretarial Compliance Report**

SEBI vide its circular No. CIR/CFD/CMD 1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulation, direct listed entities to conduct Annual Secretarial Compliance Audit from a practising Company Secretary of all applicable SEBI Regulations and Circulars/ guidelines issued thereunder. The said secretarial Compliance report is in addition to the Secretarial Audit Report by practising Company Secretaries under Form MR - 3 and is required to be submitted to the exchange within 60 days of the end of the Financial Year.

The Company has obtained the certificate from M/s. R M Mimani & Associates LLP (Company Secretaries) (Company Secretaries).

Attached is the Secretarial Compliance Report as Annexure forming Part of the Board Report.

**J) Certificate from Practising Company Secretary**

Certificate as required under Part C of Schedule V of Listing Regulations, received from M/s. R M Mimani & Associates LLP (Company Secretaries) (Firm Registration No. 12001MH250300) that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority was placed before the Board of Directors at their meeting held on August 13, 2021

The Company has obtained the certificate from M/s. R M Mimani & Associates LLP (Company Secretaries).

Attached is the Secretarial Compliance Report as Annexure forming Part of the Board Report.

**K) Recommendations of Committees of the Board**

There were no instances during the Financial Year 2020-21 wherein the Board has not accepted recommendations made by any committee of the Board.

**L) Total Fees Paid to the Statutory Auditors of the Company**

Total fees of Rs. 56,03,800/- was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part for the Financial Year 2020-21.

**M) Disclosure relating to Sexual Harassment of women at Work Place (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an effective mechanism for dealing with complaints relating to sexual harassment at work place. The details relating to the number of complaints received and disposed of during the financial year 2020-21 are as under:

- a. Number of Complaints filed during the financial year: Nil
- b. Number of Complaints disposed of during the Financial Year: Nil
- c. Number of Complaints pending as on end of the Financial Year : Nil

**N) Code of Conduct**

The Company has adopted a Code of Conduct for all employees including the members of the Board and Senior Management Personnel. All members of the Board and Senior Management Personnel have affirmed Compliance with the said Code of Conduct for the Financial Year 2020-21. The declaration from our Managing Director, Mr. Kamal Poddar affirming the same forms the part of this report.

**O) SEBI Complaints Redress System (SCORES)**

Securities and Exchange Board of India (SEBI) administers a centralised web based complaints redress system (SCORES). It enables investors to lodge and follow up complaints and track the status of redressal online on the website [www.scores.gov.in](http://www.scores.gov.in). It also enables the Company to receive the Complaints from Investor against them, redress such complaints and report redressal. All the activities starting from lodging the complaint till its disposal are carried online in an automated environment and the status of every complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on Scores and endeavours to resolve all investor complain received through scores.

**P) Disclosure on Commodity Price Risk and Commodity Hedging Activities**

The Company has in place a mechanism to inform the Board Members about the Risk assessment, mitigation Plans and periodical reviews faced by the Company. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal financial controls.

The Company does not involve in commodity hedging activities.

**Q) Details of Utilization of Funds raised through Preferential Allotment or qualified Institution placement as specified under Regulation 32(7A):**

On January 02, 2020, on the receipt of the 25 % of the Consideration amount, the Securities Allotment Committee of the Company had allotted 1,98,00,000 warrants to be converted in to Equivalent number of Equity Shares within 18 months of allotment at a Price of Rs. 51/- per warrant to the Promoter & Person's other than the Promoter group on the terms & conditions prescribed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable laws.

During the Year under review on the receipt of the Balance 75 % consideration amount & on the application of the allottee, the Warrants were converted in to equivalent number of Equity shares.

As so on date of the Report, there are no outstanding Warrants to be converted in to Equity Shares & none of the warrants were forfeited. All the Warrants so allotted were converted in to Equivalent Number of shares within the given time frame of 18 Months.

The amount so received on conversion of the warrants were fully utilized for the working capital requirement of the Company & other general corporate purpose.

**R) Means of Communication**

Effective Communication of information is an essential component of Corporate Governance. It is process of sharing information, ideas, thoughts, opinions and plans to all stake holders which promote management - shareholders relations. The Company regularly interacts with its members through multiple channels of Communications such as results, announcements, annual reports and the website of the Company and the stock exchanges.

**i) Quarterly Result**

The Unaudited quarterly/ half yearly financial results are announced within 45 days of the end of the respective quarter. The audited annual financial results are announced within 60 days of the close of the financial year as per the requirement of the Regulation 33 of the Listing Regulations. However due to the on-going pandemic COVID -19, the company availed the benefit of relaxations granted by "SEBI" on announcement of Financial Results. The aforesaid financial results are sent to BSE Limited (BSE) where the shares of the company are listed. These results are thereafter published within 48 hours in one English Newspaper (Financial Express) & one local newspaper (Navshakti/ Aparamahanagr) as well as placed on the website of the Company.

**ii) Website**

In Compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under "Investors Relation" on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, Quarterly / Half Yearly/ Nine Months and Annual Financial results along with the applicable policies of the Company at [www.choiceindia.com](http://www.choiceindia.com)

**iii) Stock Exchange**

The Company makes timely disclosures of necessary information to BSE Limited in terms of Listing Regulations and other rules & regulations issued by the SEBI

**iv) BSE Listing Centre**

The Financial Results, Shareholding Pattern and Quarterly report on Corporate Governance and other filings required to be made to the stock exchanges are electronically filed at BSE portal i.e. [listing.bseindia.com](http://listing.bseindia.com), pursuant to Regulation 10(1) of the SEBI (LODR Regulations) BSE has mandated the Listing Centre as the "Electronic Platform" for filing all mandatory and any other information to be filed with the Stock Exchanges by Listed Entities. BSE also mandated XBRL submissions for Shareholding Pattern & Corporate Governance. All the data relating to financial results, various submissions/ disclosure documents etc., have been electronically filed and Shareholding pattern & corporate governance Report have been filed in XBRL mode with the Exchange on the "Listing Centre", (<http://listing.bseindia.com>)

**v) Price Sensitive Information**

All price sensitive information and such other matters which in the opinion of the Company are of importance to the Shareholders/ investors are promptly intimated to the Stock Exchanges. Material developments relating to the company

are potentially price sensitive in nature or which could impact continuity of publicly available information regarding the Company are disclosed to the Stock Exchanges in terms of the Company's policy for determination of Materiality of Events/ Information.





**N) The Disclosure of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)**

Sr. No	Particulars	Regulations	Brief Description of the Regulation	Compliance Status
1	Board of Directors	17(1)	Composition of Board	Complied
		17(2)	Meeting of Board of Directors	Complied
		17(3)	Review of Compliance Report	Complied
		17(4)	Plans for orderly succession for appointments	Complied
		17(5)	Code of Conduct	Complied
		17(6)	Fees/ Compensation	Complied
		17(7)	Minimum information to be placed before the Board	Complied
		17(8)	Compliance Certificate	Complied
		17(9)	Risk Assessment & Management	Complied
		17(10)	Performance Evaluation	Complied
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Complied
		18(2)	Meeting of Audit Committee	Complied
		18(3)	Role of the Committee and review of information by the committee	Complied
3	Nomination & Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Complied
		19(3)	Presence of Audit Committee chairman at the Annual General Meeting	Complied
4	Stakeholder Relationship Committee	19(4)	Role of the Committee	Complied
		20(1), 20(2) & 20(3)	Composition of stake holder relationship committee	Complied
5	Risk Management Committee	20(4)	Role of the Committee	Complied
		21(1), (2) & (3)	Composition of Risk Management Committee	Not Applicable
6	Vigil Mechanism	21(4)	Role of the Committee	Not Applicable
		22	Formulation of Vigil Mechanism for Directors and Employees	Complied
7	Related Party Transaction	23(1), 23(5), 23(6), 23(7), 23(8)	Policy for Related Party Transaction	Complied
		23(2) & 23(3)	Omnibus approval by the Audit Committee & review of transaction	Complied
		23(4)	Approval of material related party transaction	Complied
		24(1)	Composition of Board of Director of material unlisted subsidiary	Complied
8	Subsidiaries of the Company	24(2), 24(3), 24(5) & 24(6)	Other requirements as stipulated under the regulations	Complied
		25(1) & (2)	Maximum Directorship & Tenure	Complied
9	Obligations with respect to Independent Directors	25(3)	Meeting of Independent Directors	Complied
		25(4)	Review of Performance of Independent Director	Complied
		25(7)	Familiarisation of Independent Director	Complied
10	Obligation with respect to Directors and senior management	26(1) & (2)	Membership & Chairman of the Committee	Complied
		26(3)	Compliance to code of conduct for Board of Directors and Senior Management employees	Complied
		26(4)	Disclosure of Shareholding Pattern by Non - Executive Director	Complied
		26(5)	Disclosure on Conflict of Interest by senior management	Complied
		27(1)	Compliance of Discretionary requirements	Complied
11	Other Corporate Governance Requirements	27(2)	Filing of quarterly compliance report on Corporate Governance	Complied
		46(2)(b)	Terms and conditions of appointment of Independent Director	Complied
12	Disclosures on Website of the Company	46(2) c	Composition of various committee of Board of Directors	Complied
		46(2) (d)	Code of conduct of Board of Directors and senior management personnel	Complied
		46(2) (e)	Details of establishment of vigil mechanism	Complied
		46(2) (f)	Criteria for making payment to Non - Executive Directors	Complied
		46(2) (g)	Policy on dealing with related party transaction	Complied
		46(2)(h)	Policy for determining Material subsidiaries	Complied
46(2) (l)	Details of familiarisation programmes imparted to independent Directors	Complied		

**O) Details of Compliance with Non- Mandatory requirements:**

- During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt the best practises to safeguard the practice of Unmodified audit opinion.
- The Internal Auditor has a direct access to the Audit Committee, he participates in the Audit Committee Meetings and presents his reports with the observations to the Audit Committee.

**GENERAL SHAREHOLDER INFORMATION**

**I) Company Registration Details:**

The Company is registered in the state of Maharashtra, India, under the jurisdiction of Registrar of Companies, Mumbai.

**Corporate Identity Number (CIN No): L67190MH1993PLC071117**

**II) Financial Year April 1, 2020 to March 31, 2021**

**III 28th Annual General Meeting for the Financial Year 2020-21**

Day and Date	Thursday, September 23, 2021
Time	03.00 PM
Mode	Through Video Conferencing / other Audio Visual Means as set out in the Notice convening Annual General Meeting
Financial Year	2020-21
Book Closer	(Friday) September 17, 2021 to (Thursday) September 23, 2021 (Both days inclusive)

**IV) Listing Details**

Stock Exchange on which Shares are Listed	BSE Limited (Bombay Stock Exchange)
Stock Code	531358
Script Id	CHOICEIN
ISIN	INE102B01014

**v) Dividend History**

Financial Year	Type of Dividend	Date of Declaration	Dividend Per Share of the Face Value of Rs. 10 each
2011-12	Final	September 28, 2012	10%
2012-13	Final	September 16, 2013	10%
2013-14	Final	September 27, 2014	10%
2014-15	Final	September 26, 2015	10%
2015-16	Final	September 20, 2016	10%
2016-17		Dividend Not Declared	
2017-18		Dividend Not Declared	
2018-19		Dividend Not Declared	
2019-20		Dividend Not Declared	
2020-21		Dividend Not Declared	

**VI) Unclaimed Dividend**

Pursuant to the provisions of Section 124 of the Companies Act, 2013 (the Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter called "the IEPF Rules"), the amount of dividend which remain unclaimed or unpaid for a period of seven years from the date of transfer of such amount to the Unpaid Dividend Account opened in pursuance of sub-section (1) of the said Section is required to be transferred to the Investor Education and Protection Fund (IEPF) established under sub-section (1) of Section 125 of the Act.

Accordingly, the unclaimed dividend in respect of the financial year 2013-14 is due for transfer to the IEPF in September 30, 2021. Members, who have not yet claimed their dividend for the financial year 2013-14 or for any subsequent financial years, are requested to claim the same from the Company. Additionally, pursuant to sub-section (6) of Section 125 of the Act read with the IEPF Rules, all shares in respect of which dividend has not been claimed for the past seven consecutive years shall be transferred by the Company in the name of IEPF Authority by way of credit to the Demat Account established by the IEPF Authority on or before September 30, 2021 or such other date as may be specified by the Central Government in this regard.



Any member whose shares are thus transferred to IEPF may claim his/her/its shares under proviso to Section 124(6) of the Act by following the process given under Rule 7 of the IEPF Rules. In terms of the relevant IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends (Final Dividend) for the financial years from 2013-14 to 2015-16 as on the date of the Twenty Third Annual General Meeting (AGM) held on September 20, 2016, on the website of the Pursuant to the provisions of Sections 124 and 125 of the Act, the Company has transferred an amount of Rs. 2,37,688/- (Rupees Two Lakh Thirty Seven Six Hundred Eighty Eight Only), being the unclaimed dividend for the financial year 2012-13 to IEPF for the year 2020.

During the year under review, the Company had sent individual notices seeking action from shareholder, who has not claimed Dividend & whose shares have been transferred to IEPF.

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF can be claimed from IEPF following the procedures prescribed in the IEPF Rules. Shareholders whose unclaimed Dividend and Shares have been transferred to IEPF can claim the same from IEPF by filing Form IEPF 5 with the IEPF authorities.

Given below are the dates of declaration of dividend and corresponding last dates for claiming unpaid Dividend.

Financial Year	Type of Dividend	Date of Declaration of Dividend	Last date for claiming unclaimed Dividend
2013-14	Final	September 27, 2014	October 3, 2021
2014-15	Final	September 26, 2015	October 1, 2022
2015-16	Final	September 20, 2016	October 1, 2023

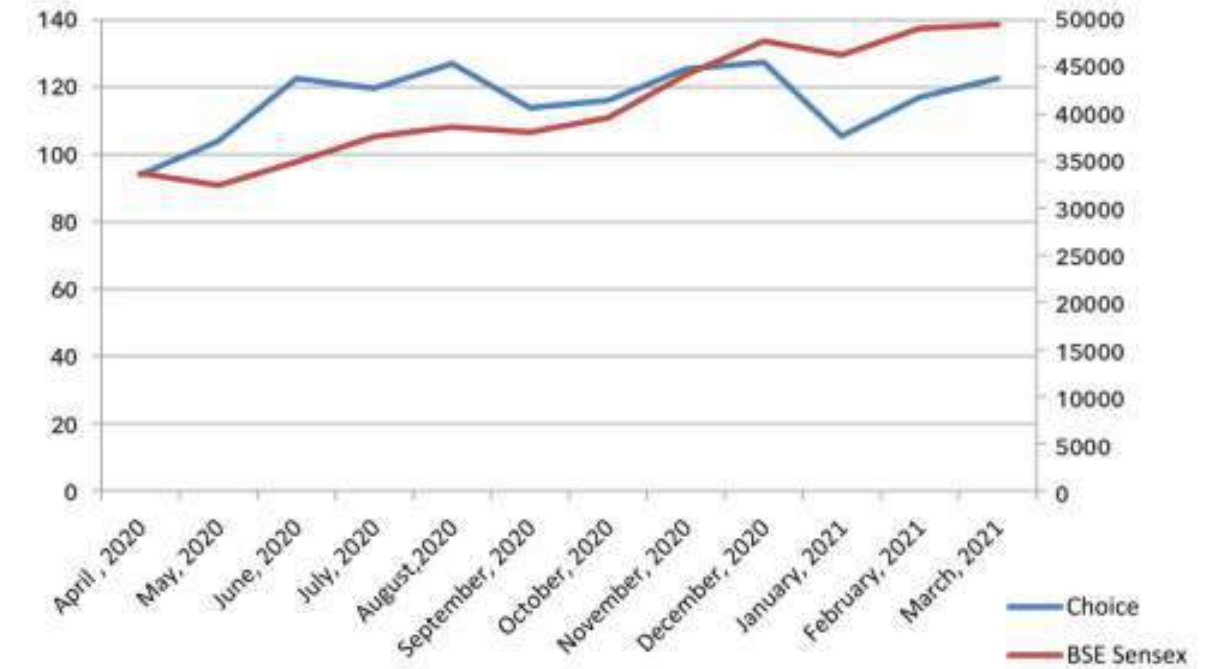
#### VII) Details of General Body Meetings of Last three years

Financial Year	Date	Time	Venue	Special Resolutions if any
2017-18	September 27, 2018	11.00 AM	Hotel Radisson, X-22, MIDC, Central Park, Hanuman Nagar, Andheri (East), Mumbai - 400093	-
2018-19	September 27, 2019	12.30PM	Hotel Kohinoor Continental, Andheri Kurla Road, J B Nagar, Andheri (East), Mumbai - 400059	Re-appointment of Mr. Kamal Poddaras as the Managing Director of the Company
2019-20	September 30, 2020	11.00 AM	Video Conferencing / Other Audio Visual Means	-

#### VIII) Market Price Data

Month	Choice High (BSE)	Choice Low (BSE)	Close Price (BSE)	BSE Sensex High	BSE Sensex Low	BSE Sensex Close
April, 2020	94.10	71.15	93.95	33887.25	27500.79	33717.62
May, 2020	105.00	88.50	104.00	32845.48	29968.45	32424.10
June, 2020	123.00	99.45	122.55	35706.55	32348.10	34915.80
July, 2020	149.90	115.40	119.65	38617.03	34927.20	37606.89
August, 2020	141.00	112.50	127.00	40010.17	36911.23	38628.29
September, 2020	128.00	102.50	113.85	39359.51	36495.98	38067.93
October, 2020	133.15	105.55	116.05	41048.05	38410.20	39614.07
November, 2020	126.00	111.00	125.40	44825.37	39334.92	44149.72
December, 2020	133.00	111.10	127.40	47896.97	44118.10	47751.33
January, 2021	127.75	104.95	105.45	50184.01	46160.46	46285.77
February, 2021	121.00	106.20	117.00	52516.76	46433.65	49099.99
March, 2021	134.65	112.70	122.60	51821.84	48236.35	49509.15

#### Comparison Chart



#### IX) Registrar & Share Transfer Agent

M/s. Link Intime India Pvt Ltd  
 Address: C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.  
 Contact No: 022 - 4918 6270; Fax No: 022 - 4918 6060  
 Website: <https://www.linkintime.co.in/>  
 Email: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

#### X) Distribution of Shareholding as on March 31, 2021:

No. of Equity Shares	No. of Shareholder	% of total No. of Shareholders	Share Amount (In Rs.)	% total of Share Capital
1 to 5000	1842	93.83	775322	2.71
5001 to 10000	51	2.60	413729	1.44
10001 to 20000	14	0.71	190376	0.67
20001 to 30000	8	0.41	193999	0.68
30001 to 40000	3	0.15	111118	0.39
40001 to 50000	6	0.31	291750	1.02
50001 to 100000	5	0.26	448046	1.57
100001 to above	34	1.73	26143933	91.52
<b>Total</b>	<b>1963</b>	<b>100.00</b>	<b>28568273</b>	<b>100.00</b>



XI) Categories of Shareholder as on March 31, 2021

No	Category of Shareholder	Total No. of Shares	% of Total Shares
(A)	<b>Shareholding of Promoter &amp; Promoter Group</b>		
a	Individuals	1,75,50,011	61.43
b	Bodies Corporate	6,00,000	2.10
	<b>Total Promoter Shareholding (A)</b>	<b>1,81,50,011</b>	<b>63.53</b>
(B)	<b>Public Shareholding</b>		
a	<b>Institutions</b>		
	i. Mutual Funds/UTI	-	-
	ii. Financial Institution/Banks	-	-
	iii. Foreign Portfolio Investor	-	-
	iv. Insurance Companies	-	-
	v. Foreign Financial Institution	-	-
	vi. Foreign Mutual Fund	-	-
	Sub Total (Ba)	-	-
b	<b>Non - Institution</b>		
	i. Bodies Corporate	2,55,8513	8.96
	ii. Individual	75,99,878	26.60
c	<b>NRI</b>	44,630	0.16
d	<b>Clearing Members</b>	4,029	0.01
e	<b>HUF</b>	2,08,120	0.73
f	<b>IEPF</b>	3092	0.01
	Sub Total (Bb)		
	<b>Total Public Shareholding (B) (Ba+ Bb+ Bc+ Bd+ Be+ Bf)</b>	<b>1,04,18,262</b>	<b>36.47</b>
	<b>Grand Total (A+B)</b>		<b>100</b>

XII) Top Ten Shareholders as on March 31, 2021 other than Promoter & Promoter Group

Sr. No	Name of the Shareholder	No. of Shares Held	% of Holding
1	M/s. Azura Projects Private Limited	1285026	4.50
2	Mr. Ravi Agarwal	1000000	3.50
3	M/s. Florence Securities Private Limited	785684	2.75
4	Mr. Suresh Kumar Jajoo	600000	2.10
5	Ms. Vimla Suresh Jajoo	600000	2.10
6	Mr. Ankit Jajoo	600000	2.10
7	Ms. Seeptra Kabra	600000	2.10
8	Mr. Jitendra Kumar Bhagat	500000	1.75
9	Ms. Lliy Agarwal	500000	1.75
10	M/s. Chartered Capital Research Private Limited	414212	1.45

XIII) Address of Correspondence

Compliance Officer	R&T Agent: Link Intime India Pvt Ltd	Correspondence with the Company
<b>Ms. Karishma Shah</b> <b>Company Secretary &amp; Compliance Officer</b> Choice House, Shree Shakambhari Corporate Park, Plot No - 156 - 158, Andheri ( East), Mumbai - 400099 Email Id: karishma.shah@choiceindia.com	M/s. Link Intime India Pvt Ltd Address: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083. Tel No : 022 - 4918 6270 Fax No: 022 - 4918 6060 Website: www.linkintime.co.in Email: mt.helpdesk@linkintime.co.in	Choice House, Shree Shakambhari Corporate Park, Plot No - 156 - 158, Andheri ( East), Mumbai - 400099 Email Id: info@choiceindia.com

XIV) Dematerialisation of Shares

As on March 31, 2021 total dematerialised Equity Shares of the Company amounts to 99.77% of the Company's Capital ( CDSL : 85.64% & NSDL 14.13% ). The Company has entered in to an Agreement with Central Depository (India) Limited ( CDSL ) & National Securities Depository Limited ( NSDL ) where by the Shareholders have an option to dematerialise their shares with either of the depositories.

XV) Share Transfer System

M/s. Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of Shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transfer of Shares, transmission of shares, requests for deletion of name of the shareholders etc. to the designated officials of the Company. However the transactions in respect of issuance of duplicate share certificates, split, rematerialisation, consolidation and renewal of Share Certificates are approved by the Stakeholder Relationship Committee of the Board of Directors of the Company.

All the documents received from the shareholders are scrutinized by the Company RTA . The Shares lodged for transfer, etc are processed and Share Certificates duly endorsed are returned within the stipulated time subject to documents being valid and complete in all respects.

In all cases of transfer of shares in physical mode an intimation letter is being sent to the transferor (s) informing them of the lodgement of Transfer and in case of any objections to said transfer to revert within fifteen days with copy to transferee(s).

A summary of approved transfers, transmission, deletion requests, etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

On behalf of the Board of Directors:

Sd/-  
Kamal Poddar  
(Managing Director)  
DIN No: 01518700  
Place: Mumbai  
Date: August 13, 2021

Sd/-  
Ajay Kejriwal  
(Director)  
DIN No: 03051841



### CEO/ CFO Certification

We the under signed, in our respective capacities as Managing Director (CEO) and Chief Financial Officer of Choice International Limited ("the Company") to the best of our knowledge and behalf certify that:

- a) We have reviewed financial statement and the Cash Flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transaction entered in to by the Company during the year, which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
  - i) Significant Changes, if any, in internal control over financial reporting during the year;
  - ii) Significant Changes, if any, in accounting policies during the year and the same have been disclosed in the notes to financial statements; and
  - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control systems over financial reporting.

For Choice International Limited

Sd/-  
(Kamal Poddar)  
Managing Director  
DIN No.: 01518700  
Mumbai  
Date: August 13, 2021

Sd/-  
(Manoj Singhanaia)  
Chief Financial Officer

### AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

**The Members of  
Choice International Limited**  
[CIN: L67190MH1993PLC071117]  
Shree Shakambhari Corporate Park,  
156 1 Chakravorty Ashok Society,  
J.B. Nagar, Andheri (E), Mumbai -400099

We have examined the compliance of conditions of Corporate Governance by **Choice International Limited** ("the Company") for the financial year ended on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the LODR.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid provisions of LODR during the financial year ended March 31, 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For R M Mimani & Associates LLP**  
[Company Secretaries]  
[Firm Registration No. L2015MH008300]

Sd/-  
Manoj Mimani  
(Partner)  
ACS No: 17083  
CP No: 11601  
PR No.: 1065/2021  
UDIN: A017083C000778250

Place: Mumbai  
Dated: August 13, 2021





# Standalone Independent Auditor's Report



## INDEPENDENT AUDITOR'S REPORT

### To The Members of Choice International Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **Choice International Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the standalone and consolidated financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is

materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Director's Report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities relating to Other Information'.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to





- provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our auditwe report, to the extent applicable that:
  - 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.
  - 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

including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There has been no delay in transferring amounts, required to be transferred to Investor education and protection fund (IEPF) by the Company except for the following:

Nature of dues	Amount	Due date	Actually paid
Unclaimed Dividend	2,37,688	30.10.2020	08.04.2021

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

**G.K. Subramaniam**

(Partner)

(Membership No. 109839)

UDIN: 21109839AAAAI16034

Place: Mumbai

Date: 25th June, 2021

#### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Choice International Limited** (the "Company") as of 31st March, 2021 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 Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditors' 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 controls 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 generally accepted accounting principles. A company's internal financial controls 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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the 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 improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting are operating effectively as at 31st March, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

**G.K. Subramaniam**

(Partner)

(Membership No. 109839)

UDIN: 21109839AAAAI16034

Place: Mumbai

Date: 25th June, 2021



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Choice International Limited for the year ended 31st March, 2021)

## (i) In respect of the Company's Property, Plant &amp; Equipment:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.
- (b) The Company has a program to verify Property Plant & Equipment once in every 3 years which, in our opinion, the same is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the company had done physical verification in the financial year 18-19 and no Property Plant & Equipment were physically verified by the Management during the year.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered conveyance deeds provided to us, we report that the title deeds, comprising the immovable property of land and building, which is freehold, is held in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- (c) There is no amount overdue for more than 90 days at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) To the best of our knowledge and according to the information and explanations given to us, the Company has not accepted any deposit during the year and no order in this respect has been passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunals in regard to the Company.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order with respect to maintenance of cost records under Section 148(1) of the Act is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues of Provident Fund, Employees' State Insurance, Income-tax and Goods and Services Tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the provisions of Custom Duty is not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Service Tax, cess and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

(c) Details of disputed Income-tax amount paid under protest is given below:

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid
Income Tax Act, 1961	Income tax demand u/s 143(3)	CIT (Appeals)	A.Y. 2017-18	1,733,580	1,733,580
Income Tax Act, 1961	Income tax demand u/s 143(3)	CIT (Appeals)	A.Y. 2018-19	2,580,400	2,580,400

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. Further, the Company does not have any loans or borrowings from government and has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of further public offer (through conversion of share warrants) and term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made preferential allotment of share warrants and conversion thereto in equity shares during the year.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) On 20th August 2018, the Company has surrendered the NBFC license to RBI. The confirmation of cancellation of such license have been received by the Company vide RBI letter ref

No.65/02.13.001/2020-21, dated 25th November, 2020, hence reporting under this clause is not applicable.

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

Sd/-  
**G.K. Subramaniam**  
(Partner)  
(Membership No. 109839)  
UDIN: 21109839AAAII6034

Place: Mumbai  
Date: 25th June, 2021



- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) On 20th August 2018, the Company has surrendered the NBFC license to RBI. The confirmation of cancellation of such license have been received by the Company vide RBI letter ref

No.65/02.13.001/2020-21, dated 25th November, 2020, hence reporting under this clause is not applicable.

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

Sd/-  
**G.K. Subramaniam**  
(Partner)  
(Membership No. 109839)  
UDIN: 21109839AAAII6034

Place: Mumbai  
Date: 25th June, 2021



CHOICE INTERNATIONAL LIMITED  
 STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

(Rs. in Lakhs)

Particulars	Note No.	As at	As at
		March 31, 2021	March 31, 2020
		Audited	Audited
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
(a) Property, Plant and Equipment	3	6,179.85	6,245.65
(b) Investment Property	4	120.00	120.00
(c) Intangible Assets	5	7.14	11.96
(d) Intangible Assets Under Development	5	13.47	11.20
(e) Financial Assets -			
(i) Investments	6	13,383.45	8,883.45
(ii) Other Financial Assets	7	4.38	506.63
(f) Income Tax Assets (Net)	8	74.71	80.63
<b>Current Assets:</b>			
(a) Financial Assets:			
(i) Trade Receivables	9	53.40	356.39
(ii) Cash and Cash Equivalents	10	1.67	314.93
(iii) Bank balance other than (ii) above	11	7.44	7.51
(iv) Loans	12	3,959.79	2,672.74
(b) Other Current Assets	13	15.58	16.11
<b>Total Assets</b>		<b>23,820.88</b>	<b>19,227.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	2,856.83	2,000.48
(b) Other Equity	15	17,242.59	14,592.77
		<b>20,099.42</b>	<b>16,593.25</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	1,758.17	-
(b) Provisions	17	7.76	6.59
(c) Deferred Tax Liabilities (Net)	18	265.52	211.49
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	1,421.19	2,329.94
(ii) Trade Payables			
(a) Dues of micro enterprises and small enterprises	20	0.23	3.79
(b) Dues of creditors other than micro enterprises and small enterprises	20	34.07	34.11
(iii) Other Financial Liabilities	21	213.02	-
(b) Other Current Liabilities	22	19.44	46.43
(c) Provisions	23	2.06	1.60
<b>Total Liabilities</b>		<b>3,721.46</b>	<b>2,633.95</b>
<b>Total Equity and Liabilities</b>		<b>23,820.88</b>	<b>19,227.20</b>

Summary of Significant Accounting Policies 1-2

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

This is the Balance Sheet referred to in our report of the even date.

For **Deloitte Haskins & Sells LLP**  
 Chartered Accountants  
 Firm Registration Number : 117366W/W-100018  
 Sd/-  
**G. K. Subramaniam**  
 Partner  
 Membership Number :109839

 Place : Mumbai  
 Date : June 25, 2021

For and on behalf of the Board of Directors  
 Sd/-  
**Kamal Poddar**  
 Managing Director  
 DIN: 01518700

Sd/-  
**Ajay Kejriwal**  
 Director  
 DIN: 03051841

Sd/-  
**Manoj Singhania**  
 Chief Financial Officer  
 Place : Mumbai  
 Date : June 25, 2021

Sd/-  
**Karishma Shah**  
 Company Secretary  
 Place : Mumbai  
 Date : June 25, 2021



STANDALONE STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	(Rs. in Lakhs)	
		For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
		Audited	Audited
<b>I Revenue from Operations</b>	24	835.83	875.89
Other Income	25	30.91	26.19
<b>Total Income</b>		<b>866.74</b>	<b>902.08</b>
<b>II Expenses</b>			
Employee Benefits Expense	26	83.34	78.38
Finance Costs	27	192.05	154.31
Depreciation and Amortization Expense	28	71.39	73.72
Other Expenses	29	192.11	299.45
<b>Total Expenses</b>		<b>538.89</b>	<b>605.86</b>
<b>III Profit / (loss) before exceptional items and tax (I- II)</b>		<b>327.85</b>	<b>296.22</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>327.85</b>	<b>296.22</b>
<b>VI Tax Expense:</b>			
Current Tax		75.89	70.90
Earlier Years Tax Expense		6.48	-
Deferred Tax		15.28	27.90
<b>Total Tax Expense</b>		<b>97.65</b>	<b>98.80</b>
<b>VII Profit / (loss) for the period (VII-VIII)</b>		<b>230.20</b>	<b>197.42</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains/ (losses) on defined benefit obligations		0.59	1.13
Tax Effect on above		(0.16)	(0.47)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>0.43</b>	<b>0.66</b>
<b>IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit/ (Loss) and Other Comprehensive Income for the year)</b>		<b>230.63</b>	<b>198.08</b>
<b>X Earnings Per Equity Share (Face Value INR 10 Per Share):</b>			
Basic (Rs.)	30	1.07	0.99
Diluted (Rs.)	30	0.70	0.93

The Notes referred are an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of the even date.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018  
Sd/-  
G. K. Subramaniam  
Partner  
Membership Number : 109839

Place : Mumbai  
Date : June 25, 2021

For and on behalf of the Board of Directors  
Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

Sd/-  
Manoj Singhania  
Chief Financial Officer  
Place : Mumbai  
Date : June 25, 2021

Sd/-  
Ajay Kejriwal  
Director  
DIN: 03051841

Sd/-  
Karishma Shah  
Company Secretary  
Place : Mumbai  
Date : June 25, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR  
ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	327.85	296.22
<b>Adjustments:</b>		
Depreciation and amortisation	71.39	73.72
Finance costs	192.05	154.31
Profit on sale of Property, Plant & Equipment	-	-
Profit on sale of Investment	-	(9.75)
Interest Income	(30.62)	(23.96)
Sundry Balances Written off	2.09	-
Provision for Employee benefit expenses	2.23	1.92
<b>Operating profit before working capital changes</b>	<b>564.99</b>	<b>492.46</b>
<b>Movements in assets and liabilities :</b>		
Decrease/(Increase) in Trade receivables	302.99	(217.38)
Increase / (Decrease) in Trade Payables	(3.61)	(15.89)
Increase / (Decrease) in Other Current Financial Liabilities	213.03	(10.59)
Increase / (Decrease) in Other Current Liabilities	(26.99)	17.83
Decrease/(Increase) in Other Current Financial Assets	502.26	(489.37)
Decrease/(Increase) in Other Current Assets	(1.56)	15.23
Decrease/(Increase) in Other Bank Balances	0.08	0.58
Increase / (Decrease) in Current Provisions	-	-
<b>Cash Generated From Operations</b>	<b>1,551.19</b>	<b>(207.13)</b>
Income taxes paid	(37.87)	(73.75)
<b>Net cash flow from operating activities (A)</b>	<b>1,513.32</b>	<b>(280.88)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(0.78)	(0.87)
Purchase of Intangible Asset	(2.27)	(2.25)
Proceeds from sale of Property, Plant & Equipment	-	-
Investment in Equity instruments of subsidiary company	(3,700.00)	(2,000.00)
Proceeds from Sale of investments of a subsidiary	-	22.50
Proceeds from Sale of Investment in Associate	-	-
Proceeds from Sale of Investment in Other Company	-	-
Decrease/(Increase) in Financial assets - loans	(2,087.06)	(2,654.42)
<b>Net Cash used in Investing Activities (B)</b>	<b>(5,790.11)</b>	<b>(4,635.04)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Current and Non Current Borrowings	849.43	2,239.57
Proceeds from Share Application money	(1,091.83)	2,524.50
Proceeds from Share issued	856.35	-
Proceeds from Security Premium	3,511.01	-
Interest Income	30.62	23.96
Finance costs	(192.05)	(154.31)
<b>Net Cash from Financing Activities (C)</b>	<b>3,963.53</b>	<b>4,633.72</b>
<b>Net cash increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(313.26)</b>	<b>(282.20)</b>
Cash and cash equivalents at the beginning of the year	314.93	597.13
Cash and cash equivalents at the end of the year	1.67	314.93
<b>Net cash increase/(decrease) in cash and cash equivalent</b>	<b>(313.26)</b>	<b>(282.20)</b>

Note:

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

This is the Cash Flow Statement referred to in our report of the even date.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018  
Sd/-  
G. K. Subramaniam  
Partner  
Membership Number : 109839

Place : Mumbai  
Date : June 25, 2021

For and on behalf of the Board of Directors  
Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

Sd/-  
Manoj Singhania  
Chief Financial Officer  
Place : Mumbai  
Date : June 25, 2021

Sd/-  
Ajay Kejriwal  
Director  
DIN: 03051841

Sd/-  
Karishma Shah  
Company Secretary  
Place : Mumbai  
Date : June 25, 2021





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

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

Particulars	Numbers of Shares (in lakhs)	Amount (Rs. in lakhs)
Balance as at April 01, 2019	200.05	2,000.48
Changes in equity share capital during the Year ended March 31, 2020	-	-
Balance as at March 31, 2020	200.05	2,000.48
Changes in equity share capital during the period	85.63	856.35
Balance at the March 30, 2021	285.68	2,856.83

B : Other Equity

(Rs. in Lakhs)

Particulars	Share Application Money	Reserve and Surplus					Retained Earnings	Other Comprehensive Income	Total Other Equity
		Capital Reserve	Securities Premium Reserve	Statutory Reserves	Revaluation Reserve				
Balance at the April 01, 2019	-	8.70	6,392.17	382.72	4,170.22	913.89	2.49	11,870.19	
Profit for the year	-	-	-	-	-	197.42	-	197.42	
Other Comprehensive Income	-	-	-	-	-	-	0.66	0.66	
Addition during the year	2,524.50	-	-	-	-	-	-	2,524.50	
Transferred to Statutory Reserve	-	-	-	-	-	-	-	-	
Balance as at March 31, 2020	2,524.50	8.70	6,392.17	382.72	4,170.22	1,111.31	3.15	14,592.77	
Profit for the year	-	-	-	-	-	230.20	-	230.20	
Other Comprehensive Income	-	-	-	-	-	-	0.43	0.43	
Addition during the year	3,275.54	-	3,511.02	-	-	-	-	6,786.56	
Transferred to Share capital & Securities Premium	(4,367.37)	-	-	-	-	-	-	(4,367.37)	
Balance as at March 31, 2021	1,432.67	8.70	9,903.19	382.72	4,170.22	1,341.51	3.58	17,242.59	

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

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

Sd/-

G. K. Subramaniam

Partner

Membership Number : 109839

Sd/-

Kamal Poddar

Managing Director

(DIN-01518700)

Sd/-

Manoj Singhania

Chief Financial Officer

Place : Mumbai

Date : June 25, 2021

For and on behalf of Board of Directors

Sd/-

Ajay Kejriwal

Director

(DIN-03051841)

Sd/-

Karishma Shah

Company Secretary

Place : Mumbai

Date : June 25, 2021

Place : Mumbai

Date : June 25, 2021

## Notes to the Standalone Financial Statements







## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 1. Corporate Information

Choice International Limited (hereinafter referred to as "the Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at Shree Shakambhari Corporate Park, 156-158 Chakravorty Ashok Society, J.B. Nagar, Andheri (E) Mumbai Maharashtra 400099, India. The Company's shares are listed on the Bombay Stock Exchange (BSE).

The Company was registered with Reserve Bank of India as Non-Deposit Taking Non-Systemically Important Non-Banking Financial Services Company. The Company vide their letter dated August 20, 2018 had requested Reserve Bank of India (RBI) for cancellation of Certificate of Registration as NBFC and RBI has approved the same vide letter dated November 25, 2020 w.e.f. October 23, 2020.

The main business of the Company is to provide business support services to the subsidiaries and other group companies

### 2. Significant Accounting Policies

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

#### Basis of preparation

##### i. Statement of compliance

These 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 accounting policies are applied consistently to all the periods presented in the financial statements.

##### 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 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
- 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

#### A. Summary of significant accounting policies

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

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Based on the nature of products and services offered by the Company, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents,

##### 2. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

##### Sale of services

The Company recognizes revenue on accrual basis when the

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

##### Interest Income

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

##### Dividend Income

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

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

Description of Asset	Useful Life
Buildings	60 Years
Computers and Printers, including Computer Peripherals	3 Years
Office Equipments	5 Years
Furniture & Fixtures	10 Years
Motor Vehicles (Motor Car)	8 Years
Solar Plant	25 Years
Electric Installation	10 Years
Server & Network	6 Years
Water Pumps and Borewell	5 Years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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.

#### 4. 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.

#### 5. 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.

#### 6. Segment Reporting

The main business of the Company is to provide support services to the subsidiaries and other group companies. 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".

#### 7. 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.

#### 8. 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.

##### 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 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.

Minimum Alternate Tax (MAT) credit entitlement (i.e. excess of MAT paid for a year over normal tax liability for that year) eligible for set off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of credit to the Statement of Profit and Loss. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

#### 9. 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.

#### 10. Financial Instruments

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

##### Financial Assets

##### a) Initial recognition and measurement

All financial assets are recognised initially at fair value. 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.

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**

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

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

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

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

In view of the fact that the entire trade receivables are from its subsidiaries and other group companies; there is no lifetime credit losses expected by the Company.

**Write offs** - The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**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 company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

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

**Loans and borrowings**

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

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

**Financial guarantee contracts**

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.

**11. 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 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 re-measurement 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.

## 12. 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.

## 13. 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.

## 14. 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.

## xvi. 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.

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:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

- 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.

### 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:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- 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.

## 21. Investment in Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Investment in subsidiaries are measured at cost less accumulated impairment, if any.





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	Freehold Land	Building owned*	Water Pumps & Borewell	Computer Hardwares	Server & Networks	Electric Installation	Furniture & Fixtures	Solar Plant	Vehicles	Office Equipments	Total
Gross Carrying Amount as at April 01, 2019	4,330.00	2,147.77	1.75	17.19	46.96	38.35	122.02	14.04	6.78	116.54	6,841.40
Additions / Transfer / Adjustments	-	-	-	-	-	-	-	-	-	0.87	0.87
Deletion	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	4,330.00	2,147.77	1.75	17.19	46.96	38.35	122.02	14.04	6.78	117.41	6,842.27
Additions / Transfer	-	-	-	0.53	-	-	-	-	-	0.25	0.78
Deletion	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	4,330.00	2,147.77	1.75	17.72	46.96	38.35	122.02	14.04	6.78	117.66	6,843.05
Accumulated depreciation as at April 01, 2019	-	294.59	1.02	15.39	17.09	26.26	79.18	1.03	6.44	86.97	527.97
Depreciation charge during the year	-	33.95	0.33	1.54	7.83	4.04	11.79	0.53	-	8.65	68.66
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	328.54	1.35	16.93	24.92	30.30	90.97	1.56	6.44	95.62	596.63
Depreciation charge during the quarter	-	33.95	0.33	0.26	7.83	4.04	11.76	0.53	-	7.87	66.57
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	362.49	1.68	17.19	32.75	34.34	102.73	2.09	6.44	103.49	663.20
Net carrying amount as at March 31, 2021	4,330.00	1,785.28	0.07	0.53	14.21	4.01	19.29	11.95	0.34	14.17	6,179.85
Net carrying amount as at March 31, 2020	4,330.00	1,819.23	0.40	0.26	22.04	8.06	31.05	12.48	0.34	21.79	6,245.65

**Property, Plant and Equipments pledged/ mortgaged as security**

\* Office Building of the Company is under process of charge creation against Loan taken from Aditya Birla Finance Limited.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Note 4 : Investment Property**

(Rs. in Lakhs)

Particulars	Investment in Land	Total
Gross Carrying Amount as at April 01, 2019	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2020	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2021	120.00	120.00
Accumulated amortisation and impairment		
As at April 01, 2019	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2021	-	-
Net carrying amount as at March 31, 2021	120.00	120.00
Net carrying amount as at March 31, 2020	120.00	120.00

Notes:

**Fair Value**

As at March 31, 2021 and March 31, 2020, the fair value of property is Rs. 1,200 Lakhs.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Note 5 : Intangible Assets**

(Rs. in Lakhs)

Particulars	Computer Software	Intangible assets under development	Total
Gross Carrying Amount as at April 01, 2019	37.65	8.95	46.60
Additions	-	2.25	2.25
Deletions	-	-	-
As at March 31, 2020	37.65	11.20	48.85
Additions	-	2.27	2.27
Deletions	-	-	-
As at March 31, 2021	37.65	13.47	51.12
Accumulated amortisation and impairment			
As at April 01, 2019	20.63	-	20.63
Amortisation charge during the year	5.06	-	5.06
Deletions	-	-	-
As at March 31, 2020	25.69	-	25.69
Amortisation charge during the year	4.82	-	4.82
Deletions	-	-	-
As at March 31, 2021	30.51	-	30.51
Net carrying amount as at March 31, 2021	7.14	13.47	20.61
Net carrying amount as at March 31, 2020	11.96	11.20	23.16

Note:

Intangible Asset under development comprises of Trademark under development.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

**Note 6 : Investments** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments - Unquoted Equity Instruments</b>		
<b>Investment carried at cost - In Subsidiaries</b>		
5,050,000 Equity Shares of Choice Capital Advisors Private Limited shares of Rs.10/- each fully paid (March 31, 2020: 50,50,000)	505.00	505.00
8,017,800 Equity Shares of Choice Equity Broking Private Limited of Rs.10 each fully paid (March 31, 2020: 8,017,800)	4,414.00	4,414.00
1,110,000 Equity Shares of Choice Portfolio Management Services Private Limited of Rs.10/- each fully paid (March 31, 2020: 1,110,000)	110.89	110.89
500,00,000 Equity Shares of Choice Consultancy Services Private Limited of Rs.10/- each fully paid (March 31, 2020: 500,00,000)	301.00	301.00
41,060,000 Equity Shares of Choice Finserv Private Limited of Rs.10/- each fully paid (March 31, 2020: 18,560,000) *	8,052.56	3,552.56
<b>Total</b>	<b>13,383.45</b>	<b>8,883.45</b>

\* During the year the company has invested in the shares of 225.00 lakhs equity shares @ Rs. 20 per share.

**Note 7 : Other Financial Assets (Non Current)** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits*	4.38	401.07
Prepaid Rentals	-	105.56
<b>Total</b>	<b>4.38</b>	<b>506.63</b>

\* Refer Note 35 (ii) Related Party Disclosure

**Note 8 : Income Tax Assets (Net)** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (net of provision for tax)	74.71	80.63
<b>Total</b>	<b>74.71</b>	<b>80.63</b>

**Note 9 : Trade Receivables** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good*	53.40	356.39
<b>Total</b>	<b>53.40</b>	<b>356.39</b>

\* Includes receivables from related party for which refer note no.35(ii)

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

**Note 10 : Cash and Cash Equivalents** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- On Current Accounts	1.37	314.35
Cash on Hand	0.30	0.58
<b>Total</b>	<b>1.67</b>	<b>314.93</b>

**Note 11 : Bank Balances Other than (Note 10) Above** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- On Earmarked Accounts *	7.44	7.51
<b>Total</b>	<b>7.44</b>	<b>7.51</b>

\* Earmarked Bank balance represents amount on account of unclaimed dividend.

**Note 12 : Loans** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Loans to related parties*	3,959.79	2,672.74
<b>Total</b>	<b>3,959.79</b>	<b>2,672.74</b>

\* Refer note no. 35(ii)

**Note 13 : Other Current Assets** (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities:		
- Goods & Service Tax Receivable	0.08	0.17
Advance to Vendors	4.46	0.39
Prepaid Expenses	6.22	10.73
Security Deposit	4.82	4.82
<b>Total</b>	<b>15.58</b>	<b>16.11</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 14 : Equity Share Capital

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020		
<b>(a) Authorised :</b>				
4,01,00,000 (March 31, 2020: 4,01,00,000) Equity shares of Rs. 10 each	<b>4,010.00</b>	<b>4,010.00</b>		
<b>(b) Issued, Subscribed and Paid-up</b>				
2,85,68,273 (March 31, 2020: 2,00,04,800) Equity shares of Rs. 10 each fully paid up	2,856.83	2,000.48		
<b>Total</b>	<b>2,856.83</b>	<b>2,000.48</b>		
<b>(c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year</b>				
<b>Paid up Shares Capital</b>				
	(Rs. In Lakhs)			
<b>Particulars</b>	<b>Number of shares</b>	<b>Amount</b>		
<b>As at April 1, 2019</b>	<b>200.05</b>	<b>2,000.48</b>		
Issued during the year	-	-		
<b>As at March 31, 2020</b>	<b>200.05</b>	<b>2,000.48</b>		
Issued during the year	85.63	856.35		
<b>As at March 31, 2021</b>	<b>285.68</b>	<b>2,856.83</b>		
<b>(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>				
<b>Equity Shares</b>	<b>As at March 31, 2021</b>		<b>As at March 31, 2020</b>	
<b>Shares held by</b>	<b>Number of Shares</b>	<b>%</b>	<b>Number of Shares</b>	<b>%</b>
Kamal Poddar	25.00	8.75%	25.00	12.50%
Arun Kumar Poddar	21.00	7.35%	21.00	10.50%
Vinita Sunil Patodia	16.13	5.64%	16.13	8.06%
Archana Anil Patodia	15.75	5.51%	15.75	7.87%
Sonu Poddar	20.00	7.00%	12.50	6.25%
Sunil Kumar Patodia	25.89	9.06%	12.39	6.19%
Anil C. Patodia	11.00	3.85%	11.00	5.50%
Hemlata Poddar	20.00	7.00%	-	0.00%
Azura Projects Private Limited	12.85	4.50%	12.85	6.42%

#### Terms / Rights attached to Equity Shares:

- The Company has only one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

#### Disclosure statement of Preferential allotment

During the year, the company has converted 85,63,473 warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 15 : Other Equity

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Share Application Money Pending Allotment	1,432.67	2,524.50
Statutory Reserve	382.72	382.72
Capital Reserve	8.70	8.70
Security Premium Reserve	9,903.19	6,392.17
Revaluation Reserve	4,170.22	4,170.22
Retained Earnings	1,341.51	1,111.31
Other Comprehensive Income	3.58	3.15
<b>Total</b>	<b>17,242.59</b>	<b>14,592.77</b>

#### (i) Statutory Reserve

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	382.72	382.72
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>382.72</b>	<b>382.72</b>

It is created as per the terms of Section 45 -IC (1) of Reserve Bank of India Act, 1934 as Statutory Reserve.

#### (ii) Capital Reserve

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	8.70	8.70
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>8.70</b>	<b>8.70</b>

It is made out of capital profit earned. The same is not available for profit distribution.

#### (iii) Securities Premium Reserve:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	6,392.17	6,392.17
Add : Additions during the year	3,511.02	-
<b>Balance as at the end of the year</b>	<b>9,903.19</b>	<b>6,392.17</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

#### (iv) Revaluation Reserve

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year (refer note below)	4,170.22	4,170.22
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>4,170.22</b>	<b>4,170.22</b>

It has been created on revaluation of freehold land at fair market value. The same is not available for profit distribution.



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

(v) Share Application Money Pending Allotment

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year (refer note below)	2,524.50	-
Add : Additions during the year	3,275.54	2,524.50
Less- Warrants converted during the year	(4,367.37)	-
<b>Balance as at the end of the year</b>	<b>1,432.67</b>	<b>2,524.50</b>

(vi) Retained Earnings:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	1,111.31	913.90
Add/ (Less): Profit/ (Loss) for the year	230.20	197.41
<b>Balance as at the end of the year</b>	<b>1,341.51</b>	<b>1,111.31</b>

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

(vii) Other Comprehensive Income

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	3.15	2.49
Add : Additions during the year	0.43	0.66
<b>Balance as at the end of the year</b>	<b>3.58</b>	<b>3.15</b>

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.

Note 16 : Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans</b>		
Loans taken from financial Institutions*	1,971.19	-
Less- Current Maturity	(213.02)	-
	<b>1,758.17</b>	-

\*The outstanding amount loan of Rs.200,000,000/- ( March 31, 2020 - Nil) (Sanction amount is 300,000,000) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai, however the charge creation is under process. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly installments ('EMI') ending in May 2029.

Note 17 : Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Provision for Gratuity	7.76	6.59
<b>Total</b>	<b>7.76</b>	<b>6.59</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 18 : Deferred Tax Liabilities - (Net)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax (Assets)/ Liabilities arising on account of timing differences in:		
MAT Credit Entitlement	(36.53)	(75.11)
Property, Plant and Equipment - Depreciation	295.59	288.67
Provision for employee benefit expenses	(3.05)	(3.41)
Deferred Tax on amortisation of IRR	8.01	-
Deferred Tax on Fair value of Employee benefit expenses through Other comprehensive income	1.50	1.34
<b>Deferred Tax (Assets)/ Liabilities (net)</b>	<b>265.52</b>	<b>211.49</b>

Movement in Deferred Tax (Assets)/ Liabilities

(Rs. in Lakhs)

Particulars	MAT Credit Entitlement	Property, Plant and Equipment - Depreciation	Provision for employee benefit expenses	Amortisation of IRR	Total
<b>As at April 1, 2019</b>	<b>(75.11)</b>	<b>258.23</b>	<b>-</b>	<b>-</b>	<b>183.12</b>
Charged/ (Credited):					
To Profit or Loss	-	30.44	(2.53)	-	27.91
To Other Comprehensive Income	-	-	0.47	-	0.47
MAT Credit Utilised	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>(75.11)</b>	<b>288.67</b>	<b>(2.06)</b>	<b>-</b>	<b>211.49</b>
Charged/ (Credited):					
To Profit or Loss	-	6.93	0.35	8.01	15.29
To Other Comprehensive Income	-	-	0.16	-	0.16
Mat Credit Utilised	38.58	-	-	-	38.58
<b>As at March 31, 2021</b>	<b>(36.53)</b>	<b>295.59</b>	<b>(1.55)</b>	<b>8.01</b>	<b>265.52</b>

Note 19 : Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans</b>		
Bank Overdraft*	1,421.19	1,373.78
<b>Unsecured Loans</b>		
Loan taken from Related Parties	-	141.00
Other Loans	-	815.16
<b>Total</b>	<b>1,421.19</b>	<b>2,329.94</b>

\* Bank overdraft facility taken from Punjab National Bank for which asset cover details are given below:-

- 2/11, Akal CHS Ltd, Bamanpuri road, J B Nagar, Andheri East, Mumbai- 59
- C-56, Dominia in Prive Hillside Residences, Khandala, Lonavala, Pune
- B - 904 - B and B - 904 - A, Valencia co hsg soc, Hiranandani Gardens, Powai, Mumbai - 76
- B - 903 - B and B - 903 - A, Valencia co hsg soc ltd, Hiranandani Gardens, Powai, Mumbai - 76



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 20 : Trade Payables

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Trade Payable</b>		
Dues to Micro Enterprises and Small Enterprises	0.23	3.79
Other than Micro and small Enterprises	34.07	34.11
<b>Total</b>	<b>34.30</b>	<b>37.90</b>

\*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; details of amount due to such vendors is as below:

S No	Particulars		
(i)	Principal Amount Outstanding	0.23	3.79
(ii)	Interest due on above and unpaid	-	-
(iii)	Interest due and payable for the period of delay	-	-
(iv)	Interest accrued and remaining unpaid	-	-

Note 21 : Other Financial Liabilities (Current)

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturities of Long-Term Debt:	213.02	-
<b>Total</b>	<b>213.02</b>	<b>-</b>

Note 22 : Other Current Liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	18.71	46.43
Other Liability	0.73	-
<b>Total</b>	<b>19.44</b>	<b>46.43</b>

Note 23 : Current Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a) Provision for Employee Benefits:</b>		
Provision for Gratuity	1.49	1.38
Provision for Leave Encashment	0.57	0.22
<b>Total</b>	<b>2.06</b>	<b>1.60</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 24 : Revenue from Operations

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest income	242.23	119.53
Income from Business Support Services	548.60	680.61
Subletting Income	45.00	66.00
Profit on Sale of Investment	-	9.75
<b>Total</b>	<b>835.83</b>	<b>875.89</b>

Note 25 : Other Income

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Credit Balances Written off	0.05	1.95
Interest on Income Tax Refund	2.10	-
Misc. Income	0.24	0.28
Interest on Deposit	28.52	23.96
<b>Total</b>	<b>30.91</b>	<b>26.19</b>

Note 26 : Employee Benefits Expenses

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries and Wages	77.64	75.27
Contributions to Provident and Other Funds	0.39	0.58
Staff Welfare Expenses	3.43	0.83
Gratuity Expenses	1.88	1.70
<b>Total</b>	<b>83.34</b>	<b>78.38</b>

Note 27 : Finance Costs

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest on Borrowings from Related Parties	-	0.04
Interest on Borrowings from Others	6.97	16.83
Interest on Borrowings from Banks	137.99	97.73
Interest on Deposit	25.25	26.70
Other Borrowing Costs	21.84	13.01
<b>Total</b>	<b>192.05</b>	<b>154.31</b>

Note 28 : Depreciation and Amortisation Expense

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Depreciation on tangible assets (Refer Note 3)	66.57	68.66
Amortisation of intangible assets (Refer Note 5)	4.82	5.06
<b>Total</b>	<b>71.39</b>	<b>73.72</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 29 : Other Expenses

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Bank Charges and Commission	0.33	0.45
Rent	12.44	29.30
Sundry Balances written off	2.09	-
Repairs & maintenance	14.30	20.50
Rates & taxes	20.14	19.15
Legal and professional	14.22	47.20
Insurance charges	0.98	0.85
Electricity Charges	14.45	28.91
Traveling & Conveyance expenses	3.97	1.66
Communication expenses	45.39	51.50
Canteen expenses	10.48	40.95
Computer expenses	16.34	21.84
Director sitting fees	6.50	5.00
Advertisement & Business promotion expenses	5.51	2.33
Printing & Stationery	0.60	2.77
Payment to Auditors:		
As auditor	18.00	18.00
Other matters	4.30	-
Out of pocket expenses	-	0.62
Miscellaneous expenses	2.07	8.42
<b>Total</b>	<b>192.11</b>	<b>299.45</b>

Note 30 : Earnings/ (Loss) Per Equity Share

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net Profit after tax attributable to Equity Shareholders for Basic EPS	230.20	197.43
Add/Less: Adjustment relating to potential equity shares	-	-
<b>Net profit after tax attributable to equity shareholders for Diluted EPS</b>	<b>230.20</b>	<b>197.43</b>
<b>Weighted average number of Equity Shares (In lakhs) outstanding during the year</b>		
For Basic EPS	214.69	200.05
For Diluted EPS	327.06	212.26
<b>(c) Face Value per Equity Share (Rs.)</b>	<b>10.00</b>	<b>10.00</b>
<b>Basic EPS (Rs.)</b>	<b>1.07</b>	<b>0.99</b>
<b>Diluted EPS (Rs.)</b>	<b>0.70</b>	<b>0.93</b>
<b>(d) Reconciliation between no. of shares (in lakhs) used for calculating basic and diluted EPS</b>		
No. of shares used for calculating Basic EPS	214.69	200.05
Add: Potential equity shares	112.37	12.21
No. of shares used for calculating Diluted EPS	327.06	212.26

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 31 - Contingent Liabilities and Commitments

A. Contingent Liabilities\*

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
i) Income tax demand contested by the Company	43.14	65.36
<b>Total</b>	<b>43.14</b>	<b>65.36</b>

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

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
ii) *Corporate guarantees issued to Banks & Financial Institutions on behalf of subsidiaries-	6,286.74	8,323.14
<b>Total</b>	<b>6,286.74</b>	<b>8,323.14</b>

\* The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is Rs. 5230.74 lakhs (March 31, 2020: Rs. 7229.68 lakhs), for Choice Capital Advisors Private Limited is Rs. 94.32 lakhs/- (March 31, 2020: Rs. 98.07 lakhs-) and for Choice Consultancy Services Private Limited is Rs. 961.68 lakhs (March 31, 2020: Rs. 995.39 lakhs). However the overall sanction amount is Rs. 9220.00 lakhs (March 31, 2020: Rs. 10720.00 lakhs).

B. Capital Commitments- Nil

Note 32 - Expenditure in Foreign Currency - Nil

Note 33 - Reconciliation of Tax Expenses and the accounting profit multiplied by India's Tax Rate

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit Before Tax	327.85	296.22
Enacted Income Tax Rate	27.82%	27.82%
<b>Tax @ 25% plus surcharge and education cess</b>	<b>91.21</b>	<b>82.41</b>
Tax effects of adjustments to reconcile expected income tax expenses to reported income tax expenses :		
Expenses that are not deductible for tax purpose	27.75	28.58
Deductions available under income tax	(43.07)	(40.10)
	-	-
<b>Total</b>	<b>75.89</b>	<b>70.89</b>
Income tax for earlier year	6.48	-
Income tax Expenses recognised in profit & loss	75.89	70.90
Deferred tax recognised in profit & loss	15.28	27.90
<b>Total tax Expenses recognised in Profit &amp; Loss</b>	<b>97.64</b>	<b>98.80</b>
<b>Effective Tax Rate</b>	<b>29.78%</b>	<b>33.36%</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 34 - Employee Benefit Obligations

1. Defined Contribution Plan

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

Particulars	(Rs. in Lakhs)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Employer's Contribution to Provident Fund	0.25	0.43
Employer's Contribution to ESIC	0.14	0.16
<b>Total</b>	<b>0.39</b>	<b>0.59</b>

2. Defined benefit plans

Gratuity (post-employment benefits)

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

Gratuity

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

	(Rs. in Lakhs)		
	Present value of obligation	Fair value of Plan assets	Net Amount
<b>01 April 2019</b>	<b>7.54</b>	<b>(0.14)</b>	<b>7.40</b>
Current Service cost	1.13	-	1.13
Interest expense/(income)	0.58	-	0.58
<b>Total amount recognised in profit or loss</b>	<b>1.71</b>	<b>-</b>	<b>1.71</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(0.01)	(0.01)
(Gain)/loss from change in financial assumptions	0.73	-	0.73
Due to Change in demographic assumptions	(0.01)	-	(0.01)
Experience (gains)/losses	(1.85)	-	(1.85)
<b>Total amount recognised in other comprehensive income</b>	<b>(1.13)</b>	<b>(0.01)</b>	<b>(1.14)</b>
Employer contributions			
Benefit payments	-	-	-
<b>31-Mar-20</b>	<b>8.11</b>	<b>(0.15)</b>	<b>7.97</b>
Current Service cost	1.38	-	1.38
Interest expense/(income)	0.54	(0.04)	0.50
<b>Total amount recognised in profit or loss</b>	<b>1.92</b>	<b>(0.04)</b>	<b>1.88</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	0.08	0.08
(Gain)/loss from change in financial assumptions	-	-	-
Due to Change in demographic assumptions	-	-	-
Experience (gains)/losses	(0.67)	-	(0.67)
<b>Total amount recognised in other comprehensive income</b>	<b>(0.67)</b>	<b>0.08</b>	<b>(0.59)</b>
<b>31-Mar-21</b>	<b>9.36</b>	<b>(0.11)</b>	<b>9.25</b>

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	(Rs. in Lakhs)	
	March 31, 2021	March 31, 2020
Present value of funded obligations	9.36	8.11
Fair value of plan assets	(0.11)	(0.15)
<b>Deficit/(Surplus) of gratuity plan</b>	<b>9.24</b>	<b>7.97</b>

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	(Rs. in Lakhs)	
	March 31, 2021	March 31, 2020
Discount rate	6.85%	6.85%
Salary growth rate (per annum)	6.00%	6.00%
Withdrawal rate (per annum)	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Expected rate of return	6.85%	6.85%
Mortality Table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

Sensitivity analysis

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

	Change in assumption		Impact on defined benefit obligation	
			Increase in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Decrease by	5.53% 5.77%
Salary growth rate	0.50%	0.50%	Increase by	2.67% 2.92%
Withdrawal rate	W.R. x 110%	W.R. x 110%	Increase by	1.06% 1.22%

	Change in assumption		Impact on defined benefit obligation	
			Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Increase by	6.00% 6.29%
Salary growth rate	0.50%	0.50%	Decrease by	4.24% 2.75%
Withdrawal rate	W.R. x 90%	W.R. x 90%	Decrease by	1.09% 1.27%

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

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











**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(ii) Details of Related Party transactions during the year ended March 31, 2021**

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Transactions</b>						
<b>Equity investments in</b>						
Choice Finserv Private Limited	4,500.00	-	-	-	-	4,500.00
	<b>4,500.00</b>	-	-	-	-	<b>4,500.00</b>
<b>Loan Taken from -</b>						
Kamal Poddar	-	-	30.00	-	-	30.00
	-	-	<b>30.00</b>	-	-	<b>30.00</b>
<b>Loan Repaid-</b>						
Kamal Poddar	-	-	30.00	-	-	30.00
	-	-	<b>30.00</b>	-	-	<b>30.00</b>
<b>Loan Given to-</b>						
Choice Finserv Private Limited	1,287.06	-	-	-	-	1,287.06
	<b>1,287.06</b>	-	-	-	-	<b>1,287.06</b>
<b>Revenue from Operations</b>						
Income from Business Support Services-						
Choice Equity Broking Private Limited	188.80	-	-	-	-	188.80
Choice Wealth Management Private Limited	4.97	-	-	-	-	4.97
Choice Capital Advisors Private Limited	32.27	-	-	-	-	32.27
Choice Corporate Services Private Limited	0.14	-	-	-	-	0.14
Choice Consultancy Services Private Limited	108.93	-	-	-	-	108.93
Choice Techlab Solutions Private Limited	23.17	-	-	-	-	23.17
The Byke Hospitality Limited	-	-	-	-	73.30	73.30
S K Patodia & Associates	-	-	-	-	99.11	99.11
Choice Insurance Broking India Private Limited	-	-	-	-	17.92	17.92
	<b>358.28</b>	-	-	-	<b>190.33</b>	<b>548.61</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**
**(ii) Details of Related Party transactions during the year ended March 31, 2021 (Continued...)**

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Interest on Loans</b>						
Choice Finserv Private Limited	242.23	-	-	-	-	242.23
	<b>242.23</b>	-	-	-	-	<b>242.23</b>
<b>Income from Subletting</b>						
Choice Equity Broking Private Limited	1.80	-	-	-	-	1.80
Choice Consultancy Services Private Limited	6.00	-	-	-	-	6.00
Choice Finserv Private Limited	0.60	-	-	-	-	0.60
Choice Techlab Solutions Private Limited	21.00	-	-	-	-	21.00
S K Patodia & Associates	-	-	-	-	15.60	15.60
	<b>29.40</b>	-	-	-	<b>15.60</b>	<b>45.00</b>
<b>Employee Benefit Expenses</b>						
Director remuneration	-	-	30.03	-	-	30.03
Salary & allowances	-	-	-	-	-	-
Manoj Singhania	-	-	17.40	-	-	17.40
Karishman Shah	-	-	12.00	-	-	12.00
	-	-	<b>59.43</b>	-	-	<b>59.43</b>
<b>Other Expenses</b>						
<b>Rent Expenses</b>						
Choice Consultancy Services Private Limited	11.00	-	-	-	-	11.00
Choice Capital Advisors Private Limited	0.12	-	-	-	-	0.12
Miscellaneous Expenses	-	-	-	-	-	-
Samark Consumer Products Private Limited	-	-	-	-	0.89	0.89
	<b>11.12</b>	-	-	-	<b>0.89</b>	<b>12.01</b>





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(ii) Details of Related Party transactions during the year ended March 31, 2021 (Continued...)

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Balances outstanding at the end of the year</b>						
<b>Advance given</b>						
Kamal Poddar	-	-	0.32	-	-	0.32
<b>Loans- Current</b>						
Choice Finserv Private Limited	3,959.79	-	-	-	-	3,959.79
	<b>3,959.79</b>					<b>3,959.79</b>
<b>Trade receivables-</b>						
Choice Equity Broking Private Limited	15.14	-	-	-	-	15.14
Choice Wealth Management Private Limited	1.04	-	-	-	-	1.04
Choice Capital Advisors Private Limited	2.31	-	-	-	-	2.31
Choice Corporate Services Private Limited	0.09	-	-	-	-	0.09
Choice Consultancy Services Private Limited	7.21	-	-	-	-	7.21
Choice Techlab Solutions Private Limited	6.02	-	-	-	-	6.02
Choice Finserv Private Limited	0.38	-	-	-	-	0.38
The Byke Hospitality Limited	-	-	-	9.03	9.03	9.03
S K Patodia & Associates	-	-	-	-	9.95	9.95
Choice Insurance Broking India Private Limited	-	-	-	-	2.23	2.23
	<b>32.19</b>				<b>21.21</b>	<b>53.40</b>
<b>Trade Payables</b>						
SK Patodia & Associates	-	-	-	-	0.13	0.13
Manoj Singhania	-	-	0.82	-	-	0.82
Karishma Shah	-	-	0.76	-	-	0.76
			<b>1.58</b>		<b>0.13</b>	<b>1.71</b>
<b>Non Current Investments</b>						
Choice Equity Broking Private Limited	4,414.00	-	-	-	-	4,414.00
Choice Capital Advisors Private Limited	505.00	-	-	-	-	505.00
Choice Consultancy Services Private Limited	301.00	-	-	-	-	301.00
Choice Portfolio Management Services Private Limited	110.89	-	-	-	-	110.89
Choice Finserv Private Limited	8,052.56	-	-	-	-	8,052.56
	<b>13,383.45</b>					<b>13,383.45</b>

Note- The company is showing loan transactions on net on basis.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Transactions</b>						
Equity investments in						
Choice Finserv Private Limited	2,000.00	-	-	-	-	2,000.00
	<b>2,000.00</b>					<b>2,000.00</b>
<b>Sale of Equity investment in following companies to</b>						
Choice Corporate Services Private Limited	1.00	-	-	-	-	1.00
Choice Retail Solutions Private Limited	1.00	-	-	-	-	1.00
Choice Techlab Solutions Private Limited	1.00	-	-	-	-	1.00
Choice Wealth Management Private Limited	9.50	-	-	-	-	9.50
	<b>12.50</b>					<b>10.50</b>
<b>Sale of Equity investment in following companies to KMP and Relative of KMP</b>						
Hemlata Poddar	-	-	5.00	-	-	5.00
Sonu Poddar	-	-	-	5.00	-	5.00
			<b>5.00</b>	<b>5.00</b>		<b>10.00</b>
<b>Loan Taken from-</b>						
Kamal Poddar	-	-	145.50	-	-	145.50
Choice Capital Advisors Private Limited	-	-	-	-	-	-
Choice Equity Broking Private Limited	-	-	-	-	-	-
Choice Finserv Private Limited	-	-	-	-	-	-
Choice Consultancy Services Private Limited	-	-	-	-	-	-
			<b>145.50</b>			<b>145.50</b>
<b>Loan Repaid-</b>						
Kamal Poddar	-	-	4.50	-	-	4.50
Choice Capital Advisors Private Limited	-	-	-	-	-	-
Choice Equity Broking Private Limited	-	-	-	-	-	-
Choice Finserv Private Limited	90.36	-	-	-	-	90.36
Choice Consultancy Services Private Limited	90.36	-	4.50	-	-	94.86
	<b>2,672.73</b>					<b>2,672.73</b>
	<b>2,672.73</b>					<b>2,672.73</b>
<b>Revenue from Operations</b>						
Income from Business Support Services-						
Choice Equity Broking Private Limited	246.51	-	-	-	-	246.51
Choice Wealth Management Private Limited	7.16	-	-	-	-	7.16
Choice Capital Advisors Private Limited	39.93	-	-	-	-	39.93
Choice Corporate Services Private Limited	2.43	-	-	-	-	2.43
Choice Consultancy Services Private Limited	138.77	-	-	-	-	138.77
The Byke Hospitality Limited	-	-	-	-	85.05	85.05
S K Patodia & Associates	-	-	-	-	139.54	139.54
Choice Insurance Broking India Private Limited	-	-	-	-	21.22	21.22
	<b>434.80</b>				<b>245.81</b>	<b>680.61</b>





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	(Rs. in Lakhs)					
	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Interest on Loans</b>						
Choice Finserv Private Limited	119.14	-	-	-	-	119.14
	<b>119.14</b>					<b>119.14</b>
<b>Income from Subletting</b>						
Choice Equity Broking Private Limited	12.30	-	-	-	-	12.30
Choice Consultancy Services Private Limited	6.00	-	-	-	-	6.00
Choice Finserv Private Limited	0.60	-	-	-	-	0.60
Choice Techlab Solutions Private Limited	31.50	-	-	-	-	31.50
S K Patodia & Associates	15.60	-	-	-	-	15.60
	<b>66.00</b>					<b>66.00</b>
<b>Finance Costs</b>						
Interest on Loans						
Choice Finserv Private Limited	0.04	-	-	-	-	0.04
	<b>0.04</b>					<b>0.04</b>
<b>Employee Benefit Expenses</b>						
Director remuneration	-	-	30.03	-	-	30.03
Salary & allowances	-	-	-	-	-	-
Manoj Singhania	-	-	17.40	-	-	17.40
Karishman Shah	-	-	11.90	-	-	11.90
	-	-	<b>59.33</b>	-	-	<b>59.33</b>
<b>Other Expenses</b>						
<b>Rent Expenses</b>						
Choice Consultancy Services Private Limited	12.00	-	-	-	-	12.00
Choice Capital Advisors Private Limited	0.12	-	-	-	-	0.12
<b>Legal &amp; Professional Expenses</b>						
Choice Capital Advisors Private Limited	11.00	-	-	-	-	11.00
<b>Miscellaneous Expenses</b>						
Samank Consumer Products Private Limited	-	-	-	-	3.15	3.15
	<b>23.12</b>				<b>3.15</b>	<b>26.27</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(Rs. in Lakhs)					
	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Balances outstanding at the end of the year</b>						
<b>Rent Deposits</b>						
Choice Consultancy Services Private Limited	250.00	-	-	-	-	250.00
Choice Capital Advisors Private Limited	250.00	-	-	-	-	250.00
	<b>500.00</b>					<b>500.00</b>
<b>Borrowings - Current</b>						
Kamal Poddar	-	-	141.00	-	-	141.00
	-	-	<b>141.00</b>	-	-	<b>141.00</b>
<b>Loans - Current</b>						
Choice Finserv Private Limited	2,672.73	-	-	-	-	2,672.73
	<b>2,672.73</b>					<b>2,672.73</b>
<b>Trade receivables-</b>						
Choice Equity Broking Private Limited	92.64	-	-	-	-	92.64
Choice Wealth Management Private Limited	4.31	-	-	-	-	4.31
Choice Capital Advisors Private Limited	21.67	-	-	-	-	21.67
Choice Corporate Services Private Limited	0.57	-	-	-	-	0.57
Choice Consultancy Services Private Limited	86.04	-	-	-	-	86.04
Choice Techlab Solutions Private Limited	18.74	-	-	-	-	18.74
Choice Finserv Private Limited	0.12	-	-	-	-	0.12
The Byke Hospitality Limited	-	-	-	-	38.61	38.61
S K Patodia & Associates	-	-	-	-	80.51	80.51
Choice Insurance Broking India Private Limited	-	-	-	-	13.19	13.19
	<b>224.09</b>				<b>132.31</b>	<b>356.40</b>
<b>Trade Payables</b>						
Choice Consultancy Services Private Limited	1.08	-	-	-	-	1.08
Samank Consumer Products Private Limited	-	-	2.19	-	0.89	0.89
Kamal Poddar	-	-	1.05	-	-	1.05
Manoj Singhania	-	-	0.92	-	-	0.92
Karishma Shah	-	-	-	-	-	-
	<b>1.08</b>		<b>4.16</b>		<b>0.89</b>	<b>6.13</b>
<b>Non Current Investments</b>						
Choice Equity Broking Private Limited	4,414.00	-	-	-	-	4,414.00
Choice Capital Advisors Private Limited	505.00	-	-	-	-	505.00
Choice Consultancy Services Private Limited	301.00	-	-	-	-	301.00
Choice Portfolio Management Services Private Limited	110.89	-	-	-	-	110.89
Choice Finserv Private Limited	3,552.56	-	-	-	-	3,552.56
	<b>8,883.45</b>					<b>8,883.45</b>



NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 36 :- Disclosure pursuant to Ind AS 1 " Presentation of financial statements"

(a) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Trade Receivables	9	53.40	-	53.40	356.39	-	356.39
Loans	12	3,959.79	-	3,959.79	2,672.74	-	2,672.74
Other Current Assets	13	15.58	-	15.58	16.11	-	16.11

(b) Current Liabilities expected to be settled within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Trade Payable	20						
(a) Dues of micro enterprises and small enterprises		0.23	-	0.23	3.79	-	3.79
(b) Dues of creditors other than micro-enterprises and small enterprises		34.07	-	34.07	34.11	-	34.11
Other Financial Liabilities	21	213.02	-	213.02	-	-	-
Other Current Liabilities	22	19.44	-	19.44	46.43	-	46.43
Provisions	23	2.06	-	2.06	1.60	-	1.60

NOTES TO STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

(c) Quantitive Disclosures of carrying value / fair Value measurement hierarchy for assets and liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2021				As at March 31, 2020			
	Date of Valuation	Total	Quoted Price in Active Market	Significant Observable inputs	Date of Valuation	Total	Quoted Price in Active Market	Significant Observable inputs
			(Level 1)	(Level 2)			(Level 1)	(Level 2)
<b>Financial Assets at Amortised Cost</b>								
<b>Non Current</b>								
Investment in subsidiaries	31-03-2021	13,383.45	-	-	31-03-2020	8,883.45	-	-
Other Financial Assets	31-03-2021	4.38	-	-	31-03-2020	506.63	-	-
<b>Current</b>								
Trade Receivables	31-03-2021	53.40	-	-	31-03-2020	356.39	-	-
Cash and Cash Equivalents	31-03-2021	1.67	-	-	31-03-2020	314.93	-	-
Bank Balance other than above	31-03-2021	7.44	-	-	31-03-2020	7.51	-	-
Loans	31-03-2021	3,959.79	-	-	31-03-2020	2,672.74	-	-
<b>Financial Liabilities at Amortised Cost</b>								
<b>Non Current</b>								
Borrowings	31-03-2021	1,758.17	-	-	31-03-2020	-	-	-
<b>Current</b>								
Borrowings	31-03-2021	1,421.19	-	-	31-03-2020	2,329.94	-	-
Trade Payables	31-03-2021	34.29	-	-	31-03-2020	37.90	-	-
Other Financial Liabilities	31-03-2021	213.02	-	-	31-03-2020	-	-	-



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 37:- Financial Assets at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Financial Assets</b>		
Others	4.38	506.63
<b>Current Financial Assets</b>		
Trade receivables	53.40	356.39
Cash and Cash Equivalents	1.67	314.93
Other bank balances	7.44	7.51
Loans	3,959.79	2,672.74
Others	15.58	16.11
<b>Total</b>	<b>4,042.26</b>	<b>3,874.31</b>

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

### Note 38:- Financial Liabilities at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non Current Financial Liabilities</b>		
Borrowings	1,758.17	-
<b>Current Financial Liabilities</b>		
Borrowings	1,421.19	2,329.94
Trade Payable	34.30	37.90
Other Financial Liabilities	213.02	-
<b>Total</b>	<b>3,426.68</b>	<b>2,367.85</b>

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

### Note 39:- Financial Assets at Fair Value Through Profit or Loss

Note: There are no such financial assets.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 40 : Financial Risk Management Objectives and Policies

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

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

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

#### Credit Risk

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

#### Financial instruments and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 years	3-5 years	More than 5 Years	Total
<b>Year ended March 31, 2021</b>					
Secured Loans	1,534.38	387.39	477.48	993.13	3,392.38
Unsecured Loans	-	-	-	-	-
Trade Payables	34.30	-	-	-	34.30
Others	213.02	-	-	-	213.02
<b>Year ended March 31, 2020</b>					
Secured Loans	1,373.78	-	-	-	1,373.78
Unsecured Loans	1,630.32	-	-	-	1,630.32
Trade Payables	37.90	-	-	-	37.90
Others	-	-	-	-	-

### 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	1,971.19	-
Fixed Rate Borrowing	1,421.19	2,329.94
<b>Total</b>	<b>3,392.38</b>	<b>2,329.94</b>

### 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:

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax
March 31, 2020	+ 1%	(19.71)
	- 1%	19.71
March 31, 2019	+ 1%	-
	- 1%	-

### Equity price risk

The Company's unlisted equity securities are of subsidiary and deemed cost of the same are taken as previous GAAP carrying value (i.e. cost of acquisition).

### Note 41 : Capital Management

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

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

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	3,179.35	2,329.94
Cash and cash equivalents	1.67	314.93
<b>Net Debt (A)</b>	<b>3,177.68</b>	<b>2,015.01</b>
<b>B) Equity</b>		
Equity share capital	2,856.83	2,000.48
Other Equity	17,242.59	14,592.77
<b>Total Equity (B)</b>	<b>20,099.43</b>	<b>16,593.25</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>	<b>15.81%</b>	<b>12.14%</b>

### Note 42 : 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 Group's chief operating decision maker is the Chief Executive Officer and Managing Director. Pursuant to surrendering its license, the main Business of the Company is investing and financing to the Subsidiaries and providing support services to the Group Companies. The Company is in process of further reducing its existing investing and financing exposures to Companies other than Subsidiaries. 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.





## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 43 : Expenditure on Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, the company is not mandatorily required to spend on corporate social responsibility (CSR) activities.

### Note 44 : Surrender of NBFC License

The Company vide their letter dated August 20, 2018 had requested Reserve Bank of India (RBI) for cancellation of Certificate of Registration as NBFC and RBI has approved the same vide letter dated November 25, 2020 wef. October 23, 2020.

### Note 45 : 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 statements, 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. The Company has, based on current available information and based on the policy approved by the board, determined the provision for impairment of financial assets including the additional overlay for uncertainty over the potential macro-economic impact of the pandemic. 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 statements and the Company will continue to closely monitor any material changes to future economic conditions."

### Note 46 : 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 policies to the extent applicable. The previous period's figures have been regrouped or rearranged wherever necessary.

The accompanying notes are an integral part of these financial statements

#### For and on behalf of Board of Directors

Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

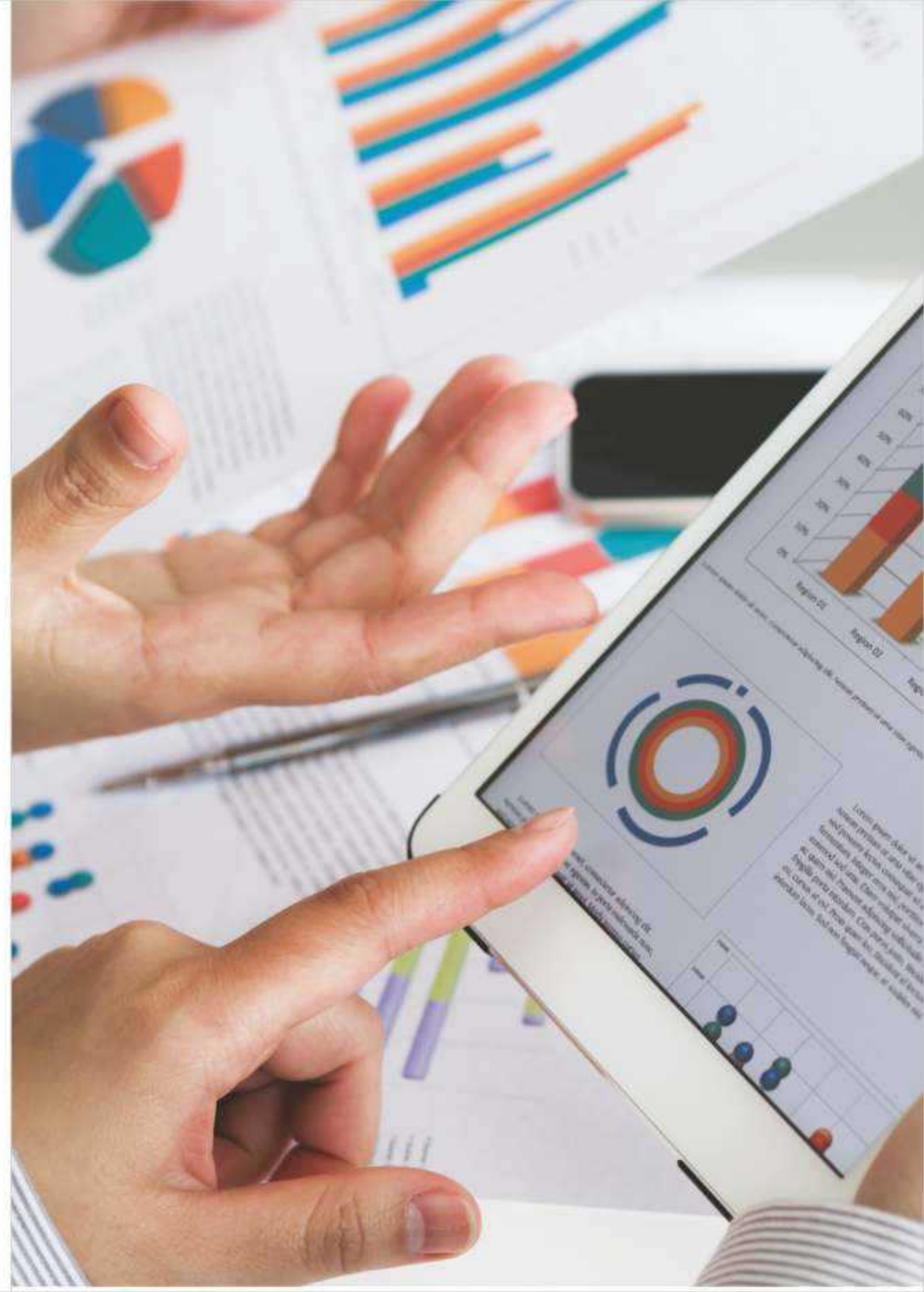
Sd/-  
Manoj Singhania  
Chief Financial Officer

Place : Mumbai  
Date : June 25, 2021

Sd/-  
Ajay Kejriwal  
Director  
DIN: 03051841

Sd/-  
Karishma Shah  
Company Secretary

Place : Mumbai  
Date : June 25, 2021







# Consolidated Independent Auditor's Report



## INDEPENDENT AUDITORS' REPORT

To The Members of Choice International Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Choice International Limited (the "Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which includes jointly controlled operations of the Group accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements jointly controlled operations, subsidiaries, and associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 56 to the consolidated financial statements, in which the Group describes the continuing uncertainties arising from COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

**Impairment of loans measured at amortized cost (refer note 50 to the consolidated financial statements)**

#### Key Audit Matter Description

As at the year end, the Group has reported financial assets carried at amortised cost in the form of loans granted by subsidiaries aggregating Rs. 24,597.53 lakhs net of provision for expected credit loss of Rs. 123.61 lakhs.

This is considered as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements includes:

- Timely identification and classification of the impaired loans which also include considering the impact of recent RBI's COVID-19 regulatory circulars.
- Determining the probability of defaults based on historical credit loss and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic.

#### How the Key Audit Matter was addressed in the Audit

The principle audit procedures performed included the following:

- Evaluation of the Group's internal control system in adhering to the policy for identification of and provisioning for Expected credit Loss ("ECL") on loans;
- Identification and testing of the design and implementation as well as operational effectiveness of key control pertaining to identification, classification and staging of loans in correct buckets; key assumptions used for the purpose of determination of impairment provision, completeness and accuracy of the data inputs used and monitoring of overdue positions by business and finance team;
- Test check loans to examine the approval process, validity of the recorded amounts, loan documentation, examination of the statement of accounts, indicators of impairment, expected credit loss provision, additional provisions made on loans considering the current uncertain economic environment arising out of COVID 19 pandemic and compliance with identification of and provisioning for ECL on loans;
- Evaluation of management judgment, governance process and review controls; and discussion on the process and assumptions for identification of and provisioning for ECL on loans with senior management.

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

- The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the standalone financial statements and consolidated financial statements and our auditors' report thereon, which is expected to be made available to us after the date of this auditor's report.





- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the jointly controlled operations, subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the jointly controlled operations, subsidiaries and associate, is traced from their financial statements audited by the other auditors.
- When we read the Director's Report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of

which we are the independent auditors. For the other branches or entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- We did not audit the financial statements of two jointly controlled operations included in the standalone financial statements of the company included in the Group whose financial statements reflect total assets of Rs. 189.62 lakhs as at 31st March 2021 and total revenue of Rs. 108.12 lakhs for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements of the jointly controlled operations have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the jointly controlled operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled operations, is based solely on the report of such other auditors.
- We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 2,128.98 lakhs as at 31st March, 2021, total revenues of Rs. 1,597.33 lakhs and net cash outflows amounting to Rs. 5.68

lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

- The consolidated financial statements include the Group's share of net profit of Rs. Nil for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of an associate whose financial information have not been audited by us. These financial information are 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 the subsidiary and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements above 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 information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the jointly controlled operations, subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable that:
  - 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 of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on





31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company, subsidiary companies and associate company incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i) The consolidated financial statements disclose the impact of pending litigations as at the year-end on the consolidated financial position of the Group and its associate.

ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts as at the year-end.

iii) There has been no delay in transferring amounts, required to be transferred to Investor education and protection fund (IEPF) by the Holding Company, and its subsidiary companies and associate company incorporated in India Company except for the following:

Particular	Nature of dues	Amount	Due date	Actually paid
Holding Company	Unclaimed	2,37,688	30-10-2020	08-04-2021

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

Sd/-

G.K. Subramaniam  
(Partner)  
(Membership No. 109839)  
UDIN: 21109839AAAAJ4913

Place: Mumbai  
Date: 25th June, 2021



#### ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Choice International Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India to whom internal financial controls over financial reporting is applicable, as of that date.

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

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

#### Auditors' Responsibility

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

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

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company which are companies incorporated in India, and where such reporting under Section 143(3) is applicable, have, in all material respects, an adequate internal financial controls





system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies, which are companies incorporated in India, and where such reporting under Section 143(3) is applicable, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Two jointly controlled operations of the subsidiary company which is not a Company incorporated in India, to whom reporting on internal

financial controls system over financial reporting is not applicable and hence no reporting under the internal financial controls system over financial reporting has been made.

Reporting on internal financial controls system over financial reporting with respect to an associate company is not applicable and hence no reporting under the internal financial controls system over financial reporting has been made.

Our opinion is not modified in respect of the above matters.

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

Sd/-  
G.K. Subramaniam  
(Partner)  
(Membership No. 109839)  
UDIN: 21109839AAAAAJ4913

Place: Mumbai  
Date: 25th June, 2021



# Consolidated Financial Statements



CHOICE INTERNATIONAL LIMITED  
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Particulars	Note No.	(Rs. in Lakhs)	
		As at March 31, 2021 Audited	As at March 31, 2020 Audited
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
(a) Property, Plant and Equipment	3	7,124.23	7,221.82
(b) Investment Property	4	120.00	120.00
(c) Goodwill	5	825.00	825.00
(d) Other Intangible Assets	5	483.66	583.62
(e) Intangible Assets Under Development	5	16.99	14.36
<b>(f) Financial Assets -</b>			
(i) Investments	6	661.64	1,958.97
(ii) Loans	7	6.56	74.63
(iii) Other Financial Assets	8	488.87	394.67
(g) Income Tax Assets	9	291.42	361.73
(h) Deferred Tax Assets	10	100.82	81.98
(i) Other Non-Current Assets	11	2.18	3.51
<b>Current Assets:</b>			
a) Securities held for Trade	12	872.30	3,060.91
<b>(b) Financial Assets</b>			
(i) Trade Receivables	13	7,613.07	9,104.28
(ii) Cash and Cash Equivalents	14	3,025.09	3,733.23
(iii) Bank balances other than above	15	1,792.49	1,364.98
(iv) Loans	16	24,653.46	11,779.83
(v) Other Financial Assets	17	17,027.57	9,056.96
(c) Other Current Assets	18	453.42	540.00
<b>Total Assets</b>		<b>65,558.77</b>	<b>50,280.48</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
(a) Equity Share Capital	19	2,856.83	2,000.48
(b) Other Equity	20	23,446.41	19,319.86
		<b>26,303.24</b>	<b>21,320.34</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	21	2,621.85	380.96
(ii) Other Financial Liabilities	22	0.15	-
(b) Provisions	23	224.22	185.11
(c) Deferred Tax Liabilities	24	458.69	787.04
(d) Other non-current liabilities	25	241.13	219.01
<b>Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Trade Payables	26	-	-
Total outstanding dues of micro enterprises and small enterprises		342.14	4.91
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,036.09	717.88
(ii) Borrowings	27	12,151.66	13,859.06
(iii) Other Financial Liabilities	28	20,189.41	11,107.03
(b) Other Current Liabilities	29	1,184.40	1,558.25
(c) Provisions	30	805.79	140.89
<b>Total Liabilities</b>		<b>39,255.53</b>	<b>28,960.14</b>
<b>Total Liabilities and Equities</b>		<b>65,558.77</b>	<b>50,280.48</b>

Summary of Significant Accounting Policies 1-2  
The notes referred to above are an integral part of the consolidated financial statements  
This is the Balance Sheet referred to in our report of the even date.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

For and on behalf of the Board of Directors

Sd/-  
G. K. Subramaniam  
Partner  
Membership Number :109839

Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

Sd/-  
Ajay Kejriwal  
Director  
DIN: 03051841

Sd/-  
Manoj Singhania  
Chief Financial Officer  
Place : Mumbai  
Date : June, 25 2021

Sd/-  
Karishma Shah  
Company Secretary  
Place : Mumbai  
Date : June, 25 2021

Place : Mumbai  
Date : June, 25 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	(Rs. in Lakhs)	
		For the Year Ended March 31, 2021 Audited	For the Year Ended March 31, 2020 Audited
<b>I Revenue from Operations</b>	31	<b>16,874.35</b>	<b>12,882.00</b>
<b>Total Revenue from Operations</b>		<b>16,874.35</b>	<b>12,882.00</b>
Other Income	32	707.23	539.88
<b>Total Income</b>		<b>17,581.58</b>	<b>13,421.88</b>
<b>II Expenses</b>			
Operating Expenses	33	7,648.43	2,882.86
Employee Benefits Expense	34	4,193.80	4,746.16
Finance Costs	35	1,545.75	1,729.76
Depreciation and Amortization Expense	36	308.74	345.54
Other Expenses	37	1,603.31	1,897.20
<b>Total Expenses</b>		<b>15,300.03</b>	<b>11,601.52</b>
<b>III Profit / (loss) before exceptional items and tax (I-II)</b>		<b>2,281.55</b>	<b>1,820.36</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit/(loss) before tax (III-IV)</b>		<b>2,281.55</b>	<b>1,820.36</b>
<b>VI Tax Expense:</b>			
Current Tax		1,002.22	480.50
Earlier Years Tax Expense		12.84	(18.31)
Deferred Tax		(404.51)	115.06
<b>Total Tax Expense</b>		<b>610.55</b>	<b>577.25</b>
<b>VII Profit for the year from Continuing Operations (V-VI)</b>		<b>1,671.00</b>	<b>1,243.11</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit obligations		46.74	13.29
Fair Valuation Gain/ (Loss) on Investment		-	169.50
Tax Effect on above		(10.36)	(48.19)
<b>Other Comprehensive Income for the year, net of tax</b>		<b>36.38</b>	<b>134.60</b>
<b>IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)</b>		<b>1,707.38</b>	<b>1,377.71</b>
<b>X Earnings Per Equity Share (Face Value INR 10 Per Share):</b>			
Basic (Rs.)	38	7.78	6.21
Diluted (Rs.)		5.11	5.86

Summary of Significant Accounting Policies 1-2

The Notes referred are an integral part of these consolidated financial statements.

This is the Statement of Profit and Loss referred to in our report of the even date.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

For and on behalf of the Board of Directors

Sd/-  
G. K. Subramaniam  
Partner  
Membership Number :109839

Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

Sd/-  
Ajay Kejriwal  
Director  
DIN: 03051841

Place : Mumbai  
Date : June 25, 2021

Sd/-  
Manoj Singhania  
Chief Financial Officer  
Place : Mumbai  
Date : June 25, 2021

Sd/-  
Karishma Shah  
Company Secretary  
Place : Mumbai  
Date : June 25, 2021



**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in Lakhs)

Particulars	For year ended March 31, 2021	For year ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	2,281.55	1,820.36
<b>Adjustments:</b>		
Depreciation and amortisation	308.74	345.54
Finance costs	1,545.75	1,729.76
Interest Income	(618.53)	(492.30)
Balance written off	200.00	(0.45)
Allowance of credit loss	17.84	52.24
Fair Value Gain on Investment	(2.14)	(111.54)
(Gain)/loss on sale of Assets	4.11	2.27
Provision for Standard loan assets, Bad & Doubtful Debts, Bad debts written off	63.17	116.77
(Gain)/ Loss on sale of Investment	(62.92)	134.51
<b>Operating profit before working capital changes</b>	<b>3,737.57</b>	<b>3,597.16</b>
<b>Movements in assets and liabilities :</b>		
Decrease in Securities held for trade	2,188.61	576.32
Decrease/ (Increase) in Trade receivables	1,273.37	(2,378.11)
Increase / (Decrease) in Trade Payables	655.44	(198.61)
Increase / (Decrease) in Other Non-Current Financial Liabilities	0.15	(30.00)
Increase / (Decrease) in Other Non-Current Liabilities	22.11	(0.45)
Increase in Other Current Financial Liabilities	9,082.38	18.45
(Decrease) / Increase in Other Current Liabilities	(373.85)	1,109.43
(Increase) / Decrease in Other Non Current Financial Assets	(94.19)	47.54
Decrease in Other Non Current Assets	1.33	2.55
(Increase) / Decrease in Other Current Financial Assets	(7,970.62)	3,407.99
Decrease in Other Current Assets	86.59	186.26
Increase in Long Term Provisions	85.86	9.43
Increase in Current Provisions	200.13	9.51
(Increase) in Financial assets - loans	(12,936.81)	(3,343.52)
<b>Cash Generated From Operations</b>	<b>(4,041.93)</b>	<b>3,013.95</b>
Income taxes paid	(433.02)	(392.66)
<b>Net cash flow (used in) / from operating activities (A)</b>	<b>(4,474.95)</b>	<b>2,621.29</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase or construction of Fixed Assets (including capital work-in-progress and capital advances)	(125.39)	(88.18)
Proceeds from Sale of Fixed Assets	10.08	1,011.94
Purchase of Intangible Assets	(2.63)	(155.26)
Sale of Investment	1,362.39	301.10
Movement in Other Bank Balance	(427.51)	(303.26)
Movement in Loans	68.08	-
Interest Received	618.53	492.30
<b>Net Cash flow from Investing Activities (B)</b>	<b>1,503.55</b>	<b>1,258.64</b>

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED MARCH 31, 2021**

(Rs. in Lakhs)

Particulars	For year ended March 31, 2021	For year ended March 31, 2020
<b>C. Cash Flow from Financing Activities</b>		
Securities Premium on Equity Shares	4,367.36	-
Proceeds from Share Application Money	(1,091.85)	2,524.50
Repayment of Current and Non Current Borrowings	533.50	(2,302.81)
Finance costs	(1,545.75)	(1,729.76)
<b>Net Cash from/ (used in) Financing Activities (C)</b>	<b>2,263.26</b>	<b>(1,508.07)</b>
<b>Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(708.14)</b>	<b>2,371.86</b>
Cash and cash equivalents at the beginning of the year	3,733.23	1,361.37
Cash and cash equivalents at the end of the year	3,025.09	3,733.23
<b>Net cash (decrease)/Increase in cash and cash equivalent</b>	<b>(708.14)</b>	<b>2,371.86</b>

Note:

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

This is the Cash Flow Statement referred to in our report of the even date.

 For Deloitte Haskins & Sells LLP  
 Chartered Accountants  
 Firm Registration Number : 117366W/W-100018

For and on behalf of the Board of Directors

 Sd/-  
 G. K. Subramaniam  
 Partner  
 Membership Number : 109839

 Sd/-  
 Kamal Poddar  
 Managing Director  
 DIN: 01518700

 Sd/-  
 Ajay Kejriwal  
 Director  
 DIN: 03051841

 Place : Mumbai  
 Date : June 25, 2021

 Place : Mumbai  
 Date : June 25, 2021

 Place : Mumbai  
 Date : June 25, 2021





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

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

Particulars	Numbers of Shares (in lakhs)		Amount (Rs. in lakhs)
Balance as at the April 1, 2019	200.05		2,000.48
Changes in equity share capital during the Year 2019-2020	-		-
Balance as at March 31, 2020	200.05		2,000.48
Changes in equity share capital during the Year 2020-2021	85.63		856.35
Balance as at the March 31, 2021	285.68		2,856.83

B : Other Equity

(Rs. in Lakhs)

Particulars	Share Application Money Pending Allotment	Reserve and Surplus						Total Other Equity	
		Statutory Reserve	General Reserves	Capital Reserve	Securities Premium	Revaluation Reserve	Retained Earnings		Other Comprehensive Income
Balance as at the April 01, 2019	-	391.67	9.52	8.70	6,392.17	4,170.22	4,522.44	(141.48)	15,353.24
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,243.11	-	1,243.11
Other Comprehensive Income	-	-	-	-	-	-	-	134.60	134.60
Transferred to Statutory Reserve	-	26.90	-	-	-	-	(26.90)	-	-
Additions	2,524.50	-	-	-	-	-	-	-	2,524.50
Reversal of Loss on cessation of Subsidiary	-	-	-	-	-	-	64.41	-	64.41
Deletions	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,524.50	418.57	9.52	8.70	6,392.17	4,170.22	5,803.06	(6.88)	19,319.86
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,671.00	-	1,671.00
Other Comprehensive Income	-	-	-	-	-	-	-	36.38	36.38
Transferred to Statutory Reserve	-	-	-	-	-	-	(164.34)	-	(164.34)
Additions	3,275.52	164.34	-	-	3,511.02	-	-	-	6,950.88
Deletions	(4,367.37)	-	-	-	-	-	-	-	(4,367.37)
Balance as at March 31, 2021	1,432.65	582.91	9.52	8.70	9,903.19	4,170.22	7,309.72	29.50	23,446.41

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

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

Sd/-

G. K. Subramaniam

Partner

Membership Number : 109839

For and on behalf of Board of Directors

Sd/-

Kamal Poddar

Managing Director

(DIN-01518700)

Sd/-

Ajay Kejriwal

Director

(DIN-03051841)

Sd/-

Manoj Sing hania

Chief Financial Officer

Place : Mumbai

Date : June 25, 2021

Sd/-

Karishma Shah

Company Secretary

Place : Mumbai

Date : June 25, 2021

Place : Mumbai

Date : June 25, 2021

Notes to the Consolidated  
Financial Statements



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021****1. Corporate Information**

Choice International Limited (hereinafter referred to as "the Holding Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at Shree Shakambhari Corporate Park, 156-158 Chakravorty Ashok Society, J.B. Nagar, Andheri (E) Mumbai - 400099, Maharashtra, India.

The Holding Company's shares are listed on the Bombay Stock Exchange (BSE).

The Holding Company along with its subsidiaries (collectively referred to as "the Group") and an associate is an integrated and diversified financial services group. They provide services like Broking & Distribution, Investment Banking, Financial services to Business Advisory, Regulatory Compliances to Government authorities & other corporate entities, Retail Loan distribution, Mutual Fund distribution, technical services and other ancillary services.

**2. Significant Accounting Policies**

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

**A. Basis of preparation****i. Statement of compliance**

The consolidated financial statements of the Group 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.

**ii. Functional and presentation currency**

The Group's presentation and functional currency is Indian Rupees. All figures appearing in the consolidated 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 consolidated 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. Preparation of Consolidated financial statements**

The Holding Company has surrendered its NBFC license therefore as per the format prescribed under Division II of Schedule III to the Companies Act, 2013, the holding company presents the Balance sheet, the statement of Profit and Loss and the Statement of Changes in Equity.

**v. Principle of Consolidation and equity accounting****Subsidiaries-**

The consolidated financial statements have comprised financial statements of the Company and its subsidiaries, subsidiaries are all

entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

**Associates-**

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

**Equity Method-**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Changes in ownership interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the

subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

**vi. 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 Group 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 Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a 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 consolidated 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 Group 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.

**vii. Use of judgment and Estimates**

The preparation of the consolidated 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 consolidated 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 consolidated 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
- 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

Further an entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said entity in terms of Ind AS-110 on Consolidated Financial Statements. Control shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

**B. Summary of significant accounting policies****1. Current versus non-current classification**

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

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting date, or





- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Based on the nature of products and services offered by the Group, operating cycle determined is 12 months for the purpose of current and non-current classification of assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

## 2. Revenue recognition

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

### Sale of services

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

### Interest Income

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

### Income from sale of investment

Gains or losses on the sale of investments are recognised in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

### Dividend Income

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

### Brokerage Income

Brokerage income in relation to stock broking activity is recognised on trade date basis.

## 3. 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 group 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 Group'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 group 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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

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.

Description of Asset	Useful Life
Buildings	60 Years
Computers and Printers, including Computer Peripherals	3 Years
Office Equipments	5 Years
Furniture & Fixtures	10 Years
Motor Vehicles (Motor Car)	8 Years
Motor Vehicle (Motor Cycle)	10 Years
Solar Plant	25 Years
Electric Installation	10 Years
Server & Network	6 Years
Water Pumps and Borewell	5 Years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous

estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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.

## 4. 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 Group, 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.

## 5. 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 amortisation 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.

## 6. Segment Reporting

The Group operates operations predominately relates to four business segment i.e Broking & Distribution services, Advisory services, NBFC services and IT Services Business segments have been identified as separate reportable segments as per Ind-AS 108.

## 7. Foreign Currencies

The group's consolidated financial statements are presented in INR (rounded off to lakhs), which is also the group's functional currency.

### Transaction and balances

Transactions in foreign currencies are initially recorded by the Group in their functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at

the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items are recognized in the statement of profit or loss except:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 8. 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 Group 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.

### Deferred taxes

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

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

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







part of the asset to be recovered.

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 Group intends to settle its current tax assets and liabilities on a net basis.

#### 9. Impairment of Non-Financial Assets

At the end of each reporting period, the Group 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 Group 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.

#### 10. Financial Instruments

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

##### Financial Assets

###### a) Initial recognition and measurement

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

###### b) Subsequent measurement

##### Equity Instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as

at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

###### c) De-recognition

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

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

The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group 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 group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group 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 group 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 group could be required to repay.

###### d) Impairment of financial assets

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

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

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

For trade receivables or any contractual right to receive cash or other financial assets that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

For loan given measured at amortised cost or FVTOCI, except for investments in equity instruments, Group 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.

**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).

##### 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 group 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 Group 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 Group has not designated any financial liability as at fair value through profit and loss.

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

##### Loans and borrowings

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

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

##### Financial guarantee contracts

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

###### c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

###### d) Offsetting of financial instruments

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

#### 11. Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. The lease asset classes primarily consist of leases for Premises. The Group, 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 Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Group as a lessee





The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract 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 Group 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. 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 Group 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 Group 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 Group recognises any remaining amount of the re-measurement in the Statement of Profit and Loss.

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

## 12. Finance Cost

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.

## 13. 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.

## 14. Dividend distribution to equity holders of the Group

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. 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 Group.

## 15. 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 Group 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 consolidated financial statements

## 16. 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.

## 17. Contingent Liabilities

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

required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Payments in respect of such liabilities, if any are shown as advances.

## 18. Earnings Per Share

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

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

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

## 19. 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.

## 20. 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

Groups' 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.

### 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 Group'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:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- 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 Group 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 Groups 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 Group'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.

## 21. Share-based Payments

Shared based compensation benefits are provided to employees via Vakrangee Limited Employee Stock Option Plan.

### Employee options

The cost of equity-settled transactions is determined by the fair value of the options granted at the date when the grant is made. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the Group's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employee to save or holding shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to be vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a





corresponding adjustment to equity.

## 22. Collateral

To mitigate its credit risks on financial assets, the Group 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 Group provides fully secured, partially secured and unsecured loans to Corporates and individual.

## 23. Business combinations

Acquisitions of businesses are accounted for using the acquisition method as per Ind AS 103 - Business Combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

## 24. Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU the attributable amount of goodwill is included in the determination of the profit or loss on disposal.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 3 : Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Office Premises	Water Pumps & Borewell	Computer Hardwares	Server & Networks	Electric Installation	Furniture & Fixtures	Solar Plant	Motor Car	Motor Cycle	Office Equipments	Total
Gross Carrying Amount as at April 01, 2019	4,330.00	3,776.90	1.75	738.35	231.77	38.35	428.86	14.04	237.09	1.25	402.66	10,201.03
Additions / Transfer	-	-	-	27.90	45.80	-	0.26	-	-	-	14.22	88.18
Disposals	-	953.11	-	-	-	-	0.01	-	16.97	-	-	970.09
Less- on account of sale of Subsidiary	-	-	-	2.24	-	-	-	-	15.85	-	-	18.09
As at March 31, 2020	4,330.00	2,823.79	1.75	764.01	277.57	38.35	429.11	14.04	204.27	1.25	416.88	9,301.03
Additions / Transfer	-	-	-	18.98	98.76	-	-	-	-	-	7.65	125.39
Disposals	-	-	-	-	-	-	-	-	62.14	-	0.19	62.33
As at March 31, 2021	4,330.00	2,823.79	1.75	782.99	376.33	38.35	429.11	14.04	142.13	1.25	424.34	9,364.09
Accumulated depreciation as at April 01, 2019	-	348.16	1.02	645.17	94.45	26.26	329.92	1.03	112.55	0.53	290.56	1,849.65
Depreciation charge during the year	-	42.91	0.33	70.79	43.47	4.04	21.69	0.53	25.47	0.12	38.00	247.35
Accumulated depreciation on deletions	-	-	-	(0.85)	-	-	0.79	-	8.12	-	-	8.06
Less- on account of sale of Subsidiary	-	-	-	1.68	-	-	-	-	8.05	-	-	9.73
As at March 31, 2020	-	391.07	1.35	715.13	137.92	30.30	350.82	1.56	121.85	0.65	328.56	2,079.21
Depreciation charge during the year	-	44.65	0.33	31.16	48.59	4.04	21.24	0.53	23.11	0.12	35.01	208.78
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	48.03	-	0.10	48.12
As at March 31, 2021	-	435.72	1.68	746.29	186.51	34.34	372.06	2.09	96.93	0.77	363.47	2,239.87
Net carrying amount as at March 31, 2021	4,330.00	2,388.06	0.07	36.69	189.82	4.01	57.05	11.96	45.21	0.48	60.87	7,124.23
Net carrying amount as at March 31, 2020	4,330.00	2,432.73	0.40	48.88	139.66	8.06	78.29	12.48	82.42	0.60	88.32	7,221.82

Property, Plant and Equipments pledged/ mortgaged as security

Office Building of the Group of Rs. 2147.77 lakhs is under the process of charge creation against loan taken from Aditya Birla Finance Limited by Choice International Limited. Office Premises worth Rs. 406.18 lakhs is mortgaged against loan taken for it from Axis Bank and Office Premised worth Rs. 269.84 lakhs is mortgaged against loan taken for it from ICICI Bank.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 4 : Investment Property**

(Rs. in Lakhs)

Particulars	Investment in Land	Total
Gross Carrying Amount as at April 01, 2019	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2020	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2021	120.00	120.00
Accumulated amortisation and impairment		
As at April 01, 2019	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2021	-	-
Net carrying amount as at March 31, 2021	120.00	120.00
Net carrying amount as at March 31, 2020	120.00	120.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 5 : Intangible Assets**

(Rs. in Lakhs)

Particulars	Computer Software	Trademark	Intangible assets under development	Goodwill	Total
Gross Carrying Amount as at April 01, 2019	1,613.32	0.26	45.66	825.00	2,484.24
Additions	151.97	-	3.29	-	155.26
Disposals	6.76	-	34.54	-	41.30
As at March 31, 2020	1,754.34	0.26	14.36	825.00	2,593.95
Additions	-	-	2.63	-	2.63
Disposals	-	-	-	-	-
As at March 31, 2021	1,754.34	0.26	16.99	825.00	2,596.59
Accumulated amortisation and impairment					
As at April 01, 2019	1,074.47	0.03	-	-	1,074.50
Amortisation charge during the year	98.16	0.03	-	-	98.19
Disposals	1.71	-	-	-	1.71
As at March 31, 2020	1,170.92	0.06	-	-	1,170.98
Amortisation charge during the year	99.93	0.03	-	-	99.96
Disposals	-	-	-	-	-
As at March 31, 2021	1,270.85	0.09	-	-	1,270.94
Net carrying amount as at March 31, 2021	483.49	0.17	16.99	825.00	1,325.65
Net carrying amount as at March 31, 2020	583.42	0.20	14.36	825.00	1,422.97



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 6 : Investments**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investment carried at cost - In Associates</b>		
2,600 Equity shares (March 31, 2020: 2600) Samekit Learning Management Private Limited (Formerly known as Gravotix Technologies Private Limited) @ Rs. 10 each	0.26	0.26
<b>Other Investments - Unquoted Equity Instruments</b>		
Nil (March 31, 2020: 5,23,980) shares of Rs.10/- each Jaatvedas Construction Company Limited	-	1,299.47
400,000 Equity Shares of Gini & Jony Limited of Rs.10/- each fully paid (March 31, 2020: 400,000)*	205.60	205.60
<b>Quoted</b>		
<b>Investment carried at Fair Value through Other Comprehensive Income (FVTOCI)</b>		
1,000,000 Equity Shares of The Byke Hospitality Limited of Rs. 10/- each fully paid (March 31, 2020: 1,000,000)	450.00	450.00
980 Equity Shares of GSL Securities Limited of Rs. 10/- each fully paid (March 31, 2020: 980)	0.04	0.03
22,023 Equity shares of Lawreshwar Polymers Limited of Rs.10/- each fully paid (March 31, 2020: 22,023)	5.74	3.61
<b>Total</b>	<b>661.64</b>	<b>1,958.97</b>

\*The Group 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 Group, subsequent to the year-end on June 21, 2021, sold its investments in Gini & Jony Limited Company Limited worth Rs. 205.60 lakhs for a consideration of Rs. 200.00 lakhs.

**Note 7 : Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	6.56	74.46
Loans and advances to others	-	0.17
<b>Total</b>	<b>6.56</b>	<b>74.63</b>

**Note 8 : Other Financial Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed Deposits*	25.00	25.00
Security deposits to stock exchange	264.25	272.26
Other Security deposits	192.86	92.95
Prepaid Rentals	0.89	-
Interest Accrued on Deposits	5.87	4.46
<b>Total</b>	<b>488.87</b>	<b>394.67</b>

\* The above fixed deposit receipt is under lien with ICICI Bank Limited for the purpose of Bank Guarantee.

**Note 9 : Income Tax Assets (Net)**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance taxes - (net of provisions)	291.42	361.73
<b>Total</b>	<b>291.42</b>	<b>361.73</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 10 : Deferred Tax Assets - (Net)**

The major components of deferred tax Assets as recognized in the financial statements are as follows:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets arising on account of timing differences in:		
MAT Credit Entitlement	16.36	13.10
Property, Plant and Equipment - Depreciation	(11.43)	(11.73)
Provision for employee benefit expenses	9.78	6.14
Provision for Standard Loan Assets	31.11	16.81
Impairment loss on Investment	47.57	41.73
Deferred Tax on Fair value of Employee benefit expenses through Other comprehensive income	(1.86)	(1.61)
Deferred Tax on Fair Valuation of Investments	-	13.25
Amortisation of loan as per EIR	(0.63)	(0.40)
Allowance for Expected Credit Loss	7.19	1.96
Brought Forward Losses	2.73	2.73
<b>Deferred Tax Assets (net)</b>	<b>100.82</b>	<b>81.98</b>
Deferred Tax Assets routed through Profit & Loss	19.09	55.40
Deferred Tax Assets routed through Other Comprehensive Income	(0.25)	(45.72)

**Note 11 : Other Non-Current Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Rent	2.18	3.51
<b>Total</b>	<b>2.18</b>	<b>3.51</b>

**Note 12 : Securities held for trade**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Securities held for trade		
Shares and Securities *	872.30	3,060.91
<b>Total</b>	<b>872.30</b>	<b>3,060.91</b>

\* Fair value has taken as Nil for securities which are suspended for trading at the stock exchange.

**Note 13 : Trade Receivables**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Considered Good	6,464.68	7,341.39
<b>Unsecured</b>		
Considered Good	1,148.39	1,762.89
Considered Doubtful	126.71	148.42
Less: Allowances for impairment losses	(126.71)	(148.42)
<b>Total</b>	<b>7,613.07</b>	<b>9,104.28</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 14 : Cash and Cash Equivalents**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- In Current Accounts	3,022.15	3,731.30
Cash on Hand	1.52	1.93
Prepaid Card	1.42	-
<b>Total</b>	<b>3,025.09</b>	<b>3,733.23</b>

**Note 15 : Bank Balances Other than (Note 14) Above**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- In Earmarked Accounts	7.44	7.51
Fixed Deposits (Lien)	1,785.05	1,357.47
<b>Total</b>	<b>1,792.49</b>	<b>1,364.98</b>

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

**Note 16 : Loans**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured, considered good</b>		
Loan against shares & Securities	729.47	872.69
Loan against property	2,484.91	2,574.19
Loans to related parties against property	576.06	-
<b>Unsecured, considered good</b>		
Advances to Employees	54.55	47.65
Loans to related parties	293.21	490.87
Loan Given to Others-		
- Business	9,814.09	-
- MSME	2,325.17	-
- Personal	2,940.69	-
- Others	5,558.92	7,854.86
Allowance for Credit Loss	(123.61)	(60.43)
<b>Total</b>	<b>24,653.46</b>	<b>11,779.83</b>

**Note 17 : Other Financial Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost		
Security Deposits	85.47	33.07
Accrued Income	260.03	145.75
Receivable from Exchange	1,248.12	180.83
Unbilled Revenue	193.22	162.07
Margin Money	15,230.50	8,525.00
Retention money receivable	10.23	10.24
<b>Total</b>	<b>17,027.57</b>	<b>9,056.96</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 18 : Other Current Assets**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with government authorities:		
- Goods & Service Tax Receivable	69.67	74.08
Advance to Vendors	99.17	64.38
Prepaid Expenses	178.49	186.41
Other Advances	106.09	215.13
<b>Total</b>	<b>453.42</b>	<b>540.00</b>

**Note 19 : Equity Share Capital**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised :</b>		
4,01,00,000 (March 31, 2020: 4,01,00,000) Equity shares of Rs. 10 each	4,010.00	4,010.00
	<b>4,010.00</b>	<b>4,010.00</b>
<b>Issued, Subscribed and Paid-up</b>		
2,85,68,273 (March 31, 2020: 2,00,04,800) Equity shares of Rs. 10 each fully paid up	2,856.83	2,000.48
<b>Total</b>	<b>2,856.83</b>	<b>2,000.48</b>

**(a) Terms / rights attached to Equity Shares**

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

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

Particulars	As at March 31, 2021 Number of Shares	As at March 31, 2020 Number of Shares
Balance as at the Beginning of the year	200.05	200.05
Add: Shares issued during the year	85.63	-
<b>Balance as at the end of the year</b>	<b>285.68</b>	<b>200.05</b>

**(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

(Rs. in Lakhs)

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
Shares held by				
Kamal Poddar	25.00	8.75%	25.00	12.50%
Arun Kumar Poddar	21.00	7.35%	21.00	10.50%
Vinita Sunil Patodia	16.13	5.64%	16.13	8.06%
Archana Anil Patodia	15.75	5.51%	15.75	7.87%
Sonu Poddar	20.00	7.00%	12.50	6.25%
Sunil Kumar Patodia	25.89	9.06%	12.39	6.19%
Anil C Patodia	11.00	3.85%	11.00	5.50%
Hemlata Poddar	20.00	7.00%	-	0.00%
Azura Projects Private Limited	12.85	4.50%	12.85	6.42%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2021

**Note 20 : Other Equity**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Share Application Money Pending Allotment	1,432.65	2,524.50
Statutory Reserve	582.91	418.57
Capital Reserve	8.70	8.70
Security Premium Reserve	9,903.19	6,392.17
Revaluation Reserve	4,170.22	4,170.22
Retained Earnings	7,309.72	5,803.06
Other Comprehensive Income	29.50	(6.88)
General Reserve	9.52	9.52
<b>Total</b>	<b>23,446.41</b>	<b>19,319.86</b>

**(i) Share Application Money Pending Allotment:**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	2,524.50	-
Add : Additions during the year	3,275.52	2,524.50
Less- Warrants converted during the year	(4,367.37)	-
<b>Balance as at the end of the year</b>	<b>1,432.65</b>	<b>2,524.50</b>

**(ii) Statutory Reserve**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	418.57	391.67
Add : Additions during the year	164.34	26.90
<b>Balance as at the end of the year</b>	<b>582.91</b>	<b>418.57</b>

It is created as per the terms of Section 45 IC(1) of Reserve Bank of India, 1934 as Statutory Reserves.

**(iii) Capital Reserve**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	8.70	8.70
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>8.70</b>	<b>8.70</b>

It is made out of Capital profit earned. The same is not available for profit distribution.

**(iv) Securities Premium Reserve:**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	6,392.17	6,392.17
Add : Additions during the year	3,511.02	-
<b>Balance as at the end of the year</b>	<b>9,903.19</b>	<b>6,392.17</b>

Securities Premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.


 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2021

**(v) Revaluation Reserve**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	4,170.22	4,170.22
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>4,170.22</b>	<b>4,170.22</b>

\* It has been created on revaluation of freehold land at fair market value. The same is not available for profit distribution.

**(vi) Retained Earnings:**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	5,803.06	4,522.44
Add/ (Less): Profit/ (Loss) for the year	1,671.00	1,243.11
(Less): Transferred to Statutory Reserve	(164.34)	(26.90)
Add: Reversal of Loss due to cessation of subsidiary	-	64.41
<b>Balance as at the end of the year</b>	<b>7,309.72</b>	<b>5,803.06</b>

Retained Earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

**(vii) General Reserve**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	9.52	9.52
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>9.52</b>	<b>9.52</b>

Amounts set aside from retained earnings as a reserve to be utilised for permissible general purpose as per law.

**(viii) Other Comprehensive Income**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(6.88)	(141.48)
Add : Additions during the year	36.38	134.60
Add : On account of merger	-	-
<b>Balance as at the end of the year</b>	<b>29.50</b>	<b>(6.88)</b>

Other Comprehensive Income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 21 : Borrowings (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured loans		
Term loan from Bank *	2,982.62	437.35
Less: Current maturity of long term borrowings	(360.77)	(56.39)
<b>Total</b>	<b>2,621.85</b>	<b>380.96</b>

\*The outstanding amount loan of Rs.2000.00 lakhs ( March 31, 2020 - Nil)(Sanction amount is 3000.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai, however the charge creation is under process. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly installments ("EMI") ending in May 2029.

\*The outstanding amount loan of Rs.500.00 lakhs ( March 31, 2020 - Nil)(Sanction amount is 1000.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai, however the charge creation is under process. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly installments ("EMI") ending in June 2029.

\*The outstanding amount loan of Rs.203.33 lakhs ( March 31, 2020-Rs.229.88 lakhs ) was taken from Axis Bank Limited and is secured by way of first charge on office premises at Mumbai. The said loan carries interest @ 1 Year MCLR +1.75% (presently at 10%). The loan is repayable monthly ending in October 2026.

\*The outstanding amount loan of Rs.6.33 lakhs (March 31, 2020- Rs.8.27 lakhs) was taken from HDFC Bank and is secured by way of first charge on Vehicle at Mumbai. The loan is repayable in Equated Monthly Installments ("EMI") of Rs.0.22 lakhs ending in December 2023.

\*The outstanding amount of loan of Rs. 179.12 lakhs (March 31, 2020 Rs. 195.60 lakhs was taken from ICICI Bank and is secured by way of first charge on Office Premises at Delhi. The loan is repayable in monthly principal installments and interest, ending in May, 2030.

**Note 22 : Other Financial Liabilities (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposit	0.15	-
<b>Total</b>	<b>0.15</b>	<b>-</b>

**Note 23 : Provisions (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Provision for Gratuity	224.22	185.11
<b>Total</b>	<b>224.22</b>	<b>185.11</b>

**Note 24 : Deferred Tax Liabilities - (Net)**

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax (Assets)/ Liabilities arising on account of timing differences in:		
MAT Credit Entitlement	(37.33)	(89.51)
Property, Plant and Equipment - Depreciation	520.05	493.00
Provision for employee benefit expenses	(81.46)	(71.82)
Deferred Tax on Fair value of Employee benefit expenses through Other Comprehensive Income	18.25	8.29
Deferred Tax on Fair Valuation of Investments	(0.23)	(0.77)
Amortisation of loan as per EIR	10.72	0.38
Allowance for Expected Credit Loss	(21.91)	(36.60)
Deferred Tax Asset on Goodwill	28.69	28.69
Deferred Tax Liability on F.V. of Inventory	21.91	455.38
<b>Deferred Tax (Assets)/ Liabilities (net)</b>	<b>458.69</b>	<b>787.04</b>
Deferred Tax Liabilities routed through Profit & Loss	(385.42)	170.46
Deferred Tax Liabilities routed through Other Comprehensive Income	10.11	2.48

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 25 : Other Non-current liabilities (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Franchisee deposit	241.13	219.01
<b>Total</b>	<b>241.13</b>	<b>219.01</b>

**Note 26 : Trade Payables (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payable		
Dues to Micro Enterprises and Small Enterprises*	342.14	4.91
Other than Micro and small Enterprises	1,036.09	717.88
<b>Total</b>	<b>1,378.23</b>	<b>722.79</b>

\*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; details of amount due to such vendors is as below:

S.No.	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Principal Amount Outstanding	342.14	4.91
(ii)	Interest due on above and unpaid	-	-
(iii)	Interest due and payable for the period of delay	-	-
(iv)	Interest accrued and remaining unpaid	-	-

**Note 27 : Borrowings (Rs. in Lakhs)**

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Loan from Financial Institutions*	7,597.09	33.69
Bank Overdraft**	4,308.22	7,053.32
Debentures***	75.00	575.00
Unsecured Loans		
Loan taken from Related Parties	42.66	295.77
Other Loans	128.69	815.15
Commercial Papers from other parties	-	5,086.13
<b>Total</b>	<b>12,151.66</b>	<b>13,859.06</b>

\*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.

\*\* The overdraft facility taken from Axis bank at rate of interest 9.95% p.a. which is repayable on demand. The above overdraft facility is primarily secured by way of hypothecation on current asset and covered by personal guarantee by Mr Kamal Poddar(Director) and Corporate guarantee of M/s Choice International Limited (the parent company).

\*\* Bank overdraft facility taken from Punjab National Bank for which asset cover details are given below:-

- 2/11, Akal CHS Ltd, Bamanpuri road, J B Nagar, Andheri East, Mumbai - 59
- C-56, Dominia in Prive Hillside Residences, Khandala, Lonavala, Pune
- B - 904 - B and B - 904 - A, Valencia co hsg soc, Hiranandani Gardens, Powai, Mumbai - 76
- B - 903 - B and B - 903 - A, Valencia co hsg soc Ltd, Hiranandani Gardens, Powai, Mumbai - 76

\*\* Bank overdraft facility taken from Indusind Bank which has been covered against hypothecation of receivables.

\*\* The bank overdraft facility taken from Axis Bank Limited is secured by way of hypothecation of current assets.

\*\*\*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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 28 : Other Financial Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from Customers	19,815.35	11,015.64
Current Maturities of Long-Term Debt	360.78	56.39
Interest accrued but not due	13.28	35.00
<b>Total</b>	<b>20,189.41</b>	<b>11,107.03</b>

**Note 29 : Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory Dues	300.33	494.24
Advance from Customers	250.16	69.58
Franchisee and other deposits	42.50	70.00
Other Payables	591.41	924.43
<b>Total</b>	<b>1,184.40</b>	<b>1,558.25</b>

**Note 30 : Current Provisions**

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	70.57	75.32
Provision for Leave Encashment	23.60	11.64
Provision for Expenses	192.91	-
Provision for Tax (net of advance tax)	518.71	53.93
<b>Total</b>	<b>805.79</b>	<b>140.89</b>

**Note 31 : Revenue from Operations**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Revenue from Sale of Services	12,621.56	9,247.80
Interest income	2,829.11	1,418.33
Income from Business Support Services	190.34	245.81
Subletting Income	15.60	15.60
Profit on sale of Investment	62.92	-
Fair Value gain on Securities held for trade	-	617.76
Delayed Payment Charges	842.99	1,142.01
Other Fees and Charges	311.83	194.69
<b>Total</b>	<b>16,874.35</b>	<b>12,882.00</b>

**Note 32 : Other Income**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest Income on		
- Bank Deposits	11.73	14.80
- Others	606.80	477.50
Credit Balances Written off	19.71	4.78
Interest on Rent Deposit	53.49	3.09
Rent Received	3.40	13.19
Interest on Income Tax Refund	6.78	3.21
Gain on sale of Investments	-	55.64
Profit on sale of Fixed Assets	-	2.81
Misc. Income	3.18	1.58
Fair Value Gain on Investment	2.14	(36.72)
<b>Total</b>	<b>707.23</b>	<b>539.88</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 33 : Operating Expenses**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Professional Fees /Sub Contract Charges	2,123.90	513.49
Commission Expenses	-	19.01
Sub Brokerage	2,953.04	1,695.92
Fair Value loss on Securities held for trade	1,722.27	-
Loss on sale of securities held for trade	371.60	186.27
Computer and Software Expenses	280.58	298.38
Depository Charges	80.56	51.51
Membership and Subscription Charges	4.82	14.62
Lease Line Expenses	80.06	47.20
Exchange Charges	0.58	2.13
Other Operating Expenses	31.02	54.33
<b>Total</b>	<b>7,648.43</b>	<b>2,882.86</b>

**Note 34 : Employee Benefits Expenses**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Salaries and Wages	4,044.00	4,571.35
Contributions to Provident and Other Funds	128.51	160.02
Staff Welfare Expenses	21.29	14.79
<b>Total</b>	<b>4,193.80</b>	<b>4,746.16</b>

**Note 35 : Finance Costs**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Interest on Borrowings from Related Parties	15.16	2.09
Interest on Borrowings from Others	6.97	16.80
Interest on Borrowings from financial Institutions	176.55	399.80
Interest on Debentures	41.45	35.32
Interest on Borrowings from Banks	837.74	648.77
Interest & Borrowings Cost on Commercial Paper	335.00	499.08
Other Borrowing Costs	132.88	112.82
Interest on Deposit	-	15.08
<b>Total</b>	<b>1,545.75</b>	<b>1,729.76</b>

**Note 36 : Depreciation and Amortisation Expense**

(Rs. in Lakhs)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
Depreciation on tangible assets (Refer Note 3)	223.34	247.36
Amortisation of intangible assets (Refer Note 5)	85.40	98.18
<b>Total</b>	<b>308.74</b>	<b>345.54</b>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 37 : Other Expenses**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Business Support Expenses	17.44	1.56
Bank Charges and Commission	2.73	2.89
Rent	169.90	176.27
Repairs & maintenance	80.48	5.92
Rates & taxes	54.78	74.17
Legal and professional	355.69	292.53
Insurance Charges	1.72	3.52
Electricity Charges	53.96	91.31
Traveling & Conveyance expenses	76.47	130.66
Communication expenses	145.44	130.10
Canteen expenses	18.87	64.75
Computer expenses	16.44	23.14
Claim & Dispute	66.92	33.98
CSR expenses	11.81	-
Guesthouse Expenses	12.09	-
Director sitting fees	6.50	5.00
Advertisement & Business promotion expenses	83.37	157.69
Printing & Stationery	14.58	35.68
Payment to Auditors	-	-
Statutory Audit Fees	50.87	53.33
Tax Audit Fees	0.40	1.30
Other Matters	5.61	4.56
Loss on fair valuation of Investments	-	300.00
Provision on standard loan assets	63.17	36.36
Miscellaneous expenses	65.00	126.86
Loss on sale of Investment	-	0.80
Loss on sale of PPE	4.11	5.07
Allowances for doubtful debts	17.84	116.82
Bad Debts written off	200.00	15.82
Membership & Subscription Charges	-	0.55
Sundry Balance Written off	5.48	4.33
Rental Expenses	1.64	2.23
<b>Total</b>	<b>1,603.31</b>	<b>1,897.20</b>
<b>Details for CSR Expenditure :</b>		
1. Gross amount required to spend by one of the group company	11.81	-
2. Amount spend during the year	-	-
a. provision made during the year	11.81	-

**Note 38 : Earnings/ (Loss) Per Equity Share**

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit after tax attributable to Equity Shareholders for Basic EPS	1,671.00	1,243.11
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	1,671.00	1,243.11
Weighted average number of Equity Shares outstanding during the year	-	-
For Basic EPS	214.69	200.05
For Diluted EPS	327.05	212.25
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS (Rs.)	7.78	6.21
Diluted EPS (Rs.)	5.11	5.86


**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021**
**Note 39- Employee Benefit Obligations**

The Group has classified the various benefits provided to employees as under:

**1. Defined Contribution Plan**

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

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	112.05	69.40
Employer's Contribution to ESIC	16.36	26.65
<b>Total</b>	<b>128.41</b>	<b>96.05</b>

**2. Defined benefit plans**
**Gratuity (post-employment benefits)**

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

**Gratuity**

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

(Rs. in Lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net Amount
<b>01 April 2019</b>	<b>230.76</b>	<b>5.79</b>	<b>224.98</b>
Transfer In/ (Out) obligation	(0.78)	-	(0.78)
Current Service cost	67.77	-	67.77
Interest expense/(income)	17.45	0.21	17.24
<b>Total amount recognised in profit or loss</b>	<b>85.23</b>	<b>0.21</b>	<b>85.02</b>
<b>Remeasurements:</b>			
Return on plan assets, excluding amounts included in interest expense / (income)	-	0.23	(0.23)
(Gain) /loss from change in financial assumptions	28.28	-	28.28
(Gain) /loss from change in demographic assumptions	(0.29)	-	(0.29)
Experience (gains)/losses	(41.07)	-	(41.07)
<b>Total amount recognised in other comprehensive income</b>	<b>(13.08)</b>	<b>0.23</b>	<b>(13.31)</b>
Employer contributions	-	-	-
Benefit payments	(35.01)	-	(35.01)
On sale of subsidiary	0.59	0.12	0.47
<b>31-Mar-20</b>	<b>266.53</b>	<b>6.10</b>	<b>260.43</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(Rs. in Lakhs)		
	Present value of obligation	Fair value of Plan assets	Net Amount
01 April 2020	266.53	6.10	260.43
Transfer In/ (Out) obligation	(0.08)	-	(0.08)
Current Service cost	72.25	-	72.25
Interest expense/(income)	18.10	2.81	15.29
<b>Total amount recognised in profit or loss</b>	<b>90.35</b>	<b>2.81</b>	<b>87.54</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(1.55)	1.55
(Gain)/loss from change in financial assumptions	4.48	(1.88)	6.36
(Gain)/loss from change in demographic assumptions	-	-	-
Experience (gains)/losses	(54.36)	-	(54.36)
<b>Total amount recognised in other comprehensive income</b>	<b>(49.88)</b>	<b>(3.43)</b>	<b>(46.45)</b>
Employer contributions	-	-	-
Benefit payments	(6.62)	-	(6.62)
<b>31-Mar-21</b>	<b>300.29</b>	<b>5.48</b>	<b>294.82</b>

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

	(Rs. in Lakhs)	
	March 31, 2021	March 31, 2020
Present value of funded obligations	300.29	266.53
Fair value of plan assets	5.48	6.10
<b>Deficit/(Surplus) of gratuity plan</b>	<b>294.81</b>	<b>260.43</b>

Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.85%	6.85%
Salary growth rate (per annum)	6.00%	6.00%
Withdrawal rate (per annum)	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Expected rate of return	6.85%	6.85%
Mortality Table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Sensitivity analysis

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

	Change in assumption		Impact on defined benefit obligation		
			Increase in assumption		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Discount rate	0.50%	0.50%	Decrease by	280.07	247.43
Salary growth rate	0.50%	0.50%	Increase by	318.04	282.47
Withdrawal rate	W.R. x 110%	W.R. x 110%	Increase by	301.04	266.77

	Change in assumption		Impact on defined benefit obligation		
			Decrease in assumption		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
Discount rate	0.50%	0.50%	Increase by	321.68	286.22
Salary growth rate	0.50%	0.50%	Decrease by	282.38	249.92
Withdrawal rate	W.R. x 90%	W.R. x 90%	Decrease by	298.53	264.84

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

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

Risk Exposure

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

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

Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are Rs. 70.77 lakhs (as at March 31, 2020: Rs. 73.16 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 13.79 years (14.62 years 2019-20).

The expected maturity analysis of undiscounted gratuity is as follows

	(Rs. in Lakhs)	
	2020-21	2019-20
Less than one year	13.79	6.15
Between 1-2 years	9.91	9.04
Between 2-5 years	43.41	25.48
Over 5 years	70.38	80.00
<b>Total</b>	<b>137.49</b>	<b>120.67</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 40 : Segment information :

The Company has identified Business segments as its primary segment. Business segments are primarily NBFC services, Broking & Distribution services, Consulting & Outsourcing services and Technical Services. Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Revenue	2,934.61	11,127.35	4,424.07	929.50	287.18	19,702.71	
Less: Inter-segment Sales / Income	42.58	531.05	629.89	709.50	208.11	2,121.13	
Total Revenue External	2,892.03	10,596.30	3,794.18	220.00	79.07	17,581.58	
Total revenue of each segment as a percentage of total revenue of all segments	16.45%	60.27%	21.58%	1.25%	0.45%		
Segment Result: Profit / (Loss) before interest and taxes	2,129.74	895.79	116.32	(603.32)	(256.98)	2,281.55	
Profit before tax	-	-	-	-	-	-	2,281.55
Less: Tax expense	-	-	-	-	-	-	610.55
Net profit after tax	-	-	-	-	-	-	1,671.00
Net Profit for the Year	-	-	-	-	-	-	1,671.00
Other Comprehensive Income	-	-	-	-	-	-	36.38
Total Comprehensive Income	-	-	-	-	-	-	1,707.38

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Assets	24,650.20	29,816.18	8,149.25	231.82	2,711.32	65,558.77	65,558.77
Segment Liabilities	7,804.76	24,289.97	4,833.88	467.38	1,859.54	39,255.53	39,255.53
Capital Expenditure	-	-	-	-	128.02	128.02	128.02
Depreciation and Amortisation	-	-	-	-	308.74	308.74	308.74
Other Non Cash Expenses	-	-	-	-	-	-	-
Allowance for Credit Loss	-	2.79	(1.66)	16.71	-	17.84	17.84
Provision for Standard Loan Assets	63.17	-	-	-	-	63.17	63.17

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2021						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Revenue	1,515.76	8,507.21	3,333.44	905.51	220.66	14,482.58	
Less: Inter-segment Sales / Income	97.82	3.44	713.83	207.02	224.89	1,246.99	
Total Revenue External	1,417.93	8,503.78	2,619.62	698.50	(4.23)	13,235.59	
Total revenue of each segment as a percentage of total revenue of all segments	10.71%	64.25%	19.79%	5.28%	-0.03%		
Segment Result: Profit / (Loss) before interest and taxes	252.63	1,977.02	85.18	(24.41)	(470.06)	1,820.36	
Profit before tax	-	-	-	-	-	-	1,820.36
Less: Tax expense	-	-	-	-	-	-	577.25
Net profit after tax	-	-	-	-	-	-	1,243.11
Net Profit for the Year	-	-	-	-	-	-	1,243.11
Other Comprehensive Income	-	-	-	-	-	-	134.60
Total Comprehensive Income	-	-	-	-	-	-	1,377.71

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2020						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Assets	13,025.05	24,598.47	9,241.34	505.82	2,909.77	50,280.45	50,280.45
Segment Liabilities	5,922.30	18,595.95	2,995.61	204.37	1,241.91	28,960.14	28,960.14
Capital Expenditure	-	-	-	-	243.44	243.44	243.44
Depreciation and Amortisation	-	-	-	-	345.54	345.54	345.54
Other Non Cash Expenses	-	-	-	-	-	-	-
Allowance for Credit Loss	-	0.51	50.83	0.90	-	52.24	52.24
Provision for Standard Loan Assets	36.36	-	-	-	-	36.36	36.36



Part 'A' : Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	(Rs. in Lakhs)											
			Equity Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Other Comprehensive Income	Total Comprehensive Income	% of Share Holding
1	Choice Equity Broking Pvt. Ltd.	NA	801.78	8,303.83	33,889.18	24,783.57	1,218.28	10,672.56	486.22	159.00	327.22	17.15	344.37	100.00
2	Choice Wealth Management Pvt. Ltd.	NA	64.16	(58.93)	89.45	84.23	-	85.06	(52.82)	0.08	(52.90)	1.33	(51.58)	100.00
3	Choice Portfolio Management Services Pvt. Ltd.	NA	211.00	4.28	234.67	19.39	-	41.06	(5.03)	0.74	(5.77)	(3.35)	(9.12)	100.00
4	Choice Capital Advisors Pvt. Ltd.	NA	505.00	251.20	1,044.92	288.72	450.00	170.71	13.57	(0.94)	14.51	0.98	15.49	100.00
5	Choice Corporate Services Pvt. Ltd.	NA	1.00	(75.39)	28.49	102.88	-	29.66	0.91	0.15	0.76	0.82	1.58	100.00
6	Choice Techslab Solutions Pvt Ltd.	NA	1.00	98.12	628.67	529.54	-	930.08	26.03	5.70	20.33	5.59	25.92	100.00
7	Choice Retail Solutions Pvt Ltd	NA	1.00	(74.95)	102.78	176.73	-	340.76	33.50	(0.51)	34.01	0.62	34.63	100.00
9	Choice Consultancy Services Pvt. Ltd.(Note 1)	NA	500.00	784.82	3,411.62	2,126.80	0.26	3,630.80	195.36	47.78	147.59	12.82	160.41	100.00
10	Choice Finserve Private Limited	NA	4,356.00	5,151.34	24,931.76	15,424.42	205.60	2,935.28	1,255.98	300.90	955.08	-	955.08	100.00

Note-1: Choice Consultancy Services Private Limited includes share of Jointly Controlled Operations

Part 'B' : Associate / Jointly Controlled Entities

Sr. No.	Name of the Associates/ Joint Controlled Entity	Latest Audited Balance Sheet Date	Shares of Associates/ Joint Ventures held by the Company on the year end			Profit/Loss for the year				
			Numbers	Amount of Investment in Associate /Joint Venture (Amount in Rs.)	Extent of holding	Description of how there is significant influence	Reason why the associate /Joint Controlled Entity is not Consolidated	Net Worth Attributable to Shareholding as per latest audited Balance Sheet (Amount in Rs.)	(i) Considered in Consolidation (Amount in Rs.)	(ii) Not Considered in Consolidation (Amount in Rs.)
1	Thought Consultants Jaipur PL in JV with Choice Consultancy Services PL	March 31, 2021	-	-	50.00%	Jointly Controlled Operation of CCSPL	Consolidated	11.41	0.63	-
2	CCSPL-I&R JV	March 31, 2021	2,600	0.26	26.00%	Jointly Controlled Operation of CCSPL	Consolidated	(1.95)	(1.95)	-
2	Samekit Learning Management Private Limited (Formerly Known as Gravotix Technology Private Limited)	March 31, 2021	-	-	-	Associate of CCSPL	Consolidated	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 42 : The aggregate amount of assets, liabilities, income and expenditure of the Jointly Controlled Operation included in CFS is as follows :

(Rs. in Lakhs)

Name of Entity	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(I) Assets				
Non Current Assets				
Property, Plant and Equipment	-	-	6.11	-
Deferred Tax Assets	0.13	0.48	-	-
Income Tax Assets	-	-	1.84	-
Financial Assets				
Loans	-	-	0.09	-
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	1.67	6.43	53.17	-
(ii) Cash and Cash Equivalents	0.50	0.29	2.44	-
(b) Current Tax Assets	-	-	7.99	-
(c) Other Current Assets	10.96	10.96	9.91	-
(ii) Liabilities				
Non Current Liabilities				
Deferred Tax Liabilities	-	-	0.07	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	-	3.65	-
(ii) Trade Payables	1.85	7.37	21.59	-
(b) Other Current Liabilities	-	-	58.19	-
(c) Provisions	-	0.01	-	-

(b) Details of Income and Expenditure

(Rs. in Lakhs)

Name of Entity	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
(iii) Income	0.00	0.97	54.06	-
(iv) Expenditure	(1.12)	0.94	55.93	-

Note- Amount containing '0.00' represents amount below Rs.5000/-

Note 43 - Reconciliation of Tax Expenses and the accounting profit multiplied by India's Tax Rate

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit Before Tax	2,281.55	1,820.35
Enacted Income Tax Rate (%)	27.82%	27.82%
Income Tax Expenses calculated at applicable income tax rate	634.73	506.42
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	205.32	276.53
Deductions available under income tax	197.13	(391.99)
Impact Due to Mat	1.89	-
Impact on account of Tax Rate	(36.85)	89.53
<b>Total</b>	<b>1,002.22</b>	<b>480.49</b>
Income Tax for Earlier Year	12.84	(18.31)
Income Tax Expenses recognised in Profit & Loss	1,002.22	480.49
Deferred tax recognised in Profit & Loss	(404.51)	115.06
<b>Total Tax Recognised in Profit &amp; Loss</b>	<b>610.55</b>	<b>577.25</b>
Actual Effective Income Tax Rate	26.76%	31.71%









## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(ii) Details of Related Party transactions during the year ended March 31, 2021

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Loan Given to</b>						
Choice Peers International Private Limited	-	-	-	-	114.59	114.59
Samank Apparels Private Limited	-	-	-	-	12.00	12.00
S K Patodia & Associates	-	-	-	-	208.00	208.00
Rupang Properties Private Limited	-	-	-	-	208.89	208.89
Maruti Nandan Colonizers Private Limited	-	-	-	-	52.65	52.65
	-	-	-	-	596.13	596.13
<b>Loan Repayment received from</b>						
Choice Peers International Private Limited	-	-	-	-	9.82	9.82
S K Patodia & Associates	-	-	-	-	534.41	534.41
Rupang Properties Private Limited	-	-	-	-	60.44	60.44
Maruti Nandan Colonizers Private Limited	-	-	-	-	50.48	50.48
	-	-	-	-	655.15	655.15
<b>Loan Taken from</b>						
Kamal Poddar	-	30.00	-	-	-	30.00
Choice Insurance Broking India Private Limited	-	-	-	-	15.48	15.48
Maruti Nandan Colonizers Private Limited	-	-	-	-	796.60	796.60
	-	30.00	-	-	812.08	842.08
<b>Loan Repaid-</b>						
Kamal Poddar	-	135.00	-	-	-	135.00
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
	-	135.00	-	-	819.19	954.19
<b>Revenue From Operations</b>						
<b>Income from Business Support Services-</b>						
The Byke Hospitality Limited	-	-	-	-	73.30	73.30
S K Patodia & Associates	-	-	-	-	109.67	109.67
Choice Insurance Broking India Private Limited	-	-	-	-	17.92	17.92
	-	-	-	-	200.89	200.89
<b>Income from Subletting</b>						
S K Patodia & Associates	-	-	-	-	15.60	15.60
	-	-	-	-	15.60	15.60

(Rs. in Lakhs)

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Income from Professional Fees</b>						
Samank Apparels Private Limited	-	-	-	-	0.05	0.05
Samank Consumer Products Private Limited	-	-	-	-	22.54	22.54
S K Patodia & Associates	-	-	-	-	0.02	0.02
Choice Peers International Private Limited	-	-	-	-	13.06	13.06
Choice Insurance Broking India Private Limited	-	-	-	-	35.67	35.67
<b>Income from Brokerage</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.06	0.06
Maruti Nandan Colonizers Private Limited	-	-	-	-	124.78	124.78
Kansya Properties Private Limited	-	0.00	-	0.06	39.50	39.50
Ajay Rajendra Kejriwal	-	-	-	-	-	0.00
Ajay R Kejriwal (HUF)	-	-	0.00	-	-	0.00
Maiti Rajendra Kejriwal	-	-	0.00	-	-	0.00
Babita Ajay Kejriwal	-	-	0.01	-	-	0.01
Vijay Rajendra Kejriwal	-	-	0.01	-	-	0.01
Rajendrakumar Kejriwal	-	0.78	-	-	-	0.78
Kamal Poddar	-	-	0.08	-	-	0.08
Kamal Poddar (HUF)	-	-	-	-	-	0.08
Arunkumar Poddar	-	0.00	-	-	-	0.00
Hemlata Kamal Poddar	-	1.86	-	-	-	1.86
Santosh Kumar Poddar	-	1.14	-	-	-	1.14
Manju Poddar	-	0.00	-	-	-	0.00
Pushpa P Parmanandka	-	1.63	-	-	-	1.63
Meenu Poddar	-	-	-	-	-	0.00
Sunil Patodia	-	-	-	-	0.01	0.01
Sunil Patodia HUF	-	-	-	-	-	0.00
Vinita Patodia	-	-	-	-	-	0.00
Anil Patodia	-	-	-	-	0.00	0.00
Anil Patodia HUF	-	-	-	-	-	0.00
Archana Patodia	-	-	-	-	-	0.00
Shreya Patodia	-	-	-	-	-	0.00
Suyash Patodia	-	-	-	-	-	0.00
Aastha Patodia	-	-	-	-	-	0.01
Karishma Shah	-	-	-	-	-	0.02
Savita Singhania	-	5.41	0.18	0.14	1.6435	170.08







## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Rs. in Lakhs)

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Interest on Loan (Income)</b>						
Choice Peers International Private Limited	-	-	-	-	5.42	5.42
Samank Apparels Private Limited	-	-	-	-	12.98	12.98
S K Patodia & Associates	-	-	-	-	34.96	34.96
Rupang Properties Private Limited	-	-	-	-	80.11	80.11
	-	-	-	-	133.47	133.47
<b>Interest on Loan (Expenses)</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	3.22	3.22
Manuti Nandan Colonizers Private Limited	-	-	-	-	11.91	11.91
	-	-	-	-	15.13	15.13
<b>Director Remuneration</b>						
Kamal Poddar	-	60.00	-	-	-	60.00
	-	60.00	-	-	-	60.00
<b>Salaries &amp; Allowances</b>						
Manoj Singhania	-	17.40	-	-	-	17.40
Karishma Shah	-	12.00	-	-	-	12.00
Ajay Kejriwal	-	21.00	10.20	-	-	21.00
Vijay Kejriwal	-	-	10.20	-	-	10.20
	-	50.40	-	-	-	60.60
<b>Other Expenses</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.89	0.89
	-	-	-	-	0.89	0.89
<b>Current Financial Assets- Loan</b>						
Samank Apparels 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 Limited	-	-	-	-	114.59	114.59
Manuti Nandan Colonizers Private Limited	-	-	-	-	2.17	2.17
	-	-	-	-	869.27	869.27
<b>Borrowings Current</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	32.86	32.86
Arun Poddar	-	-	-	-	9.80	9.80
	-	-	-	-	42.66	42.66



(Rs. in Lakhs)

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Trade receivables-</b>						
The Byke Hospitality Limited	-	-	-	-	9.03	9.03
S K Patodia & Associates	-	-	-	-	33.25	33.25
Choice Insurance Broking India Private Limited	-	-	-	-	16.21	16.21
Hemlata Kamal Poddar	-	-	1.97	-	-	1.97
Meenu Poddar	-	-	0.00	-	-	0.00
Manju Poddar	-	-	8.91	-	-	8.91
Kamal Poddar	-	2.50	-	-	-	2.50
Kamal Poddar HUF	-	-	-	-	1.97	1.97
Manuti Nandan Colonizers Private Limited	-	-	-	-	59.10	59.10
Sunil Patodia	-	-	-	0.00	-	0.00
Vinita Patodia	-	-	-	0.00	-	0.00
Anil Patodia huf	-	-	-	0.02	0.02	0.02
Archana Patodia	-	-	-	0.03	-	0.03
Shreya Patodia	-	-	-	0.05	-	0.05
	-	1.62	10.86	0.52	119.58	133.01
<b>Trade Payables</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.10	0.10
Ajay Kejriwal HUF	-	-	-	-	0.06	0.06
Vijay Rajendra Kejriwal	-	-	0.00	-	-	0.00
Rajendra Kumar Kejriwal	-	-	2.58	-	-	2.58
Santosh Poddar	-	-	16.86	-	-	16.86
Kamal Poddar	-	0.01	-	-	-	0.01
Manoj Singhania	-	0.82	-	-	-	0.82
Karishma Shah	-	0.79	-	-	0.59	0.79
S K Patodia & Associates	-	-	-	-	-	0.59
Anil Patodia	-	-	-	0.00	-	0.00
Suyash Patodia	-	-	-	0.52	-	0.52
Aastha Patodia	-	-	-	0.00	-	0.00
Savita Singhania	-	-	0.01	-	-	0.01
	-	1.62	19.45	0.52	0.75	22.33
<b>Other Current Liabilities</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	0.08	0.08
	-	-	-	-	0.08	0.08
<b>Other Current Assets</b>						
Advance to trade Payable	-	0.32	-	-	-	0.32
Kamal Poddar	-	-	-	-	1.82	1.82
SK Patodia & Associates	-	0.32	-	-	1.82	2.14
<b>Non Current Investments</b>						
Samekit Learning Management Private Limited	-	-	-	-	0.26	0.26
(Formerly known as Gravotix Technology Private Limited)	-	-	-	-	450.00	450.00
The Byke Hospitality Limited	-	-	-	-	450.26	450.26





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Sale of Equity Investment in following companies to KMP and Relative of KMP</b>						
Hemlata Poddar	-	5.00	-	-	-	5.00
Sonu Poddar	-	-	5.00	-	-	5.00
	-	5.00	5.00	-	-	10.00
<b>Loan Given to</b>						
Samank Apparels Private Limited	-	-	-	-	40.15	40.15
S K Patodia & Associates	-	-	-	-	460.34	460.34
Choice Peers International Private Limited	-	-	-	-	13.50	13.50
	-	-	-	-	513.99	513.99
<b>Loan Repayment received from</b>						
Samank Apparels Private Limited	-	-	-	-	20.18	20.18
S K Patodia & Associates	-	-	-	-	610.68	610.68
Choice Peers International Private Limited	-	-	-	-	108.58	108.58
	-	-	-	-	739.44	739.44
<b>Loan Taken from-</b>						
Kamal Poddar	-	275.50	-	-	-	275.50
Choice Insurance Broking India Private Limited	-	-	-	-	37.88	37.88
Choice Peers International Private Limited	-	-	-	-	20.42	20.42
	-	275.50	-	-	58.30	333.80
<b>Loan Repaid-</b>						
Kamal Poddar	-	29.50	-	-	-	29.50
Choice Insurance Broking India Private Limited	-	-	-	-	9.50	9.50
Choice Peers International Private Limited	-	-	-	-	8.82	8.82
	-	29.50	-	-	18.32	47.82
<b>Revenue from Operations</b>						
Income from Business Support Services-						
The Byke Hospitality Limited	-	-	-	-	85.05	85.05
S K Patodia & Associates	-	-	-	-	139.54	139.54
Choice Insurance Broking India Private Limited	-	-	-	-	21.22	21.22
	-	-	-	-	245.81	245.81
<b>Income from Subletting</b>						
S K Patodia & Associates	-	-	-	-	15.60	15.60
	-	-	-	-	15.60	15.60



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Income from Professional Fees</b>						
Samank Apparels Private Limited	-	-	-	-	1.25	1.25
Samank Consumer Products Private Limited	-	-	-	-	1.52	1.52
The Byke Hospitality Limited	-	-	-	-	572.20	572.20
S K Patodia & Associates	-	-	-	-	6.62	6.62
Choice Peers International Private Limited	-	-	-	-	0.23	0.23
Choice Insurance Broking India Private Limited	-	-	-	-	2.17	2.17
	-	-	-	-	583.99	583.99
<b>Income from Brokerage</b>						
Ajay Rajendra Kejriwal	-	0.03	-	-	-	0.03
Ajay R Kejriwal (HUF)	-	-	-	-	0.03	0.03
Malti Rajendra Kejriwal	-	-	0.02	-	-	0.02
Babita Ajay Kejriwal	-	-	0.00	-	-	0.00
Vijay Rajendra Kejriwal	-	-	0.02	-	-	0.02
Rajendrakumar Kejriwal	-	-	0.09	-	-	0.09
Kamal Poddar	-	13.29	-	-	-	13.29
Kamal Poddar (HUF)	-	-	-	-	0.14	0.14
Arunkumar Poddar	-	27.68	-	-	-	27.68
Hemlata Kamal Poddar	-	0.39	-	-	-	0.39
Santosh Kumar Poddar	-	-	0.22	-	-	0.22
Manju Poddar	-	-	0.10	-	-	0.10
Meenu Poddar	-	-	0.21	-	-	0.21
Vijay R Kejriwal Huf	-	-	-	-	0.12	0.12
Santosh Kumar Poddar Huf	-	-	-	0.23	0.07	0.23
Sunil Patodia	-	-	-	0.23	-	0.23
Sunil Patodia HUF	-	-	-	-	0.11	0.11
Vivita Patodia	-	-	-	0.22	-	0.22
Anil Patodia	-	-	0.03	-	-	0.03
Anil Patodia HUF	-	-	-	0.00	0.00	0.00
Archana Patodia	-	-	-	0.03	-	0.03
Shreya Patodia	-	-	-	-	-	0.00
Karishma Shah	-	0.05	-	-	-	0.05
Savita Singhania	-	-	0.01	-	-	0.01
	-	41.44	0.67	0.51	0.47	43.10





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Other Income (Sale of Scrap)</b>						
The Byke Hospitality Limited	-	-	-	-	3.36	3.36
	-	-	-	-	3.36	3.36
<b>Interest on Loan (Income)</b>						
Choice Peers International Private Limited	-	-	-	-	9.80	9.80
Samank Apparels Private Limited	-	-	-	-	11.28	11.28
S K Patodia & Associates	-	-	-	-	36.74	36.74
	-	-	-	-	57.82	57.82
<b>Interest on Loan (Expenses)</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	2.09	2.09
	-	-	-	-	2.09	2.09
<b>Director Remuneration</b>						
Kamal Poddar	-	52.52	-	-	-	52.52
	-	52.52	-	-	-	52.52
<b>Salaries &amp; Allowances</b>						
Manoj Singhania	-	17.40	-	-	-	17.40
Karishma Shah	-	11.90	-	-	-	11.90
Ajay Kejriwal	-	21.00	-	-	-	21.00
Vijay Kejriwal	-	-	10.20	-	-	10.20
	-	50.30	10.20	-	-	60.50
<b>Other Expenses</b>						
S K Patodia & Associates	-	-	-	-	1.56	1.56
Samank Consumer Products Private Limited	-	-	-	-	3.15	3.15
	-	-	-	-	4.70	4.70
<b>Current Financial Assets- Loan</b>						
Samank Apparels Private Limited	-	-	-	-	108.15	108.15
S K Patodia & Associates	-	-	-	-	382.70	382.70
	-	-	-	-	490.86	490.86
<b>Borrowings Current</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	28.38	28.38
Choice Peers International Private Limited	-	-	-	-	11.59	11.59
Kamal Poddar	-	-	246.00	-	-	246.00
Arun Poddar	-	-	9.80	-	-	9.80
	-	-	255.80	-	39.97	295.77

(Rs. in Lakhs)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Trade receivables-</b>						
The Byke Hospitality Limited	-	-	-	-	512.83	512.83
S K Patodia & Associates	-	-	-	-	82.64	82.64
Choice Insurance Broking India Private Limited	-	-	-	-	13.62	13.62
Samank Apparels Private Limited	-	-	-	-	1.35	1.35
Samank Consumer Products Private Limited	-	-	-	-	1.07	1.07
Santosh Kumar Poddar	-	-	13.73	-	-	13.73
Meenu Poddar	-	-	17.02	-	-	17.02
Manju Poddar	-	-	7.84	-	-	7.84
Kamal Poddar	-	0.00	-	-	-	0.00
Anil Patodia huf	-	-	-	0.01	0.01	0.01
Archana Patodia	-	-	-	0.03	-	0.03
Shreya Patodia	-	-	-	-	-	0.03
	-	0.00	38.59	0.04	611.52	650.16
<b>Trade Payables</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.89	0.89
Kamal Poddar	-	8.75	-	-	-	8.75
Manoj Singhania	-	1.05	-	-	-	1.05
Karishma Shah	-	2.37	-	-	-	2.37
S K Patodia & Associates	-	-	-	-	0.51	0.51
Sunil Patodia huf	-	-	-	-	0.92	0.92
Anil Patodia	-	-	-	1.02	-	1.02
Suyash Patodia	-	-	-	0.04	-	0.04
Savita Singhania	-	-	0.04	-	-	-
	-	12.17	0.04	1.06	2.32	15.55
<b>Other Current Liabilities</b>						
S K Patodia & Associates	-	-	-	-	1.10	1.10
Choice Insurance Broking India Private Limited	-	-	-	-	0.78	0.78
	-	-	-	-	1.88	1.88
<b>Non Current Investments</b>						
Samekit Learning Management Private Limited (Formerly known as Greyox Technology Private Limited)	0.26	-	-	-	-	0.26
	0.26	-	-	-	-	0.26

(Rs. in Lakhs)

Note- Amount containing '0.00' represents amounts less than Rs. 5000/-



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2021

Note 45:- Disclosure pursuant to Ind AS 1 " Presentation of financial statements"

(a) Current Assets expected to be recovered within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Securities held for Trade	12	872.30	-	872.30	3,060.91	-	3,060.91
Trade Receivables	13	7,613.07	-	7,613.07	9,104.28	-	9,104.28
Loans	16	24,653.46	-	24,653.46	11,779.83	-	11,779.83
Other Financial Assets	17	17,027.57	-	17,027.57	9,056.96	-	9,056.96
Other Current Assets	18	453.42	-	453.42	540.00	-	540.00

(b) Current Liabilities expected to be recovered within twelve months and after twelve months from the reporting date:

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Trade Payables	26	1,378.22	-	1,378.22	722.79	-	722.79
Borrowings	27	12,151.66	-	12,151.66	13,859.06	-	13,859.06
Other Financial Liabilities	28	20,189.41	-	20,189.41	11,107.03	-	11,107.03
Other Current Liabilities	29	1,184.40	-	1,184.40	1,558.25	-	1,558.25

(c) Fair Value hierarchy of financial assets and liabilities measured at Fair Value :

(Rs. in Lakhs)

Particulars	Note No.	As at March 31, 2021				As at March 31, 2020			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Level 4
<b>Financial Assets</b>									
Investments (Other Than Subsidiaries and Associates)	6	5.78	655.60	-	661.38	3.64	1,955.07	-	1,958.71
Loans- Non Current	7	-	-	-	6.56	-	-	-	74.63
Other Financial Assets-Non Current	8	-	-	-	488.87	-	-	-	394.67
Securities held for trade	12	872.30	-	-	872.30	3,060.91	-	-	3,060.91
Trade Receivables	13	-	-	-	7,613.07	-	-	-	9,104.28
Loans- Current	16	-	-	-	24,653.46	-	-	-	11,779.83
Other Financial Assets- Current	17	-	-	-	17,027.57	-	-	-	9,056.96
<b>Financial Liabilities</b>									
Borrowings- Non Current	21	-	-	-	2,621.85	-	-	-	380.96
Other Non Current Financial Liabilities	22	-	-	-	0.15	-	-	-	-
Trade Payable	26	-	-	-	1,378.22	-	-	-	722.79
Borrowings- Current	27	-	-	-	12,151.66	-	-	-	13,859.06
Other Current Financial Liabilities	28	-	-	-	20,189.41	-	-	-	11,107.03

(d) Quantitative Disclosures of carrying value / fair Value measurement hierarchy for assets and liabilities

(Rs. in Lakhs)

Particulars	Date of Valuation	As at March 31, 2021			As at March 31, 2020		
		Total	Quoted Price in Active Market (Level 1)	Significant Observable inputs (Level 1)	Total	Quoted Price in Active Market (Level 1)	Significant Observable inputs (Level 2)
<b>Financial Assets measured at Fair Value through Profit and Loss</b>							
<b>Non Current</b>							
Investment in Equity Shares of Other Companies	31-03-2021	5.78	5.78	-	31-03-2020	3.64	3.64
<b>Current</b>							
Securities Held for Trade	31-03-2021	872.30	872.30	-	31-03-2020	3,060.91	3,060.91
<b>Financial Assets measured at Fair Value through Other Comprehensive Income</b>							
<b>Non Current</b>							
Investment in Equity Shares of Other Companies	31-03-2021	450.00	-	450.00	31-03-2020	450.00	450.00
Investment in Equity Shares of Other Companies	31-03-2021	205.60	-	205.60	31-03-2020	1,505.07	-
<b>Financial Assets at Amortised Cost</b>							
<b>Non Current</b>							
Investment in Associates	31-03-2021	0.26	-	-	31-03-2020	0.26	-
Loans	31-03-2021	6.56	-	-	31-03-2020	74.63	-
Other Financial Assets	31-03-2021	488.87	-	-	31-03-2020	394.67	-
<b>Current</b>							
Trade Receivables	31-03-2021	7,613.07	-	-	31-03-2020	9,104.28	-
Loans	31-03-2021	24,653.46	-	-	31-03-2020	11,779.83	-
Other Financial Assets	31-03-2021	17,027.57	-	-	31-03-2020	9,056.96	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 46:- Financial Assets at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Financial Assets</b>		
Loans	6.56	74.63
Other Financial Assets	488.87	394.67
<b>Current Financial Assets</b>		
Trade receivables	7,613.07	9,104.28
Cash and Cash Equivalents	3,025.09	3,733.23
Other bank balances	1,792.49	1,364.98
Loans	24,653.46	11,779.83
Others	17,027.57	9,056.96
<b>Total</b>	<b>54,607.11</b>	<b>35,508.58</b>

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

### Note 47:- Financial Liabilities at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Financial Liabilities</b>		
Borrowings	2,621.85	380.96
Other Financial Liabilities	0.15	-
<b>Current Financial Liabilities</b>		
Borrowings	12,151.66	13,859.06
Trade Payable	1,378.22	722.79
Other Financial Liabilities	20,189.41	11,107.03
<b>Total</b>	<b>36,341.29</b>	<b>26,069.84</b>

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

### Note 48:- 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:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Financial Liabilities</b>		
Investments	5.78	3.64
<b>Total</b>	<b>5.78</b>	<b>3.64</b>

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 49:- Financial Assets at Fair Value Through Other Comprehensive Income

The carrying value of the following financial assets recognised at fair value through other comprehensive income:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current Financial Liabilities</b>		
Investments	4.50.00	4.50.00
<b>Total</b>	<b>4.50.00</b>	<b>4.50.00</b>

### Note 50 : Financial Risk Management Objectives and Policies

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

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

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

### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group 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.

On account of adoption of Ind-AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group 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 Group's historical experience for customers.

The Group has made adjustments in ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary. The moratorium benefit wherever extended has been taken into consideration for staging of loans in the Model.

The Group offers loans secured by real estate/housing property/investments. In order to mitigate credit risk, the Group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

In assessing the impairment of financial assets under the expected credit loss 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 month ECL	24,721.14	11,792.61
Less : Impairment loss allowance	123.61	60.43
<b>Net Stage 1 Assets</b>	<b>24,597.53</b>	<b>11,732.18</b>
ECL Provision Coverage	0.50%	0.51%
Gross Stage 2 (30 > DPD < 90 days) Under performing assets increase in credit risk and Lifetime ECL	-	-
Less : Impairment loss allowance	-	-
<b>Net Stage 2 Assets</b>	<b>-</b>	<b>-</b>
ECL Provision Coverage	-	-
Gross Stage 3 (DPD > 90) Non-performing assets credit impaired and Lifetime ECL	-	-
Less : Impairment loss allowance	-	-
<b>Net Stage 3 Assets</b>	<b>-</b>	<b>-</b>
ECL Provision Coverage	-	-
<b>Total Loans &amp; Advances</b>	<b>24,721.14</b>	<b>11,792.61</b>
Less : Impairment loss allowance	123.61	60.43
<b>Net Loans &amp; Advances</b>	<b>24,597.53</b>	<b>11,732.18</b>
ECL Provision Coverage	0.50%	0.51%

### Financial instruments and cash deposits

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

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and unsecured loans. The Group has access to a sufficient variety of sources of funding which can be rolled over with existing lenders. The Group 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 years	3-5 years	More than 5 Years	Total
<b>Year ended March 31, 2021</b>					
Secured Loans	12,126.96	762.10	735.47	1,338.41	14,962.94
Unsecured Loans	171.35	-	-	-	171.35
Trade Payables	1,378.22	-	-	-	1,378.22
Others	21,373.82	-	-	-	21,373.82

(Rs. in Lakhs)

Particulars	0-1 Year	1-3 years	3-5 years	More than 5 Years	Total
<b>Year ended March 31, 2020</b>					
Secured Loans	7,718.39	125.30	115.32	144.92	8,103.92
Unsecured Loans	6,197.06	-	-	-	6,197.06
Trade Payables	722.79	-	-	-	722.79
Others	12,665.28	-	-	-	12,665.28

### 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 Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group'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	2,805.34	236.86
Fixed Rate Borrowing	177.28	200.49
<b>Total</b>	<b>2,982.62</b>	<b>437.35</b>

### 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
<b>March 31, 2021</b>	+ 1%	28.05
	- 1%	(28.05)
<b>March 31, 2020</b>	+ 1%	2.37
	- 1%	(2.37)

### Foreign Currency risk

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

### Foreign Currency Sensitivity

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

(Rs. in Lakhs)

Particulars	Increase/ Decrease in basis points	Effect on Profit before Tax
<b>March 31, 2021</b>	+ 5%	-
	- 5%	-
<b>March 31, 2020</b>	+ 5%	-
	- 5%	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 51 : Capital Management

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

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

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	14,773.51	14,240.02
Cash and cash equivalents	4,817.58	5,098.21
<b>Net Debt (A)</b>	<b>9,955.93</b>	<b>9,141.81</b>
<b>B) Equity</b>		
Equity share capital	2,856.83	2,000.48
Other Equity	23,446.41	19,319.86
<b>Total Equity (B)</b>	<b>26,303.24</b>	<b>21,320.34</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>	<b>37.85%</b>	<b>42.88%</b>

### Note 52 : Contingent Liabilities not Provided for:

(a) (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax demand contested by the company *	88.03	110.25
<b>Total</b>	<b>88.03</b>	<b>110.25</b>

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

(b) Corporate Guarantee Issued to (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Corporate guarantees issued to Banks & Financial Institutions on behalf of subsidiaries	6,286.74	8,323.14
<b>Total</b>	<b>6,286.74</b>	<b>8,323.14</b>

\*The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is Rs. 5230.74 lakhs (March 31, 2020: Rs.7229.68 lakhs), for Choice Capital Advisors Private Limited is Rs. 94.32 lakhs/ (March 31, 2020: Rs.98.07 lakhs-) and for Choice Consultancy Services Private Limited is Rs. 961.68 lakhs (March 31, 2020: Rs.995.39 lakhs). However the overall sanction amount is Rs. 9220.00 lakhs (March 31, 2020: Rs. 10720.00 lakhs).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 53 : Capital and Other Commitments:

Capital Commitments: Nil

### Note 54 : Expenditure on Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, the group is not mandatorily required to spend on corporate social responsibility (CSR) activities, however one subsidiary of the group, which is mandatorily required to spend on CSR has provided Rs.11.81 lakhs towards Corporate Social Responsibility during the year ended March 31, 2021.

Note 55 : Expenditure in Foreign Currency - Nil

### Note 56 : 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 consolidated financial statements, includes the potential impact of the COVID-19 pandemic on the Group'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 Group and its subsequent impact on the recoverability's on the Group's assets.

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

The Group has, based on current available information and based on the policy approved by the respective board, determined the provision for impairment of financial assets including the additional overlay for uncertainty over the potential macro-economic impact of the pandemic.

### Note 57 : 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 policies 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

Sd/-  
Kamal Poddar  
Managing Director  
DIN: 01518700

Sd/-  
Ajay Kejriwal  
Director  
DIN :- 03051841

Sd/-  
Manoj Singhania  
Chief Financial Officer

Sd/-  
Karishma Shah  
Company Secretary

Place : Mumbai  
Date : June 25, 2021

Place : Mumbai  
Date : June 25, 2021



## Notice of 28th Annual General Meeting



### NOTICE OF 28TH ANNUAL GENERAL MEETING OF CHOICE INTERNATIONAL LIMITED

Choice House, Shree Shakambhari Corporate Park, Plot No. 156-158, J.B. Nagar, Andheri (east), Mumbai-400 099.

Tel No.: +91-22-6707 9999 Fax: +91-22-6707 9898 Website: www.choiceindia.com,

Email ID: info@choiceindia.com CIN: L67190MH1993PLC071117

Notice is hereby given that 28th Annual General Meeting (AGM) of the members of Choice International Limited will be held on Thursday, September 23, 2021 at 3.00 PM IST through Video Conferencing / Other Audio Video Media, to transact the following business:

#### ORDINARY BUSINESS:

1. To consider and adopt:

A) Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon.

B) Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the reports of the Auditors thereon.

2. To appoint a Director in place of Mr. Ajay Kejriwal (DIN 03051841), who retires by rotation and, being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

3. To increase the Authorized Share Capital of the Company and amendment in the Capital Clause of the Memorandum of Association of the Company (Ordinary Resolution):

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in terms of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactments thereof for the time being in force), and provisions of the Articles of Association, approval of the members, be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 40,10,00,000/- (Rupees Forty Crores Ten Lakhs) divided into 4,01,00,000 (Four Crore one Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 50,10,00,000 / (Rupees Fifty Crores Ten Lakhs) divided into 5,01,00,000 (Five Crore one Lakh) Equity Shares of Rs. 10/- (Rupees Ten only) each by creating additional 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each and consequently first paragraph of Clause No. V of the Memorandum of Association of the Company be and is hereby substituted by the following:

V. The Authorized Share Capital of the Company is Rs. 50,10,00,000 / (Rupees Fifty Crores Ten Lakhs) divided into 5,01,00,000/- (Five Crore one Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each. The Company shall have the power to increase or reduce its capital from time to time for such amount as the Company may determine."

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all such acts, deeds, matters and things as may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions, difficulties or doubts that may arise in regard to the increase in Authorized Share Capital of the Company and consequent amendment in the Memorandum of Association of the Company as they may think fit."

4. Regularisation of Appointment of Additional Director, Mr. Subodh Agrawal (DIN: 00553916), by appointing him as Non - Executive Independent Director of the Company (Ordinary Resolution)

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT, pursuant to provision of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Subodh Agrawal (DIN: 00553916) who was appointed as an Additional Non - Executive Independent Director of the Company w.e.f. 10th November 2020 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as Non - Executive Independent Director of the Company to hold office for a term of five (5) years commencing with effect from November 10, 2020 and shall not be liable to retire by rotation."

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

5. Regularisation of Appointment of Additional Director, Mr. Sandeep Kumar Singh (DIN: 02814440), by appointing him as Non - Executive Independent Director of the Company (Ordinary Resolution)

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT, pursuant to provision of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Sandeep Kumar Singh (DIN: 02814440) who was appointed as an Additional Non - Executive Independent Director of the Company w.e.f. 12th February 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for





appointment, be and hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of five years (5) commencing with effect from February 12, 2021 and shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

6. Regularisation of Appointment of Additional Director, Mrs. Sudha Bhushan (DIN: 01749008) by appointing her as Non-Executive Independent Director of the Company (Ordinary Resolution)

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provision of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mrs. Sudha Bhushan (DIN: 01749008) who was appointed as an Additional Non-Executive Independent Director of the Company w.e.f 12th February 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as Non-Executive Independent Director of the Company to hold office for five (5) consecutive years commencing with effect from February 12, 2021 and shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

7. To approve the Re-appointments of Mr. Ashok Kumar Thakur (DIN No. 07573726) as (Non-Executive) Independent Director of the company for a second term of five consecutive years (Special Resolution)

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, Mr. Ashok Kumar Thakur (DIN No. 07573726) Additional Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of the Company, for a second term of five consecutive years commencing with effect from July 14, 2021 and shall not be liable to retire by rotation

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

8. To approve the Re-appointments of Mr. Kanhaiya Lal Berwal (DIN No. 07535424) as (Non-Executive) Independent Director of the company for a second term of five consecutive years (Special Resolution)

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Kanhaiya Lal Berwal (DIN No. 07535424), Additional Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as a Non-Executive Independent Director on the Board of the Company, for a second term of five consecutive years commencing with effect from 14th July, 2021 and shall not be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. Appointment of Mr. Sunil Kumar Patodia (DIN: 00751941) as Non-Executive Non Independent Chairman Director of the Company (Ordinary Resolution)

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT, on the recommendation of Nomination & Remuneration Committee and on approval of the Board of Directors of the Company and in accordance with the provision of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the applicable provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Sunil Kumar Patodia (DIN: 00751941) appointed as Additional Non-Executive Non-Independent Chairman of the Company w.e.f 13th August 2021 in terms of Section 161(1) of the Companies Act, 2013 and Article of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing his candidature for the office of the Director and who is eligible for appointment, be and is hereby appointed as a Non-Executive Non-Independent Chairman of the Company for a Term of 5 Years commencing with effect from August 13, 2021, liable to retire by rotation on the following terms & conditions:

- Remuneration/Commission to be payable in addition to sitting fees for attending the meetings of the Board of Directors thereof, as may be determined by the Board of Directors of the Company, provided that the aggregate amount so paid shall comply with the stipulations in terms of the section 197 of the Companies Act and computed in the manner referred to in section 198 of the Companies Act, 2013.
- Reimbursement of travel, stay and entertainment expenses actually and properly incurred in the course of business as per the Company's Policy.

**\* RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors or Director's to give effect to the aforesaid resolutions.

10. Approval for Related Party Transactions (Ordinary Resolution)

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ('Act') and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Choice Insurance Broking Private Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 21(xb) of the Listing Regulations, for acquiring 50% Stake in Choice Insurance Broking Private Limited, on such terms and conditions as the Board of Directors may deem fit, for an consideration not exceeding Rs. 60,00,000 (Rupees Sixty Lakhs), provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution."

11. TO APPROVE THE REVISION IN REMUNERATION OF MR. KAMAL PODDAR, MANAGING DIRECTOR OF THE COMPANY (Special Resolution)

To consider and, if thought fit, to pass, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and Schedule V to the Companies Act, 2013 ('the Act') read with Companies (Appointment and Remuneration to Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force and Rules made there under to the extent applicable, on the recommendation of Nomination & Remuneration Committee and in furtherance of the Special Resolution passed in the 26th Annual General Meeting held on September 27, 2019 ("26th AGM") and subject to such other approvals as may be necessary, consent of the Members be and is hereby accorded to revise the remuneration of Mr. Kamal Poddar (DIN: 01518700), Managing Director of the Company from Rs. 60 Lakhs Per annum to Rs. 120 Lakh Per annum with effect from October 1, 2021 for remaining duration of his tenure from the effective date, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 197 and Schedule V to the Companies Act, 2013

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination & Remuneration Committee be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 196, 197, 203 and Schedule V to the Companies Act, 2013 subject to any amendment in the provisions of the aforesaid sections.

**RESOLVED FURTHER THAT** the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of the business of the Company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee (s) thereof and the above-mentioned remuneration will be the total consideration payable by the Company and its Subsidiary Companies.

**RESOLVED FURTHER THAT** in the event in any financial year during the tenure of the Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company or through its Subsidiaries may pay to the Managing Director the above remuneration excluding commission amount payable on the minimum remuneration by way of salary, Perquisites and Other terms & Conditions as specified above.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any Director or the Company Secretary Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

Place: Mumbai  
Date: August 13, 2021

By Order of the Board of Directors  
Sd/-  
(Karishma Shah)  
Company Secretary

Registered Office:  
Choice House, Shree Shakambhari Corporate Park,  
Plot No., 156-158, J.B. Nagar,  
Andheri (East),  
Mumbai - 400 099,  
Email Id : info@choiceindia.com





**NOTES**

General instructions for accessing and participating in the 28th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circular dated 8th April, 2020 and 13th April, 2020, January 2021 (collectively referred to as "MCA circular") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Obligations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

2. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

3. Since the AGM is being held pursuant to the MCA circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the Facility for appointment of proxies will not Proxy Form and Attendance Slip are not annexed to this Notice.

4. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization, etc authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to the scrutinizer by email through its registered email address to info@choiceindia.com.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.choiceindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

6. Members holding shares in electronic form are requested to register / update their postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN) mandates, nominations, power of attorney, bank details such as name of bank and branch details, bank account number, MICR Code, IFSC Code etc, to their Depository Participants, with whom they are maintaining Demat Accounts.

7. Members holding shares in physical form are requested to register / update their postal address, email address telephone/ mobile numbers, PAN, mandates, nominations, power of Attorney, bank details such as name of the bank and branch details, bank accounts number, MICR code, IF-SC code, etc., with the Registrar and Transfer Agent i.e. Link InTime India Private Limited by sending an email to mumbai@linkintime.co.in

8. Non - Resident Indian members are requested to inform Link InTime India Private Limited immediately on:

- The Change in the residential status on return to India for permanent settlement; and
- The particulars of the bank account(s) number and address of the bank, if not furnished earlier.

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this notice.

11. As mandated by SEBI, effective from April 1, 2019 that securities of listed Companies shall be transferred only in dematerialised form. In order to facilitate transfer of share(s) in view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.

12. As per SEBI Circular dated 20th April, 2018 Shareholders whose PAN and Bank details are not mapped:-

- Shareholders holding shares in physical mode are requested to compulsorily furnish the details to the Share Department/Registrar & Share Transfer Agent.
- Shareholders holding shares in electronic mode are requested to furnish the details to their respective Depository Participant (DP).

13. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the R Members of the Company will be entitled to vote at the AGM.

14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

16. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

17. The AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. in continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 & in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

18. The Equity Share Transfer Registers will remain closed from Friday September 17, 2021 to Thursday, September 23, 2021 (both days inclusive) for the purpose of Annual General Meeting.

19. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

20. M/S R. M. Mimani & Associates LLP, Company, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the evoting system on the date of 28th AGM in a fair and transparent manner.

21. The Member who have cast their vote by remote e-voting prior to the AGM may also attend /participate in AGM through VC / OAVM but shall not be entitled to cast their vote again.

22. The Voting right of Members shall be proportion to their shares in the paid up equity share capital of the Company as on cut-off date.

23. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, should follow the same procedure for e-Voting as mentioned below.

24. The voting results will be declared on receipt of Scrutinizer's Report. The voting results along with the Scrutinizer's Report will be placed on the website of the agency www.evotingindia.com and also on the website of the Company www.choiceindia.com, within 48 hours after the conclusion of the 28th AGM of the Company and will also be submitted to the BSE Limited (BSE) where the shares of the Company are listed.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- The voting period begins on Monday, September 20, 2021 @ 09.00 AM and ends on Wednesday, September 22, 2021 @ 5. PM. During this period shareholders' of the

Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 16, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below.

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login securities in Demat mode with CDSL through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>





**Individual Shareholders holding securities in demat mode with NSDL**

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsd.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsd.com>. Select "Register Online for IDeAS \*Portal or click at <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp>.
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under "Shareholder/Member" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Individual Shareholders (holding securities in demat mode) login through their Depository Participants**

You can also login using the login credentials of your demat account through your Participants Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.



6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your OR Date of Birth (DOB) demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).</li> </ul>

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi) Facility for Non-Individual Shareholders and Custodians Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The

Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz: [info@choiceindia.com](mailto:info@choiceindia.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may





send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dahi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

#### Explanatory Statement

[Pursuant to Section 102(2) of the Companies Act, 2013]

#### Item No. 3:

As per item No. 3. of the Notice, to meet the future capital requirement of the Company it is proposed to increase the existing Authorized Share Capital of the Company from Rs. 40,10,00,000/- (Rupees Forty Crores Ten Lakh) to Rs. 50,10,00,000/- (Rupees Fifty Crores Ten Lakhs) divided into 5,01,00,000/- (Five Crore one Lakh) Equity Shares of Rs.10/- (Rupees Ten only) each as per the resolution.

Pursuant to section 61 and 13 of the Companies Act, 2013, the Company cannot increase its Authorized Share Capital without the consent of the members of the Company. Therefore, it is proposed to obtain the consent of the members to increase its Authorised Share Capital.

The Board recommends the Resolution for approval of the Members as an Ordinary Resolution as set out in the item no. 3 of the notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution, except to the extent of their shareholding in the Company, if any.

#### Item No. 4, 5, 6

Mr. Subodh Agrawal (DIN: 00553916), Mr. Sandeep Kumar Singh (DIN: 02814440), Mrs. Sudha Bhushan (DIN: 01749008) were appointed as an Additional Non-Executive Independent Directors of the Company with effect from 10th November, 2020, 12th February, 2021 and 12th February, 2021 respectively to hold office upto the date of this Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

The Company has received a notice in writing from all members along with the deposit of requisite amount as required under Section 160 of the Act proposing their candidature for the office of Independent Director of the Company.

Mr. Subodh Agrawal, Mr. Sandeep Kumar Singh and Mrs. Sudha Bhushan have given a declaration to the Board of Directors of the Company that they met the criteria of Independence as required under Section 149 of the Act and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Mr. Subodh Agrawal, Mr. Sandeep Kumar Singh and Mrs. Sudha Bhushan are not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consents to act as a Director.

Pursuant to the provisions of Section 149 and other applicable provisions of the Act with respect to appointment and tenure of the Independent Directors, an Independent Director shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

On the recommendation of Nomination and Remuneration Committee, the Board agrees that, Mr. Subodh Agrawal, Mr. Sandeep Kumar Singh and Mrs. Sudha Bhushan fulfils the conditions specified in the Act, rules made thereunder and the Listing Regulations for their appointment as an Independent Director for a term upto five consecutive years.

The Board recommends the Resolution for approval of the Members as an Ordinary Resolution as set out in the item no. 4, 5 and 6 of the notice.

Save and except Mr. Subodh Agrawal, Mr. Sandeep Kumar Singh and Mrs. Sudha Bhushan being appointees and their relatives, to the extent of their shareholding, if any, in the Company, none of the other Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4, 5, 6, of the Notice.

#### Item No. 7, 8

The Board of Directors at its meeting held 14th July, 2016 had appointed Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal as an Additional Non- Executive Independent Director of the Company & both of who's appointment was approved by the Shareholders at the Annual General Meeting of the Company held on September 20, 2016 for a term of 5 Years commencing from July 14, 2016

Accordingly, the tenure of Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal, as an Independent Director was due for re-appointment, in July, 2021.

In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report.

The Company has received the consents from Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal to act as the Directors in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act.

After taking into account the performance evaluation, during their first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal during their tenure as an Independent Director since their appointment, the Nomination and Remuneration Committee at its meeting held on 25th June, 2021 had considered, approved and recommended the re-appointment of Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal as an Independent Directors for a second term of five years with effect from 14th July, 2021, to the Board of Directors for their approval.

The Board of Directors at its meeting held on 25th June, 2021 has approved the proposal for re-appointment of Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal as an Independent Director for a second term of five consecutive years with effect from 14th July, 2021

In line with the aforesaid provisions of the Companies Act, 2013 and in view of long, rich experience, continued valuable guidance to the management and strong Board performance of Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal, the Shareholders are requested to approve the re-appointment of Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal as an Independent Directors for a second term of five consecutive years with effect from 14th July, 2021.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in the item no. 7, 8 of the notice.

Except Mr. Ashok Kumar Thakur and Mr. Kanhaiya Lal Berwal, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

#### Item No. 9

Mr. Sunil Kumar Patodia (DIN: 00751941) was appointed as an Additional Non-Executive Non- Independent Chairman of the Company with effect from 13th August 2021 to hold office upto the date of this Annual General Meeting of the Company pursuant to Section 161 of the Companies Act, 2013 (the "Act").

Mr. Sunil Kumar Patodia is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The seeds of a fully-integrated financial services Firm were sowed by our Multi-faceted promoter, Mr. Sunil Patodia. A Chartered Accountant by Profession, Mr. Patodia is the Founder Promoter of the group "Choice" and under his advice & guidance the group "Choice" has evolved itself as a "Corporate Giant" in the Financial Service Industry. His distinguished experience of 25 years and achievements in this highly competitive sector has been looked upon as inspiration by many. It's his leadership and vision that enables Choice Group to function like a family.

The Board recommends the Resolution for approval of the Members

S.No.	Particulars	Remarks
1.	Name of the Related Party	Choice Insurance Broking Private Limited
2.	Name of the Director or KMP who is related	Mr. Kamal Poddar
3.	Nature of Relationship	Mr. Kamal Poddar Holds 99.99% Paid Up Share Capital of CIBPL.
4.	Nature, material terms, monetary value and particulars of the contract or arrangement	Acquisition of 50% Stake in CIBPL for a consideration not exceeding Rs. 60 Lakhs.
5.	Any other information relevant or important for the members to take a decision on the proposed resolution	The Transaction is at Arm's Length Price.

as an Ordinary Resolution as set out in the Item no. 9 of the notice.

Except Mr. Sunil Kumar Patodia, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

Brief Profile of Mr. Sunil Kumar Patodia is given as Annexure B to the Notice.

#### Item No. 10

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of shareholders through Special resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.

Mr. Kamal Poddar, Managing Director of your Company holds Majority Stake and have Significant Influence in Choice Insurance Broking Private Limited ("CIBPL"), an Insurance Broking Company registered with "Insurance Regulatory Board of India (IRDAI)".

Accordingly, transaction(s) entered into with CIBPL comes within the meaning of Related Party transaction(s) in terms of provisions of the Act, applicable Rules framed thereunder read with the Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with CIBPL in the financial year 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with CIBPL are as follows:

Company as per last audited financial statements of the Company.

Mr. Kamal Poddar, Managing Director of your Company holds Majority Stake and have Significant Influence in Choice Insurance Broking Private Limited ("CIBPL"), an Insurance Broking Company registered with "Insurance Regulatory Board of India (IRDAI)".

Accordingly, transaction(s) entered into with CIBPL comes within the meaning of Related Party transaction(s) in terms of provisions of the Act,

applicable Rules framed thereunder read with the Listing Regulations.

Hence, approval of the shareholders is being sought for the said Related Party Transaction(s) proposed to be entered into by your Company with CIBPL in the financial year 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with CIBPL are as follows:







The Board recommends the Resolution for approval of the Members as a Ordinary Resolution as set out in the item no. 10 of the notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, other than as mentioned above is concerned or interested, financially or otherwise, in the resolution.

#### Item No.: 11

In the light of the earlier resolution passed, the Board of Directors of the Company ("the Board") with respect to the approval of members in the 26th Annual General Meeting of company held on 27th September, 2019, re-appointed Mr. Kamal Poddar (DIN: 01518700) designated as Managing Director for a further period of 5 (five) years i.e. from October 1 2019 to September 30, 2024. The Nomination & Remuneration Committee and the Board of Directors at its meeting held on August 13, 2021 approved the revision in remuneration of Mr. Kamal Poddar (DIN: 01518700) designated as Managing Director of the company with effect from October 1, 2021 for remaining duration of his tenure from the effective date, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 196, 197, 203 and Schedule V to the Companies Act, 2013.

Mr. Kamal Poddar has rich and varied experience in the industry and has been in the Company from more than a decade as the Director of the company. It would be in the interest of the Company to continue to avail of his considerable expertise and to revise the remuneration of

Mr. Kamal Poddar as Managing Director. He is responsible for Framework for Operational Planning and Increasing Organizational Effectiveness. He is responsible for setting the ultimate direction for the company, for reviewing, understanding, assessing, and approving specific strategic directions and initiatives; and for assessing and understanding the issues, forces, and risks that define and drive the company's long-term performance. He is responsible for the smooth and profitable operation of a company's affairs. He supervises and provides consultation to management on strategic planning decisions & sustainability. He is also responsible to perform such other duties as may from time to time be entrusted by the board.

Reference to the provision of section 196, 197 and 203 of the Companies act, 2013, read with schedule V to the companies act 2013 along with the Ministry of Corporate Affairs (MCA) through its notification dated 12th September, 2018 notified provisions of the Companies (Amendment) Act, 2017 (Amendment Act, 2017) and amended schedule V of Companies Act, 2013, provides for payment of managerial remuneration by Companies, requires members approval for payment of managerial remuneration to the managerial person Hence the Board recommends the resolution for member approval by way of special resolution, provided that such variation or increase in remuneration is with in specified limit as specified under the relevant provisions of Section 196, 197, 203 and Schedule V to the Companies Act, 2013

a.	Period	Effective from October 01, 2021
b.	Salary	Rs 1,20,00,000/-
c.	Commission	-
d.	Medical Expenditure	-
e.	Leave Travel Assistance	-
f.	Personal Accident Insurance	-
g.	Company's contribution to provident Fund	-
h.	Company's Contribution to pension/ superannuation Fund	-
i.	Gratuity	-
j.	Encashment of leave	-
k.	Company's Car	-
l.	Telephone, cell phone, fax, computer system with internet facilities and other communication equipment at residence	-
m.	Leave	-

The terms and conditions of payment of remuneration, perquisites, allowances and commission specified herein above may be enhanced, enlarged, widened, altered or varied from time to time by Remuneration Committee and Board of Director as they may in their discretion, deem fit, within the maximum amount payable to Managing Director in accordance with Schedule V to the Companies Act, 2013 and in conformity with any amendments to the relevant provisions of the Companies Act, 2013 and or the rules and regulations made there under from time to time in future and/or such guidelines and clarifications, as may be announced from time to time.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in the item no. 11 of the notice.

Except Mr. Kamal Poddar being the appointee & Mrs. Hemlata Poddar Spouse of the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.



### ANNEXURE A TO NOTICE

Details of Directors seeking appointment/ re appointment at the Annual General Meeting scheduled to be held on Thursday, September 23, 2021 at 3.00 PM IST (Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015.

Name of the Director	Mr. Ajay Rajendra Kejriwal	Mr. Subodh Agrawal	Mr. Sandeep Kumar Singh	Mrs. Sudha Bhushan	Mr. Ashok Kumar Thakur	Mr. Kanhaiya Lal Barwal	Mr. Sunil Kumar Parodia
Date of Birth	11th February, 1979	02nd March, 1962	01st July, 1971	12th January, 1979	10th August, 1954	02nd October, 1954	01st May, 1968
Age							
Date of Appointment	29th May 2010	10th November 2020	12th February 2021	12th February 2021	14th July, 2021	14th July, 2021	13th August 2021
Relationship with Directors & Key Managerial Personnel	Executive Director (Not related with Directors & Key Managerial Personnel)	Independent Director (Not related with Directors & Key Managerial Personnel)	Independent Director (Not related with Directors & Key Managerial Personnel)	Independent Director (Not related with Directors & Key Managerial Personnel)	Independent Director (Not related with Directors & Key Managerial Personnel)	Independent Director (Not related with Directors & Key Managerial Personnel)	Promoter Chairman (Not related with Directors & Key Managerial Personnel)
Expertise in specific Functional area	Finance & Management Practices	Finance & Taxation	Business Management & Development	Finance & Taxation	Business Management & Development	Business Management & Development	Finance & Taxation
Qualification	Chartered Accountant	Chartered Accountant	Post Graduated in Rule Development	Chartered Accountant & Company Secretary	M.com	M.com	Chartered Accountant
Board Membership of other Listed Companies	NIL	1	2	2	2	NIL	NIL
Chairman/Member of the Committee of the Board of Director	2	1	NIL	1	2	1	NIL
a) Audit Committee	YES	NIL	NIL	YES	YES	NIL	NIL
b) Nomination & Remuneration Committee	NIL	NIL	NIL	NIL	YES	YES	NIL
c) Stakeholder Relationship Committee	YES	YES	NIL	NIL	NIL	NIL	NIL
No. of Shares held in the Company	3,02,000	NIL	NIL	NIL	NIL	NIL	25,88,500

#### Note:

1. Detailed profile of the above Director is given as part of the Annual Report. The Directorship, Committee Memberships and Chairmanships does not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under section 8 of the Companies Act, 2013. Information pertaining to remuneration paid to the Directors who are being appointed/re-appointed and number of Board Meetings attended by them during the year 2020-21 are provided in Corporate Governance Report.

2. The proposal for appointment/ re-appointment has been approved by the Board pursuant to the recommendation of the Nomination & Remuneration Committee considering their skills, experience and knowledge and positive outcome of performance evaluation.



**ANNEXURE B TO NOTICE**

Brief profile of Directors seeking appointment/re-appointment at the 28TH Annual General Meeting to be held on September 23, 2021

**Mr. Ajay Kejriwal (DIN: 03051841):**

CA Ajay Kejriwal is a fellow member of the Institute of Chartered Accountants of India. He also holds a degree of D.I.S.A. issued by I.C.A.I. He has experience of more than 15 years in financial markets. Mr. Ajay Kejriwal has been very influential in steering the Technological advancement of the group "Choice". A "SEBI" registered "Investment Adviser", a Diploma in "Information System Audit", Mr. Kejriwal has a distinguished knowledge & experience in the field of Finance, Taxation & Management and thus has played a pivotal role in the progress of group "Choice".

**Mr. Subodh Kumar Agrawal (DIN No: 00553916):**

Non Executive Independent Director

A Chartered Accountant by profession, Mr. Agrawal also holds a certification on "D.I.S.A" from the "Institute of Chartered Accountants of India" (ICAI). Further to add to his wings Mr. Agrawal also holds a Chartered Accountant Degree from the Institute of Chartered Accountants of Australia. A Law graduate from the University of Calcutta, Mr. Agrawal has served as the President of "ICAI" and also has aided BSE & NSE as an Arbitrator in Capital Market cases.

**Mr. Sandeep Singh (DIN No. 02814440):**

Non Executive Independent Director

Mr. Singh is a Post Graduate in Rural Development from Xavier Institute of Social Sciences, Ranchi and has a specialization in Media Planning and General Business Management.

Mr. Singh is currently the interim Chairman of the Board of Governor of "IIM Kashipur" & also on the Advisory Board of "National Institute of Mass Communication & Journalism" Ahmedabad and Indian "Institute of Democratic Leadership" Mumbai.

**Ms. Sudha Bhushan (DIN No. 01749008):**

Non Executive Independent Director

Ms. Bhushan is Chartered Accountant, Company Secretary, Registered Valuer by Profession. Ms. Bhushan is an expert in FDI Policy & FEMA Regulations with 15 Years of experience. An advisor to "Bank of Baroda" for its NRI & International operations Ms. Bhushan have also authored various books on FDI, Foreign Exchange Management Act & Taxation.

A Scholar throughout her life Ms. Bhushan has been awarded many awards & recognitions.

**Mr. Ashok Kumar Thakur (DIN No. 07573726):**

Non Executive Independent Director

Mr. A K Thakur was the General Manager of Union Bank of India and has experienced more than 40 years of services in several and varied areas like Banking services, HR functions, Marketing, and management services.

**Mr. Kanhaiyalal Berwal (DIN No. 07535424):**

Non Executive Independent Director

Mr. Kanhaiya Lal Berwal is a retired I.P.S and an Ex. Member of the Rajasthan Public Service Commission (R.P.S.C). Presently he is the D.G. Dr. B.R. Ambedkar foundation. He is associated with many Ngo's for the upliftment of SC/ST and other backward communities especially in the tribal area of Rajasthan.

**Mr. Sunil Kumar Patodia (DIN: 00751941):**

Non Executive-Non Independent Chairman

A Chartered Accountant by profession, the seeds of a fully-integrated financial services Firm were sowed by our Multi-faceted promoter, CA Sunil Patodia. His distinguished experience of 25

years and achievements in this highly competitive sector has been looked upon as inspiration by many. It's his leadership and vision that enables Choice Group to function like a family. Mr. Patodia is part of many Clubs and Councils which provide further opportunities for everyone, regularly invited to lecture at prestigious seminars, advocates the cause of women empowerment (has helped built a women's hostel) while leading the group from strength to strength.

Place: Mumbai

Date: August 13, 2021

Registered Office:

Choice House,

Shree Shakambhari

Corporate Park,

Plot No. 156-158,

J.B. Nagar,

Andheri (East),

Mumbai - 400 099

By Order of the Board of Directors

Sd/-

(Karishma Shah)

Company Secretary

Email Id: info@choiceindia.com

Thanking you