

The  
**J O Y**  
of Earning



**“Choice”**  
*shall uphold his values of  
Integrity, Equality, Perseverance &  
Tranquillity in our Journey of being*

**सर्वश्रेष्ठ**



**CA Sunil Patodia**  
Founder Promoter



# CREATING NEW BENCHMARKS IN SERVICE DELIVERY

## Content

Letter From Chairperson .....	01
Letter From Managing Director .....	03
Letter From Joint Managing Director .....	04
Letter From CEO .....	05
Board of Directors .....	06
Corporate Information .....	08
Board Report .....	10
Management Discussion & Analysis .....	44
Corporate Governance .....	62
Standalone Auditor's Report .....	87
Standalone Financial Statements .....	95
Consolidated Auditor's Reports .....	141
Consolidated Financial Statements .....	149
Notice For AGM .....	214



## Letter from Chairperson

### Dear Shareholders,

I would like to thank all the Members of the Company, the Executive Management, the Board of Directors & the Employees who believed in me and considered my candidature for appointment as a Non - Executive Chairperson of the Company. I further thank all the Stakeholders for granting me an opportunity & making me a part of the Journey established by our Founder Promoter "Shri Sunil Patodia Ji".

On the principles & ideologies imparted to us by our Founder Promoter "Shri Sunil Patodia Ji", Hard Work, Consistency & Integrity shall be embedded in the Company's DNA.

I truly believe in the efficiency & veracity of the Executive Management, which shall lead us to our vision of being one of the top notch "Financial Service" establishment in the country.

"Choice" have always believed in the Vision of our Honourable Prime Minister, Shri Narendra Modi Ji on equitable development by inclusion of all the segments of people together by providing them equal Financial opportunity. "Choice" is & shall efficiently

strive for execution of this vision of our Honourable Prime Minister by enabling the masses of our country with Financial Literacy which shall in turn lead to inclusive Development of Society in totality.

I thank all the stakeholders for entrusting their trust in the Company & also look forward for your positive coordination.

**Believing in the idiom " Growth is never by mere chance , it is the result of forces working together ", we at "Choice Parivaar" have believed in team work and working towards one common goal of being "सर्वश्रेष्ठ".**

**With best wishes,  
Thanking You,**

**Sd/-  
(Vinita Patodia)  
Chairperson  
DIN No: 06360364**



## Letter from Managing Director

**Choice follows the philosophy of our Founder Promoter "Shri Sunil Patodia Ji" of being a Game Changer, the FY 21-22 has been a pathbreaking year for us on multiple dimensions. Growth in our market cap over the year is simply a reflection of confidence our stakeholders have on the positive impact Choice will create in the Indian financial services sector in the coming years.**

**I am pleased to inform you that in April 2022 we got listed on the main board platform of the National Stock Exchange of India (NSE), an important step for us to be present on the largest stock exchange of the country.**

Though the Past couple of years have been severely impacted by pandemic and uncertainties around the world continued due to prevailing geopolitical scenario. The resulting inflationary pressure is expected to continue. **However, we at choice are confident of continuing our growth journey driven by our resilient business model and focus on innovation.** I am glad and proud to showcase our achievement during the year.

Our Performance across business remained robust during the year with top line growth of 61% and PAT growth of 221% during FY22. Majority of our revenue worth 63% was contributed by Broking services followed by 23% from advisory services and 14% from NBFC services. Our revenue has grown by a CAGR of 33% over past 3 years. During the year, our EBITDA recorded a robust growth of over 120% to Rs. 923 mn with margin of 32.3%. This growth was largely driven by lower operating expenses and staffing costs. PAT has grown at a CAGR of 83% over the past 3 years to Rs. 536 Mn. The EPS has also been steadily increasing from 5.3 in FY19 to 13.84 in FY22.

This stellar Performance is an early sign of fructification of our vision and efforts towards the mission of financial inclusion for people who are yet to access the power of capital markets in the country by reaching and expanding our presence across tier 3 and tier 4 cities. We moved to 16th position on NSE as per NSE's active users list with 3.75x increase in our active customers during the year supported by almost doubling of our demat accounts to 4,63,000. AUM for mutual funds also increased by 2.8x to Rs. 3263 Mn during the year. We have expanded our NBFC team by 93 employees and loan book size by 32% YoY to Rs. 3.26Bn from Rs. 2.46 bn in FY22. Our Advisory business won multiple contracts worth over Rs. 1 bn, further validating our expertise in executing and delivering projects over time. Going forward we will be focused on our goal of financial inclusion of the underserved markets along with improving service quality and effectiveness. We have been consistent in delivering superior results over the years and will continue to do so by leading and catering to the underserved market.

We cherish and live everyday by the value system established for us by our founder promoter "Shri Sunil Patodia Ji". On behalf of our team spread across the country, I wish to assure all our stakeholders that Choice will continue to create new benchmarks for itself and would continue to create meaningful impact in the financial independence journey of our clients across the cities and towns of the country.

**I thank all our stakeholders & Business Partners for supporting our vision of growth and having trusted us. We will continue to build on this support to further strengthen our relationships by outperforming expectations.**

**I further take this opportunity to specially thank all our team members for their continued support & hard work even in the turbulent times of pandemic, this evolution was not possible without their dedication.**

With best wishes,  
Thanking You,

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



## Letter From Joint Managing Director



**CA Suyash Patodia**  
Joint MD

During the year 2022, IMF expects India to continue steady growth at 8.2% and stabilise at 6.9% in 2023. The total tax revenue as per the pre-actual figures for FY2022 is estimated to have grown 34% over last year to Rs. 27.1 lakh crore from Rs. 20.3 lakh crore. Higher inflationary prices are forcing policy changes of central banks across several economies. Last year already multiple banks across the world started raising rates. According to KPMG Global outlook global inflation could average between 4.5-7.7% this year and between 2.9-4.3% in 2023 depending on future developments of the crisis.

India has a diversified financial sector which is undergoing rapid expansion, led by a combination of strong growth of existing financial firms and new entrants to the market. During the year, our strong operational performance across business is reflective of the fact. We doubled the number of demat accounts to 463,000 which was largely driven by digitization and growth in the number of choice business associates to 24,022 associates as on 31st March 2022. This also led to overall increase of 129% in Stock Broking client assets to Rs.163 Bn. Assets under advice for mutual funds stood at Rs 3,263 Mn which was contributed by 2.8x growth in number of customers. Insurance premium increased by 75% to Rs. 242 mn in FY22.

This robust performance was not only limited to our Broking & Distribution business but also NBFC and Advisory. Our Loan book grew by 32.52%, also Net Interest Margin (NIM) expanded by 8.01% in FY22. The Profits from NBFC increased by 59.38% YoY to Rs. 152 Mn. Similarly, our Advisory Segment Revenue increased by 91% on YoY to Rs.686 Mn from Rs.359 Mn on back of Expansion of services to the states of Uttarakhand and Gujarat with large policy reform projects.

FY22 has been a year which has validated our approach and vision towards growth. We will ensure this growth remains robust and continues over the years coming ahead.

**With best wishes,  
Thanking You,**

**Sd/-  
(CA Suyash Patodia)  
Joint Managing Director  
DIN No: 09489670**



## Letter From Chief Executive Officer



**CA Arun Kumar Poddar**  
CEO

Our performance during the year is the result of our consistent work towards vision of sustainable and aggressive growth. Our business model has been tested and proven during the challenging years and we remain committed to make Choice the leading financial services company in the country driven by innovation, technology and serving the masses. Going forward, our top agenda remains to enhance quality of service and serve the markets around India majorly lying in TIER-3, TIER-4 and TIER-5 Cities, which we believe will drive the next round of economic growth of the country. This will enable us to further improve our positioning in FY23.

One of the key drivers of our reach is our strong network of choice business associates across India and our strong hold on TIER2-TIER3 cities which we are further expanding to reach remote parts of the country. Digitization in India has opened new doors for financial literacy and involvement of people from even the remotest part of the country. This is something which will add another level of growth to the choice's existing robust business.

During the year we experienced 51% of our client base is in the age range of 19-35 years who are tech savvy and have longer investment life cycle. A young earning population with no dependents tends to have more disposable income. We had around 2,54,000 active client base in stock broking business. In Insurance broking our focus remains on building Product Specific Specialized Teams to ensure suitable Advisory and Support throughout the policy period for both Corporate and Retail Clients. Our SIP book increased to Rs.31Mn by 19% YoY. Transaction count grew by

38% and total folio value of Wealth services surged by 154%. Further, Our wealth business AUM stood at Rs. 3,263 mn as compared to Rs. 1,666 mn in FY21. There was also significant increase in Wealth services client which has increased by 500% over the last three years.

During the year our focus remained to improvise the client journeys in the "Jiffy" to understand client's behaviour and then assist them for their best suited financial planning. Our tech focused towards the maximum uptime, smoother client journeys, integration of multiple features which will ultimately result in higher customer acquisition and improvised financial performance. These technological developments also support our network of choice business associates and helps us to work in Phygital Mode to acquire and service clients.

We have also launched digital lending in our NBFC division. This is on back of our strategy of

- Serve the Underserved
- Digital Documentation
- Machine learning Digital based Credit Underwriting
- End- to- End Digital process
- Moving MSME to digital Payments

Our advisory services revenue has improved to Rs. 686 Mn in FY22 as compared to Rs. 359 Mn this was driven by multiple projects across services and 375% increase in order book value of government projects.

Due to multiple challenges across the world the economies have been affected but we remain confident on our Business future potential and core ability to grow on back of expanded services and demographics. Our focus on execution of our strategy is supported by improving microeconomic indicators and market sentiments as well as becoming a responsible one stop solution provider to our customers looking to have sustainable dependable financial solution provider. This is helping us to gain market share. We are confident towards Choice's ability to develop and grow continuously across all business segments and deliver quality and value across services.

**With best wishes,  
Thanking You,**

**Sd/-  
(CA Arun Kumar Poddar)  
Chief Executive Officer  
DIN No: 02819581**

## Executive & Non-Executive Directors



**1 Mrs. Vinita Patodia**  
(Non - Executive - Non Independent)  
Chairperson

**2 CA Kamal Poddar**  
Managing Director

**3 CA Suyash Patodia**  
Joint Managing Director

**4 CA Arun Kumar Poddar**  
Executive Director & CEO

**5 CA Ajay Kejriwal**  
Executive Director

## Independent Directors



**6 Mr. Ashok Kumar Thakur**  
Independent Director

**7 Mr. Kanhaiyalal Berwal**  
Independent Director

**8 CA Subodh Kumar Agrawal**  
Independent Director

**9 CA Sudha Bhushan**  
Independent Director

**10 Mr. Sandeep Singh**  
Independent Director

# Corporate Information



**CA Manoj Singhania**  
Chief Financial Officer

**CS Karishma Shah**  
Company Secretary



#### 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
- Choice Housing Finance Private Limited
- Choice Insurance Broking India Private Limited

#### STEP-DOWN SUBSIDIARY COMPANIES

- Choice Corporate Services Private Limited
- Choice Wealth Private Limited
- Choice Connect Private Limited
- Choice Tech Lab Solutions Private Limited
- Shreyam Securities Limited

#### BANKERS

AXIS | P N B | ICICI | HDFC | INDUSIND | AU SFB | Canara | SBM

#### 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

Sunil Patodia Tower, Plot No. 156-158, 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 for FY21-22

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants  
Mumbai

**SECRETARIAL AUDITORS**  
M/s. R.M.Mimani & Associates LLP  
Practicing Company Secretaries  
Thane





# Director's Report

## Dear Member,

Your Directors are pleased to present the Twenty - Ninth Annual Report detailing the Business & Operations of the Company together with the Audited Financial Statements both Standalone & Consolidated for the Year ended March 31, 2022. This report read with the Corporate Governance Report, Management Discussion and Analysis Report, Financial Performance of the Company shall convey the Business Structure & the Performance of the Company.

The Report is available on the website of the Company [www.choiceindia.com](http://www.choiceindia.com).

## Corporate Overview

"Choice International Limited" along with its Subsidiaries referred to as "Choice" group is a multidimensional conglomerate offering various Financial Services namely Stock Broking, Mutual Fund Distribution, Portfolio Management Services, NBFC Services, Merchant Banking Services, Insurance Distribution, Retail Loan Distribution, Management & Government Consultancy.

The services provided by the group are a "Complete package" of one's financial need and securing their future. The group truly believes in creating "wealth" for all its stake Holder's and safeguarding their interest.

"**Aap Kijiye Kaamyabi Ki Tayaari, Baki Humari Zimmedari**" is our mantra and the sole & spirit to which the group abides.

## Financial Summary & Highlights

(Rupees in Lakhs)

Particulars	Consolidated		Standalone	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Revenue</b>				
Revenue from Operations	27,181.80	16,874.35	1,127.57	835.83
Other Income	1,413.79	707.23	0.56	30.91
<b>Total Revenue</b>	<b>28,595.59</b>	<b>17,581.58</b>	<b>1,128.13</b>	<b>866.74</b>
<b>Expenses</b>				
a) Operating Expenses	11,236.48	7,648.43	-	-
b) Employee benefit expenses	5,695.04	4,193.80	125.05	83.34
c) Finance Cost	1,533.12	1,545.75	3,13.51	192.05
d) Depreciation & Amortisation Expenses	337.63	308.74	63.03	71.39
e) Administrative & Other Expenses	2,429.74	1,603.31	266.21	192.11
<b>Total Expenses</b>	<b>21,232.01</b>	<b>15,300.03</b>	<b>767.79</b>	<b>538.89</b>
Net Profit before Tax	7,363.58	2,281.55	360.33	327.85
Tax Expenses				
a) Current Tax	1,871.96	1,002.22	93.00	75.89
b) Earlier Years Tax Expense	87.41	12.84	16.87	6.48
c) Deferred Tax	43.76	(404.51)	6.83	15.28
<b>Total Tax Expenses</b>	<b>2,003.13</b>	<b>610.55</b>	<b>116.70</b>	<b>97.65</b>
<b>Net Profit After Tax</b>	<b>5,360.45</b>	<b>1671.00</b>	<b>243.63</b>	<b>230.20</b>
Other Comprehensive Income				
Items that will not be re classified to Profit & Loss				
Re-measurements gains defined benefit Obligations	(9.32)	46.74	(3.41)	0.59
Fair Value Loss on Investments	-	-	-	-
Tax Effects on above	2.46	(10.36)	(0.95)	(0.16)
<b>Total Comprehensive Income</b>	<b>5,353.59</b>	<b>1,707.38</b>	<b>241.98</b>	<b>230.63</b>
<b>Owners of the company</b>	<b>5,350.76</b>	-	-	-
<b>Non controlling Interests</b>	<b>2.83</b>	-	-	-
<b>Paid Up Equity Share Capital</b>	<b>4,975.60</b>	<b>2,856.83</b>	<b>4,975.60</b>	<b>2,856.83</b>
Reserves excluding Revaluation Reserves as per Balance Sheet	31,853.45	19,276.19	20,522.61	13,072.37
Earnings Per Share				
1. Basic	13.84	7.78	0.63	1.07
2. Diluted	13.84	5.11	0.63	0.70

## Performance Highlights

### Consolidated Financial Performance

The Consolidated gross income of the Company for the financial year ended March 31, 2022 is ₹ 28,595.59 Lakhs as against ₹ 17,581.57 Lakhs in the previous year. Consolidated net profit during the year under review is ₹ 5,360.45 Lakhs as compared to ₹ 1671.00 Lakhs in the previous year.

Consolidated Financial statements for the financial year ended March 31, 2022 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, 2022 on standalone is ₹ 1,128.13 Lakhs as against ₹ 866.74 Lakhs in the previous year. The Company reported a net profit of ₹ 243.63 Lakhs for the year ended March 31, 2022 as compared to the Net Profit of ₹ 230.20 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.

### Impact Of Covid-19 Pandemic

Quarter I of FY 21-22 was challenging for the smooth functioning of the office's due to the impact of second wave of COVID -19 Pandemic, however together we thrived on combating the challenges we posed.

During the tough times, for the security & safety of our employees, the group had adopted the "Work from Home" policy for majority of the Employees and utmost care and precaution were taken for the Employees visiting the office's in person.

Though there was a difficulty in the ease of doing business, on the Financial Performance front the year FY 21-22 has witnessed a new chapter our "growth" story. The performance journey for FY 21-22 has set benchmarks by achieving a Consolidated Turnover of ₹ 27,181.80 Lakhs as in March 31, 2022.

It is always believed that, even the worst times teaches you the best lessons of life, learning from the Pandemic the Company considers the Importance of "Disaster Management" and consider on working on both internal and external Risk factors impacting the Financial Performance of the Company.

The Business activities conducted are in line with the guidelines issued by the Government authorities. The Management of your Company do not anticipate any challenges in the group's ability to continue as going concern or 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) Demise Of Our Founder Chairman Mr. Sunil Kumar Patodia

The sudden & sad demise of our Founder Promoter & Chairman Mr. Sunil Kumar Patodia (DIN No: 00751941) on February 18, 2022 has left the organization in utmost grief.

To pay respect to our late Founder Promoter & Chairman, your Company has changed the name of its Registered Office Premises from "Choice House" to "Sunil Patodia Tower".

We as an organization shall always look forward to the values taught by Mr. Patodia and shall always strive to embed his

thoughts and belief as a part of your Company's Culture and policy.

#### 2) Direct Listing Of Equity Shares On National Stock Exchange Of India Limited (NSE)

We are glad to inform that, the Equity Shares of your Company are Listed on "NSE" main Board platform with effect from April 08, 2022.

Your Company is Listed on "NSE" under the name " CHOICEIN". As on date there 4,97,56,000 Equity Shares of the Company of Face Value of Rs. 10/- each that are listed on "NSE" main Board platform.

#### 3) Acquisition Of Escorts Securities Limited By Our Wholly Owned Subsidiary M/s. Choice Equity Broking Private Limited (CEBPL)

On April 08, 2021 our wholly owned subsidiary "CEBPL" had entered in to the agreement with the promoters and shareholders of M/s. Escorts Securities Limited (ESL) for acquisition of the Company "ESL" from its existing Shareholder & Promoter.

"ESL" before acquisition was a subsidiary of M/s. Escorts Limited a renowned Business House located at National Capital Region, listed on "BSE" & "NSE". "ESL" an unlisted public Company, incorporated in the Year 1994 was a Prominent player in the Broking industry since last two decades headquartered in Delhi.

On the receipt of the necessary approval from the Exchanges, Depository & SEBI where the application for the Proposed Change in Control pursuant to acquisition was filed, on February 14, 2022 the entire control of "ESL" was taken over by our wholly owned subsidiary "CEBPL".

With effect from February 14, 2022 "ESL" is wholly owned subsidiary "CEBPL". Further pursuant to change in control and management the name of the Company "ESL" with effect from April 26, 2022 has been changed to "Shreyam Securities Limited".

#### 4) Rights Issue Of Equity Shares Of The Company

During the year under review, on the consent & recommendation of the Board Members and on receipt of necessary statutory approvals your Company had allotted 99,51,200 Equity Shares of Face Value of Rs.10/- each at a price of Rs.51/- per share( Including a Premium of Rs.41/- Per share ) on Right's Issue basis.

Pursuant to the allotment of Shares on " Rights Basis" the Paid Up Capital of the Company has increase from Rs. 39,80,48,000/- ( Rupees Thirty Nine Crores Eighty Lakh Forty Eight Thousand only ) TO Rs. 49,75,60,000/- ( Rupees Forty Nine Crores Seventy Five Lakhs and Sixty Thousand Only).

During the year the company has raised Rs. 5075.11 Lakhs through Rights issue, funds so raised through Rights issue has been utilized by the company as detailed in the offer letter dated Jan 14, 2022. There is no deviation of the funds utilized from the object mentioned in the offer letter dated Jan 14, 2022.

The 99,51,200 Equity shares so allotted on Rights Basis are listed and traded both on National Stock Exchange of India Limited & BSE Limited main board platforms.

#### 5) Conversion Of Preferential Warrants In To Equity Shares

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, during the year 1,12,36,527 Warrants were converted in to equivalent number of Equity shares in trenches. As on the year end there are no outstanding warrants to be converted in to Equity. All the 19800000 warrants allotted were subscribed and converted in to Equity shares in the span of 18 Months from the allotment, none of the warrants were forfeited.

#### 6) Acquisition Of Insurance Broking Business

On the receipt of the approval from the Members of the Company at the Annual General Meeting of the Company held on September 23, 2021 via Audio Visual means and on receipt of the approval from Insurance Regulatory and Development Authority of India (IRDAI), your company M/s. Choice International Limited on October 29, 2021 acquired 50 % stake in the Company M/s. Choice Insurance Broking India Private Limited a Registered Insurance Broker with IRDAI by acquiring 6,60,000 Shares for a consideration of Rs. 59,40,000/- (Rupees Fifty Nine Lakh Forty thousand only).

#### 7) Acquisition Of Business Of Centcart Money Services Private Limited

During the year under review, our step down subsidiary M/s. Choice Wealth Private Limited has acquired mutual fund distribution business of "Centcart Money Services Private Limited".

The acquisition of the mutual fund distribution business of "Centcart" shall enable "Choice Wealth Private Limited" to rapidly grow its AUM and number of clients and push it towards the category of large Mutual Fund Investment platforms with complete focus on wealth creation for its clients.

#### 8) Approval Of Choice Employee Stock Option Plan 2022

On the approval of Nomination and Remuneration committee, the Board has approved the " Choice Employee Stock Option Plan 2022" which is subject to the approval of Shareholder's at the ensuing Annual General Meeting to be held on September 15, 2022. The Details of the Issue size & the terms and conditions of the " Choice Employee Stock Option Plan 2022" forms part of the Notice to this report.

#### Paidup Capital:

During the Year FY 21-22, the Issued, Subscribed & Paid up Capital of the Company was increased at various instances on account of conversion of Warrants in to Equity & allotment of shares on Right's basis.

#### 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, 2021	-	28568273	285682730
2	Conversion of Warrants in to Equity	April 17, 2021	3449989	32018262	320182620
3	Conversion of Warrants in to Equity	June 17, 2021	3236538	35254800	352548000
4	Conversion of Warrants in to Equity	June 25, 2021	4550000	39804800	398048000
5	Allotment of Shares on Rights Basis	February 22, 2022	9951200	49756000	497560000

#### 9) Recommendation Of Bonus Issue

The Board at its Meeting held on August 04, 2022, has recommended the issue of Bonus Shares in the ratio of 1:1, subject to the approval of the Members at the ensuing Annual General Meeting to be held on September 15, 2022. The agenda for the approval of Bonus Issue, forms part of the Notice to this report.

#### Dividend

As on March 31, 2022 your company on the basis of Market Capitalisation is in under Top 1000 Listed Companies, the Company thus have adopted the "Dividend Distribution Policy", the same is available on the website of the Company [www.choiceindia.com](http://www.choiceindia.com)

In lines with the Policy adopted, the Board has in place various plan for expansion & increasing its scope of services at group level. Considering the same, the Board of Directors of your Company has decided to conserve the resources to supplement its expansion plan. The Board hence has not recommended the Dividend for the Financial Year ended March 31, 2022.

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 21-22 in the Profit & Loss account.

#### Share Capital

##### Authorised Capital:

During the Year under review the Authorised Capital of the Company was increased from Rs. 40,10,00,000/- ( Rupees Forty Crores Ten Lakhs Only ) divided in to 4, 10,00,000 Equity Shares of Rs. 10 /- each to Rs. 50,10,00,000/- ( Rupees Fifty Crores Ten Lakhs Only ) divided in to 5, 10,00,000 Equity Shares of Rs. 10 /- each

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 both National Stock Exchange of India Limited & BSE Limited as on the date of the report.

As on March 31, 2022 the Total Issued, Subscribed & Paid up Capital of the Company stand at Rs. 49,75,60,000/- (Rupees Forty Nine Crores Seventy Five Lakh Sixty Thousand) divided in to 4,97,56,000 Equity Shares of face value of Rs. 10/-each.

### 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, 2022.

### 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, 2022 has been prepared in accordance with the guidelines issued for Indian Accounting Standards (Ind-As)

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Account) Rules, 2014 a statement containing salient features of the Financial Statements of Subsidiaries /Associate Companies / Joint Ventures is given in Form AOC -1 and forms an integral part of this report.

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, 2022.

## Director & Key Managerial Person As On The Date Of The Report

### Brief Profile of the Board of Directors of the Company as on March 31, 2022 & as on the date of the Report:

#### 1) Mrs. Vinita Patodia

##### (Non-Executive-Non Independent) Chairperson :

Mrs. Patodia an Art graduate is actively involved in social service toward various organizations. Mrs. Patodia is the Promoter of The Byke Group of Hotels, Director of section 8 company named "Sunil Patodia Welfare Foundation" she is also a founder member of Girls Hostel Committee of RVG Education Foundation (previously known as Rajasthan Vidyarthi Griha). Mrs. Patodia strongly supports the cause of women empowerment and has been instrumental in taking care of affairs at "Vijay Srigopal Khetan RVG Girls Hostel" for CA Students. Mrs. Patodia is founder trustee of "Shri Doongermal Patodia Charitable Trust" which is regularly contributing for the needs of the society through medical and education assistance.

Mrs. Patodia is also the founder member of "MITRA club", she is active participant in Chandivali Branch of Bharat Vikas Parishad. Mrs. Patodia joined Lionism in 2000 along with her spouse Late Shri Sunil Patodia. She is Trustee & Charter Member of Lions Club of Mumbai Heritage Galaxy.

#### 2) CA 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 fledge financial service hub. Its his vision and mantra of "Sho internationally."

#### 3) CA Suyash Patodia

##### Joint Managing Director

Mr. Suyash Sunil Patodia is an Associate Member of the Institute of Chartered Accountants of India. He is currently engaged in arranging tie-ups with Insurance Companies and is working on on-boarding new clients and intermediaries in one of our subsidiary M/s. Choice Insurance Broking India Private Limited. He has played an active role in developing online platform of Choice Insurance Broking and scaling up Choice Connect (Back-end system) to bring Insurance Division in line with organisation goal of being a fintech. He is also keenly involved in various employee engagement initiatives to bring in a young culture in the Company.

#### 4) CA Arun Kumar Poddar

##### Executive Director & CEO

Mr. Arun Kumar Poddar is a Fellow Member of the Institute of Chartered Accountants of India. He holds expertise in Financial Services, Government Advisory and Management Consulting. Holder of strong ability to solve complex company problems using excellent judgment and decision-making skills, he is known in the industry for fostered change in company culture to be more open, transparent, and accountable. Mr. Poddar has worked closely with government, large corporates and retail customers throughout his journey. His vision of making financial services accessible to every citizen of India will drive the organization to be more customer centric and accessible in Tier 3-4 cities.

#### 5) CA 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".

#### 6) 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.

#### 7) 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. of 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.

#### 8) CA Subodh Kumar Agrawal

##### 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.

#### 9) CA Sudha Bhushan

##### Independent Director

Ms. Bushan 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.

#### 10) Mr. Sandeep Singh

##### 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

- i) During the year under review, Mr. Sunil Kumar Patodia (DIN No : 00751941) was appointed as the Non-Executive Non Independent Chairman of the Company with effect from August 13, 2021, his appointment as "Non- Executive Non Independent Chairman" was approved by the Shareholders at the Annual General Meeting of the Company held on September 23, 2021. However with utmost grief we hereby again mention that with effect from Feb 18, 2022 the position of "Chairman" of the Company was vacated due to sudden & sad demise of Mr. Patodia.
- ii) During the year under review, Mr. Suyash Patodia (DIN No: 09489670) & Mr. Arun Kumar Poddar ( DIN No : 02819581) were appointed as the Executive Directors of the Company with effect from February 08, 2022, their appointment was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.
- On May 24, 2022, the Board has appointed Mr. Suyash Patodia (DIN No: 09489670) as Joint Managing Director of the Company & Mr. Arun Kumar Poddar (DIN No : 02819581) as the Chief Executive Officer of the Company, their appointment was approved by the members vide postal ballot notice dated July 20, 2022.
- iii) Mrs. Vinita Sunil Patodia (DIN No: 06360364) has been appointed as Additional Non-Executive Independent Chairperson of the Company with effect from May 24, 2022, her appointment was approved by the members vide postal ballot notice dated July 20, 2022.
- iv) During the year under review, Mrs. Hemlata Kamal Poddar (DIN No: 02931322) the Non-Executive Non Independent Director of the Company tendered her resignation from the post of Directorship with effect from February 08, 2022.
- v) During the Year under review, Mr. Ashok Kumar Thakur (DIN No: 07573726) & Mr. Kanhyailal Berwal (DIN No: 07535424) the Independent Director's of the Company were appointed by the Board for their second term of Five Years with effect from July 14, 2021 at the Board Meeting of the Company held on June 25, 2021, their appointment for second term of Five Years was approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 23, 2021.
- vi) During the year under review the appointment of Mrs. Sudha Bhushan (DIN No: 01749008), Mr. Sandeep Singh (DIN No: 02814440) & Mr. Subodh Kumar Agrawal (DIN No : 00553916) for their first term of five years was approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 23, 2021.

## 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-enactments(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 29th Annual General Meeting of the Company.

## 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. There has been no change in the circumstances affecting their status as an independent Director.

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 KMPs of the Company as on March 31, 2022 as per Sec 203 of the Companies Act, 2013

- 1) CA Kamal Poddar - Managing Director
- 2) CA Suyash Patodia - Joint Managing Director
- 3) CA Arun Kumar Poddar - CEO & Executive Director
- 4) CA Ajay Kejriwal - Executive Director
- 5) CA Manoj Singhania - Chief Financial Officer
- 6) CS Karishma Shah - Company Secretary

## Number Of Meetings Of The Board

Five meetings of the Board of Directors were held during the Financial Year 2021-22. The details of the meetings of the Board of Directors of the Company during the Financial Year 2021-22 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, 2022:

- I) Audit Committee
- II) Nomination & Remuneration Committee
- III) Stakeholder Relationship Committee
- IV) Corporate Social Responsibility Committee
- v) Risk Management 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
- iv) Rights Issue 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. For fair & independent judgements the committee constitutes of optimum combination of Executive & Independent Directors. The resolutions undertaken by the Committees are verified by the Board in their subsequent Meetings.

## Subsidiary Companies

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.

In accordance with Section 136 of the Companies Act, 2013 the

## List Of Subsidiaries:

Sr.No	Name of the Subsidiary	Status
1	Choice Equity Broking Private Limited	Wholly Owned Subsidiary
2	Choice Capital Advisors Private Limited	Wholly Owned Subsidiary
3	Choice Consultancy Services Private Limited	Wholly Owned Subsidiary
4	Choice Housing Finance Private Limited	Wholly Owned Subsidiary
5	Choice Finserv Private Limited	Wholly Owned Subsidiary
6	Choice Portfolio Management Services Private Limited	Wholly Owned Subsidiary
7	Choice Insurance Broking India Private Limited	Subsidiary
8	Choice Wealth Private Limited	Step Down Subsidiary
9	Choice Tech Lab Solutions Private Limited	Step Down Subsidiary
10	Choice Corporate Services Private Limited	Step Down Subsidiary
11	Choice Connect Private Limited	Step Down Subsidiary
12	Shreyam Securities Limited	Step Down Subsidiary

## Brief Details of the Subsidiaries & their Financial Performance during the year 2021-22:

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

The Securities Broking Business along with Depository Participant Business & Distribution Services of the group is provided by our wholly owned subsidiary M/s. Choice Equity Broking Private Limited ("CEBPL"). "CEBPL" is a Member Broker with NSE, BSE, MSEI, NCDEX, MCX and a Depository Participant with CDSL & NSDL.

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 challenging market sentiments, the subsidiary continues to do well as the Gross Revenue of the Company for FY2022 stood at ₹15,780.06 Lakhs (Previous Year: ₹10,672.55 Lakhs). During the year under review, the subsidiary made Profit before tax of ₹4,330.36 Lakhs (Previous Year: Profit ₹486.20 Lakhs).

### 2) 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

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.

The detail of Material Changes in the Operations/ Nature of the business of the Subsidiaries during the Financial Year 2021-22 have been highlighted down below. The impact of such changes, if any has been adequately disclosed in the Financial Statements. As on March 31, 2022 the Company has 12 Subsidiaries in its group out of which 5 are step down subsidiaries. All the Financial services offered by the group "Choice" are routed through each of its subsidiary Company.

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 Gross Revenue of ₹190.50 Lakhs for the FY 2022 as compared to previous Year: ₹170.71 Lakhs. The Company registered a Profit after Tax of ₹19.02 Lakhs as compared to previous year ₹14.51 Lakhs

### 3) 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 held by the Company as on date of the report are as follows:

- I) Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services PL

- ii) CCSPL-I&RJV
  - iii) Choice Consultancy Services in JV with NS Technicals
  - iv) Choice Consultancy Services in JV with VSC Consultancy
- The subsidiary further holds investments in M/s. Samekit Learning Management Private Limited.

The Gross Revenue of the subsidiary for FY 2022 stood at ₹ 6,030.05 Lakhs (Previous Year: ₹ 3,584.48 Lakhs). The Company earned a Profit after Tax of ₹ 378.08 Lakhs (Previous Year: ₹ 148.91 Lakhs).

#### 4) M/s. Choice Housing Finance Private Limited - Wholly Owned Subsidiary

The Company has incorporated the wholly owned subsidiary in the name of M/s. Choice Housing Finance Private Limited with effect from October 18, 2021. The Company is at a very nascent stage to carry on any activity.

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

The "NBFC" Services of the group is provided through our wholly owned 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.

The Company is keen on expanding its geographical area of its operations in Tier 3 to Tier 6 Cities and also increasing its scope of services under retail Loan Category by providing MSME Loan, Commercial Vehicle Loan, Supply Chain Finance apart from the Normal Business Loans.

The Gross Revenue of the subsidiary for FY 2022 stood at ₹ 3,955.48 Lakhs (Previous Year: ₹ 2,935.28 Lakhs). The Company recorded Profit after Tax of ₹ 1,522.24 Lakhs (Previous Year: Profit ₹ 955.08 Lakhs).

#### 6) M/s. Choice Portfolio Management Services Private Limited - Wholly Owned Subsidiary

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

During the year under Review, the Company registered a loss of ₹ 88.05 Lakhs, with a decline in Revenue to ₹ 30.25 Lakhs for the FY 2022 as Compared to Previous Year: ₹ 41.06 Lakhs

#### 7) M/s. Choice Insurance Broking India Private Limited - Subsidiary

The Company acquired 50 % stake in the subsidiary with effect from Oct 29, 2021. The subsidiary is registered with "Insurance Regulatory and Development Authority" as an Insurance Broker.

The Gross Revenue and Profit after tax of the subsidiary for the period starting from Oct 29, 2021 to March 31, 2022 is ₹ 137.86 Lakhs & ₹ 5.67 Lakhs respectively.

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

The group provides its mutual fund distribution services through our 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.

The Gross Revenue of the subsidiary for FY 2022 stood at ₹ 153.68 Lakhs (Previous Year: ₹ 85.06 Lakhs). During the year under review, this company incurred a Loss of ₹ 11.31 Lakhs (Previous Year: Loss of ₹ 52.90 Lakhs).

#### 9) 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 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 2022 stood at ₹ 1,018.76 Lakhs (Previous Year: ₹ 930.08 Lakhs). The Company registered loss of ₹ 8.67 Lakhs as compared to the profit of the previous year amounting to ₹ 20.33 Lakhs.

#### 10) 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 2022 stood at ₹ 69.26 Lakhs (Previous Year: ₹ 29.66 Lakhs). The Company earned a profit of ₹ 4.18 Lakhs (Previous Year: Profit of ₹ 0.76 Lakhs).

#### 11) Choice Connect Private Limited (Formerly known as 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 Connect Private Limited efforts are made to connect to our prospective client via our online platform " CHOICE CONNECT".

Entire Shareholding of the company M/s. Choice Connect 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 ₹ 1,163.59 Lakhs for the FY 2022 (Previous Year: ₹ 340.76 Lakhs). The Company earned a profit of ₹ 4.03 Lakhs (Previous Year: Profit of ₹ 34.01 Lakhs).

#### 12) Shreeyam Securities Limited – Step Down Subsidiary (Formerly known as Escorts Securities Limited )

The Company "Shreeyam Securities Limited" a Prominent Broking House, headquartered in Delhi was taken over by our subsidiary M/s. Choice Equity Broking Private Limited with effect from February 14, 2022.

M/s. Shreeyam Securities Limited is an "SEBI" Registered Broker, Member Broker to "BSE", "NSE", "MCX", SEBI Registered Depository Participant, registered with NSDL as a member DP.

#### 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 in the "Investor Relations" 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, 2022:

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

#### 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.

## Managerial Remuneration

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure and forms an integral part of this Report.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure and forms an integral part of this annual report. The said Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

## Auditor's

### Statutory Auditor's

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants Mumbai (Registration No. 117366W/W-100018) were the Statutory Auditors of the Company for the year ended March 31, 2022.

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 to the Annual General Meeting of the Company to be held on September 2022.

As the tenure of appointment M/s. Deloitte Haskins & Sells LLP, Chartered Accountants has been concluded, the Board on the approval of the Audit Committee has approved the appointment of M/s. MSKA & Associates Chartered Accountant Firm headquartered in Mumbai as the Statutory Auditor of the Company for the First Term of Five consecutive starting from the Conclusion of the Annual General Meeting to be held in the Year 2022 until the conclusion of Annual General Meeting of the Company to be held in year 2027 subject to the approval of the Members at the ensuing General Meeting of the Company to be held on September 15, 2022 on such remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditors.

The Company has received consent from M/s. MSKA & Associates Chartered Accountant Firm for their appointment as the Statutory Auditor.

M/s. MSKA & Associates Chartered Accountant Firm have confirmed that they are not disqualified from being appointed as the Statutory Auditor of the Company.

We further like to inform that M/s. Deloitte Haskins & Sells LLP, Chartered Accountants the Auditors for the FY 21-22 have issued an unmodified opinion on the Financial Statements for the Financial Year ended March 31, 2022. The Auditor's Report for the Financial Year ended March 31, 2022 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 2022-23.

The Secretarial Audit Report for the Financial Year ended March 31, 2022 under Companies Act, 2013, read with Rules made thereunder under Listing Regulation 24 A of the Listing Regulations (including any Statutory Modification(s) 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, 2022 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 or the Financial Year 2021-22 pursuant to Section 204 of 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 2022-23. The reports submitted by the Internal Auditor have been reviewed by the Statutory Auditor's and the Audit Committee on regular intervals.

## 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.

In Compliance with the amendments made by SEBI vide notification dated November 09, 2021 in the existing provisions pertaining to related party transactions, the policy of the Company is accordingly modified and approved by the Audit Committee and Board. The said Policy is uploaded on the website of the Company [www.choiceindia.com](http://www.choiceindia.com).

All related party transactions that were entered during the financial year 2021-22, were on arm's length basis and in ordinary course of business. The Company in terms of Regulation 23 of the Listing Regulations submits within 15 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 2021-22 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 form 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.

## 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, 2022 is available on the website of the Company [www.choiceindia.com](http://www.choiceindia.com).

## Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, 2015 interalia 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.

The Business Responsibility Report describing the initiatives taken by the Company on Environmental, Social and Governance perspective front forms part of this Report.

## CEO / CFO Certifications

The Certifications required in terms of Part B, Schedule II 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 2021-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 Complains/ 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 Complains of Sexual Harassment at work place.

The Company has complied with provisions relating to the constitution of the Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. All the women employees, Permanent, Contractual, Temporary and trainees are covered under this policy. The said policy has been uploaded on the internal Portals / Leaflets of the Company for information to all employees.

During the Financial Year 2021-22, 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 (CSR)** CSR though is not applicable to your Company, your company voluntarily has adopted CSR Policy to shoulder its responsibility towards the society and also has constituted a CSR Committee to ascertain the activities taken by the Company in the best interest of the society.

During the year two of our subsidiaries namely M/s. Choice Equity Broking Private Limited & M/s. Choice Finserv Private Limited on the basis of their applicability have contributed in all ₹ 35.55 Lakhs towards education & medical purpose.

Within the ambit of the provisions of the Company Acts, 2013, the company/subsidiaries 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

Risk management forms an indispensable part of the Company's business operations. The Company's approach to articulate Business Risk is comprehensive and includes periodic review of risks and designing a framework for necessary controls and timely reporting. The Company and its subsidiaries are exposed to a variety of risks, including liquidity risk, interest rate risk, market risk, credit risk, technology risk, operational risk, regulatory and compliance risk, reputational risk, business continuity risk, risk emanating from cyber security, legal risk, competition risk, among others.

In today's world where the dynamics of the Business is constantly changing with increasing complexities bringing in uncertain hindrances in the functioning of the Company, adaption and executing of well-defined Risk Management plant is significant to

avoid future exigencies. Relentlessly changing dynamics brings along uncertain obstacles affecting the company's performance.

Your Company has in place a thorough risk management policy & mechanism to monitor & mitigate the exigencies. The risk management committee constituted by the Board, frames, implements and monitors the risk management plan adopted by the Company and also have strategies in place to mitigate such risk. Board evaluates the efficiency of risk management framework in place and ensures that the risks are effectually managed. Details about implementation of risk management policy have been covered at length in the Management Discussion and Analysis Report which forms part of this 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, 2022 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, 2022 and of the profits of the Company for the Financial Year ended March 31, 2022
- 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

Board of Directors place their sincere appreciation, for the contribution made by all over employees by whose efforts and hardwork, the company could accomplish all it's goal.

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

Sd/- **Kamal Poddar** (Managing Director)  
DIN No: 01518700  
Mumbai  
Date: August 04, 2022

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

## 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	Amt in Lakhs	% of Shareholding
1	Choice Equity Broking Private Ltd.	March 31, 2022	INR	80.78	11,429.30	45,740.97	33,509.89	2,562.50	15,782.58	4,337.44	1,217.58	3,119.86	-	100%	
2	Choice Wealth Private Ltd.	March 31, 2022	INR	64.16	(70.38)	175.99	182.21	-	153.68	(15.92)	(4.61)	(11.31)	-	100% held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
3	Choice Portfolio Management Services Private Ltd.	March 31, 2022	INR	211.00	(83.03)	138.14	10.17	-	30.25	(89.48)	(1.43)	(88.05)	-	52.61% Balance held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
4	Choice Capital Advisors Private Ltd.	March 31, 2022	INR	505.00	270.48	962.46	186.98	45,000	190.50	25.74	6.73	19.02	-	100%	
5	Choice Corporate Services Private Ltd.	March 31, 2022	INR	1.00	(71.20)	29.19	99.39	-	69.26	3.95	(0.23)	4.18	-	100% held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
6	Choice Tech Lab Solutions Private Ltd.	March 31, 2022	INR	1.00	83.27	312.14	227.87	-	1,018.76	(0.30)	8.37	(8.67)	-	100% held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
7	Choice Connect Private Ltd. (Formerly known as Choice Retail Solutions Private Ltd.)	March 31, 2022	INR	1.00	(72.00)	298.48	369.48	-	1,163.59	3.66	(0.37)	4.03	-	100% held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
8	Choice Consultancy Services Private Ltd.	March 31, 2022	INR	500.00	1,206.25	3,948.48	2,242.23	0.26	6,877.66	562.72	141.53	421.19	-	100%	
9	Choice Finsev Private Ltd.	March 31, 2022	INR	7,001.20	11,027.50	39,033.44	21,074.74	-	3,955.48	2,083.25	561.01	1,522.24	-	96.43% balance held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	
10	Choice Insurance Broking India Private Ltd.	March 31, 2022	INR	132.00	22.07	208.67	54.60	51.78	137.86	8.63	2.97	5.67	-	50.00%	
11	Choice Housing Finance Private Ltd.	March 31, 2022	INR	-	-	-	-	-	-	-	-	-	-	100%	
12	Shreeyam Securities Ltd. (Formerly known as Escorts Securities Ltd.)	March 31, 2022	INR	1,350.00	(102.46)	3,963.24	2,715.70	-	119.47	83.56	(45.13)	128.69	-	100% held by our Wholly Owned Subsidiary of Choice Equity Broking Pvt Ltd	



## 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.	Profits for the year	-
	i. Considered in Consolidation	
	ii. Not considered in Consolidation	



## AOC-2

### PARTICULARS OF CONTRACTS/ARRANGMENTS MADE WITH RELATED PARTIES

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

Form 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 transactions entered in to during the year ended March 31, 2022, 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	May 24, 2022	1,93,74,100
Choice Capital Advisors Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	May 24, 2022	33,02,900
Choice Consultancy Services Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	May 24, 2022	1,17,18,000
Choice Wealth Private Limited	Step – Down Subsidiary Company	Office Rent + Support Service Charge	5 Years	Lease Rent for office Premises+ Service Charge	May 24, 2022	3,19,900
Choice Corporate Services Private Limited	Step – Down Subsidiary Company	Office Rent + Support Service Charge	5 years	Lease Rent for office Premises+ Service Charge	May 24, 2022	36,900
Choice Techlab Solutions Private Limited	Step – Down Subsidiary Company	Office Rent + Support Service Charge	5 years	Lease Rent for office Premises+ Service Charge	May 24, 2022	56,85,900
Choice Insurance Broking India Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 years	Lease Rent for office Premises+ Service Charge	May 24, 2022	20,11,300
Choice Portfolio Management Services Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 years	Lease Rent for office Premises+ Service Charge	May 24, 2022	76,300
Choice Finserv Private Limited	Subsidiary Company	Office Rent + Support Service Charge	5 years	Lease Rent for office Premises+ Service Charge	May 24, 2022	47,500





## Secretarial Compliance Report - Choice International Limited

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

Sunil Patodia Tower  
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 on 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 of 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.

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

**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: A017083D000431783  
Place: Mumbai  
Dated: May 30, 2022



## Secretarial Compliance Report Under regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have examined:

- all the documents and records made available to us and explanation provided by **Choice International Limited** ("the listed entity"),
  - the filings/ submissions made by the listed entity to the stock exchanges,
  - 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, 2022 ("Review Period") in respect of compliance with the provisions of:
- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there-under; and
  - 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 thereunder, have been examined, include:

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable as there was no reportable event during the review period]
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (till August 12, 2021) and Securities and Exchange Board of India (Share Based

Employee Benefits and Sweat Equity) Regulations, 2021; (with effect from August 13, 2021) **[Not applicable as there was no reportable event during the review period]**

- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (till August 15, 2021) **[Not applicable as there was no reportable event during the review period]**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; (till August 15, 2021) **[Not applicable as there was no reportable event during the review period]**
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021); **[Not applicable as there was no reportable event during the review period]**
- 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:

- The listed entity has complied with the provisions of the above Regulations and circulars guidelines issued there-under.
- 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.
- 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 Practicing Company Secretary
			Nil	

- 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]

**Manoj Mimani**  
**(Partner)**  
ACS: 17083  
CPNo:11601  
PR No.:1065/2022  
UDIN: A017083D000431783  
Place: Mumbai  
Dated: May 30, 2022



## Secretarial Audit Report - Choice International Limited

### Form No. MR.3

#### Secretarial Audit Report for the financial year ended on March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To,  
**The Members**  
**Choice International Limited**  
**[CIN: L67190MH1993PLC071117]**

Sunil Patodia Tower  
 Plot No.156-158, J.B. Nagar, Andheri (East),  
 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 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.

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there-under;
- II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made there-under;
- III. The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.
- 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- VI. There were no laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by

the Management, since the Company is an Investment Holding Company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India related to the meetings of Board of Directors and Shareholders;
- (b) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015

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 under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above.

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

- (a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Issue of Debt Securities) Regulations, 2008 (till August 15, 2021)
- (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (till August 15, 2021)
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from August 16, 2021);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (till August 12, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 dealing with client

#### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent 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 given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

## R M MIMANI & ASSOCIATES LLP COMPANY SECRETARIES

### Annexure - "A"

To,  
**The Members**  
**Choice International Limited**  
**[CIN: L67190MH1993PLC071117]**

Sunil Patodia Tower  
 Plot No.156-158, J.B. Nagar, Andheri (East),  
 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: A017083D000739266

Place: Mumbai  
 Dated: August 04, 2022

**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: A017083D000739266

Place: Mumbai  
 Dated: August 04, 2022



## Secretarial Audit Report - Choice Equity Broking Private Limited

### FORM NO. MR. 3

#### Secretarial Audit Report For The Financial Year Ended 31st March 2022

[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]

To,  
The Members  
**CHOICE EQUITY BROKING PRIVATE LIMITED**  
(CIN: U65999MH2010PTC198714)

Sunil Patodia Tower, Plot No. 156-158  
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, 2022 ('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, 2022 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. There were no changes in the composition of the Board of Directors during the year under review.

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.

**For Nidhi Bajaj & Associates**  
**Company Secretaries**

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS – 28907, COP - 14596  
Peer Review Reg. No.-2458/2022  
UDIN: A028907D000751673

Date: August 04, 2022  
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. pliance 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  
Peer Review Reg. No.-2458/2022  
UDIN: A02897D000751673

Date: August 04, 2022  
Place: Mumbai





## Secretarial Audit Report - Choice Consultancy Services Private Limited

### FORM NO. MR. 3

#### Secretarial Audit Report For The Financial Year Ended 31st March 2022

[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]

To,

The Members

**CHOICE CONSULTANCY SERVICES PRIVATE LIMITED**  
(CIN: U72900MH2010PTC198603)

Sunil Patodia Tower, Plot No. 156-158  
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, 2022 ('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, 2022 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.

**For Nidhi Bajaj & Associates**  
**Company Secretaries**

Sd/-  
**Nidhi Bajaj**  
**Proprietor**  
**ACS – 28907, COP - 14596**  
**Peer Review Reg. No.-2458/2022**  
UDIN: A028907D000751662

Date: August 04, 2022  
Place: Mumbai

### Annexure - "A"

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**  
**Peer Review Reg. No.-2458/2022**  
UDIN: A028907D000751662

Date: August 04, 2022  
Place: Mumbai





## Secretarial Audit Report - Choice Finserv Private Limited

### FORM NO. MR. 3

#### Secretarial Audit Report For The Financial Year Ended 31st March 2022

[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]

To,  
The Members  
**CHOICE FINSERV PRIVATE LIMITED**  
(CIN: U74999MH2016PTC281908)

Sunil Patodia Tower, Plot No. 156-158,  
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, 2022 (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, 2022 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; **as applicable**;
- 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 report that the Company increased the Authorised Share Capital of the company from Rs. 51,10,00,000/- (Rupees Fifty One Crore Ten Lakhs only) divided into 5,11,00,000 (Five Crore Eleven Lakhs) equity shares of Rs. 10/- (Rupees Ten) each to Rs. 64,00,00,000/- (Rupees Sixty Four Crore only) divided into 6,40,00,000 (Six Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each through Extra Ordinary General Meeting held on 8th July, 2021.

Then the Company further increased the Authorised Share Capital of the company from Rs. 64,00,00,000/- (Rupees Sixty Four Crore only) divided into 6,40,00,000 (Six Crore Forty Lakhs) equity shares of Rs. 10/- (Rupees Ten) to Rs. 75,00,00,000/- (Rupees Seventy Five Crore only) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten) each through Extra Ordinary General Meeting held on 22nd February, 2022.

For Nidhi Bajaj & Associates  
Company Secretaries

Sd/-  
Nidhi Bajaj  
Proprietor  
ACS - 28907, COP - 14596  
Peer Review Reg. No.-2458/2022  
UDIN: A028907D000751695  
Date: August 04, 2022  
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  
Peer Review Reg. No.-2458/2022  
UDIN: A028907D000751695  
Date: August 04, 2022  
Place: Mumbai



## Business Responsibility Report

With sustainable development and the climate change movement gaining momentum, the group recognizes its role as a Corporate Citizen and endeavours to adopt the best practices and the highest standards of sustainable practices. The Company ensures best-in-class corporate governance practices through transparency in business ethics and, accountability to all its stakeholders. The Group has developed shared various policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of this initiative, we as a Group aspire to create more employability for Indian workforce, a greener India and innovate for good and green services. 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 1,000 companies listed on BSE and NSE based on market capitalisation are required to submit "Business Responsibility Report" (BRR) along with their Annual Report. Company is in the league of Top 1,000 Listed Companies. The Company has adopted 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" the Company for the Financial Year 2021 -22 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.

The 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.

**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 International Limited, Sunil Patodia Tower, J.B. Nagar, Andheri (East), Mumbai - 400099
4	Website	www.choiceindia.com
5	Email Address	info@choiceindia.com
6	Financial Year reported	April 01, 2021 to March 31, 2022
7	Sector(s) that the company is engaged in	Financial Services - 64990
8	Three key products/ services manufactured/	The Company is the holding Company and the business is carried out in subsidiaries. The major Business segment of the group comprises of Broking & Distribution, Infrastructure Advisory and NBFC
9	Total Number of locations where business activity is undertaken by the company	Number of International Locations: Nil Number of National Locations: 17
10	Markets served by the company	Domestic

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital	Rs. 4,975.60 Lakhs
2	Total Turnover	Rs. 28,595.59 Lakhs
3	Total Profit after Tax	Rs.5,360.45 Lakhs
4	Total spending on CSR as percentage of PAT (%)	On consolidated basis the group has spent Rs. Rs. 35.55 lakhs towards CSR activities.
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 Detail of Subsidiary companies are included in the Board Report.
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, the Company's Business Responsibility Policy is applicable to all its 12 Subsidiaries including Step Down Subsidiaries.
3	Do any other entity/ entities (ex. 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 %)	No other business partners of the Company do not directly participate in the Company's BR initiatives. However the Company encourages its Authorised Peron's, / Distributors to participate to the extent possible in the initiatives towards BR and to adopt fair practices by all means.

### 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 Number (If applicable)	-
	Name	Manoj Singhania
	Designation	Chief Financial Officer
	Telephone Number	022-67079999
	Email Address	manoj.singhania@choiceindia.om

### Principle-wise BR policy/policies

National Voluntary Guidelines (NVGs) on social, environmental, and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles detailed below:

- P1- Businesses should conduct and govern themselves with ethics, transparency and accountability
- P2- Businesses should provide goods and services that are safe and that contribute to sustainability throughout their life cycle
- P3- Businesses should promote the well being of all employees
- P4- Businesses should respect the interests of, and be responsive towards stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5- Businesses should respect and promote human rights
- P6- Businesses should respect, protect, and make efforts to restore the environment
- P7- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8- Businesses should support inclusive growth and equitable development
- P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner





## a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Yes	*NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	*NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Policy adopted by the Company are in line with the applicable rules and regulations.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The Polices mentioned in the report have been approved by the Board or the committees established by Board and is followed by all the subsidiaries including step down subsidiaries in the group.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	*NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	As per the regulatory requirement the mandatory policies are uploaded on the website of the Company www.choiceindia.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	*NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies.	The Board has delegated the powers to the Committee & senior executives of the Company for the implementation of the policies								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	*NA	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company has adopted the evaluation process both internal and by external agencies at regular intervals.								

\*Not applicable considering the Business of the Company



## a) Details of Compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specific principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next six months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within next one year	-	-	-	-	-	-	-	-	-
6	Any Other reason	-	-	-	-	-	-	-	-	-

## SECTION D: BR INFORMATION

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: 3-6 months  
The Board assess the BR performance of the Company on annual basis
- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is Published on the annual basis and is uploaded on the website of the www.choiceindia.com

## SECTION E: PRINCIPLE WISE PERFORMANCE

## PRINCIPLE 1

## Business Should Conduct And Govern Themselves With Ethics, Transparency, And Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the group/joint ventures/suppliers/contractors/NGOs/others?: Yes  
As a responsible corporation, the Company has adopted the best practices across industry and implemented highest Standards of Corporate Governance through Transparency in Business Ethics, Transparency and Accountability to its Clients, Government and others.

Compliance is major focus of the company due to nature of the business company is involved. The Company embraces set of strong governance principles and extending its practices beyond legal Provisions.

The Company has zero-tolerance approach to bribery and corruption while maintaining ethical behaviour in all the dealings. The Company prohibits any payment or gift, or any offer or authorization of a payment or gift to any Government agencies or any other persons, in order to secure any improper business advantage for any business related work.

## Transparency:

Being transparent and fair in dealing with clients and other stakeholders will always be at core of the company's practices & policies. For the Company transparency across all the levels of the organisation is the most vital aspect in driving company's future growth.

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

## Accountability:

The Company's operations are managed by high level 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.

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

The Company Policy on Code of Conduct follows Standard on ethics, transparency, and accountability.

Code of Conduct outlined by the company 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 everyone, including the communities in which they operate.

Over the years "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. The Company also has a Whistle



Blower Policy which allows employees to raise any unethical behaviour suspected fraud or irregularity in the company practises which is not in line with the Code of Conduct of the Company to the Management, promptly and directly. Adequate measures are in place to ensure safeguarding against victimization for employees who report any unethical behaviour.

#### Ethics:

As per nature of company's business there is a robust system in place 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 develops 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 all those employees of the Company, its subsidiaries and joint ventures, who may be deemed to have access to unpublished price sensitive information.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactory resolved by the management? If so, provide details thereof, in about 50 words or so.

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

#### PRINCIPLE 2:

##### Business Should Provide Goods And Services That Are Safe And Contribute To Sustainability Throughout Their Life Cycle.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.  
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 and 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 involved in any direct consumption of Raw Material. Also, The company encourages paperless working and entirely focusing on technology advancement.
- For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):  
Considering the nature of business of the Company , the reporting on use of energy , water , raw material is not applicable.  
However the Company has installed Solar Panels at its Registered Office . Further recycle of waste water to reuse as flush water are some of the steps adopted by the company to save water and electricity.
- Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of

your inputs was sourced sustainably? Also, provide details thereof, in about 50 word or so.

As the activities of the Company are not manufacturing intensive, the reporting on sustainable sourcing is not applicable to the Company. Though the procurements are majorly related to office infrastructure and equipment's the Company takes initiative wherever possible for responsible sourcing.

- Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?  
The Company where it deems feasible, has tried to accommodate procurement of availing goods / services from small and local producers for day to day functioning of the Company.
- Does the company have a mechanism to recycle products and waste? If yes. What is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.  
As the Company is not engaged in manufacturing activities, reporting on recycling mechanism is not applicable. However, the Company has adopted "Go Green" initiative by implementing a digital mechanism for processing loans and limited printer use as per requirement. The Company has also adopted the practice of dry and wet waste.

#### PRINCIPLE 3:

##### Businesses Should Promote The Wellbeing Of All Employees

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

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

- Please indicate the Total number of employees:  
The total Number of employees as on March 31, 2022 is 1164.
- Please indicate the Total number of employees hired on temporary / contractual / casual basis as on March 31, 2022: NIL
- Please indicate the Number of permanent women employees?  
The total Number of women employees as on March 31, 2022 is 572.
- Please indicate the Number of permanent employees with disabilities?  
The total number of employees as on March 31, 2022 is 1.
- Do you have an employee association that is recognized by Management?  
The Company does not have any employee association. However the Company has framework for the employee to address their concerns.
- What percentage of your permanent employees are members of this recognized employee association?  
Not applicable.
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

The Company did not receive any complaint relating to child labour, forced labour, involuntary labour or sexual harassment during the year 2021- 22 and are not pending as of March 31, 2022.

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Majorly employees at all the levels & hierarchy are given safety and skill up gradation including soft skill up gradation at regular intervals. Both Seminars and webinars are conducted to educate the employees on the new development in the regulatory frame work, soft skills development & Business development.

#### PRINCIPLE 4:

##### Business Should Respect The Interests Of, And Be Responsive Towards All Stakeholders; Especially Those Who Are Disadvantaged, Vulnerable And Marginalized.

Choice is respectful and quick to response to all the stakeholders, especially those who are disadvantaged, vulnerable and marginalised

The 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.

- Has the Company mapped its internal and external stakeholders?  
Yes the Company has identified its stakeholders which includes, Shareholders, Employees, Regulatory Authorities, Clients, Associate , Clients, Government Authorities.
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?  
The Company monitors, identifies and evaluates the disadvantaged, vulnerable & marginalized stakeholders at regular intervals.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.  
The Company has designed its services in way which is affordable to its Low Income group Clients.

#### PRINCIPLE 5:

##### 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.

- Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?  
Yes, the Company has the policy on Human Rights and is also applicable to all its subsidiaries. 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.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
The Company did not receive any complaint relating to violation of human rights during the financial year 2021-22.



#### PRINCIPLE 6:

##### Businesses Should Respect And Make Efforts To Protect And Restore The Environment.

- Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures/ Suppliers / Contractors / NGOs / others.

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

- Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc.

The Company is into service industry and not manufacturing of any goods, hence is a non-pollutant Company.

The 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 2020-21 was sent to almost 2000 Shareholders via email, thus saving tons of paper and as a measure of protecting the environment saving many trees.

- Does the company identify and assess potential environmental risks?  
Yes, the Company, on a periodic basis, assess various risks affecting the Company and its stakeholders including environmental risks
- Does the company have any project related to clean development Mechanism?

The Company does not have any project related to Clean Development Programme.

The 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 by engaging our employees in Drives for Clean UP Programmes.

- Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.,  
The Group promotes ecological sustainability and has taken several measures to minimise its environmental impact caused due to various factors. Digitalisation is one of the platforms, which has helped the Group in reducing the paper and stationery, E-waste is disposed off in an efficient manner. The company uses LED Lights on all floors. The above actions of the Group have contributed and continues to contribute towards saving environment by reduction in usage of resources.
- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial





year being reported? Not applicable since the Company is not a manufacturing company

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year: Nil

#### PRINCIPLE 7:

##### Business, As And When Plays A Role In Influencing Regulatory Policies Or/and Public At Large, Should Do The Same In Responsible Manner.

1. Is your company a member of any trade and chamber or association?  
The Company currently is not part of any trade and chamber or association.
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good?: Not applicable.

#### PRINCIPLE 8:

##### Business Should Support Inclusive Growth And Equitable Development

The Company "Choice International Limited" has continuously conducted Corporate Social Responsibility (CSR) programs on voluntarily basis. The 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.

1. Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8?  
With the idea of equitable development the Company engages itself in Corporate Social responsibility with major focus on educating the young talent of the country.
2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO / government structures/any other organization?  
The Programmes are undertaken by the in house team of the Company.
3. Have you done any impact assessment of your initiative?  
The Company evaluates the benefits and also considers the background of the beneficiary before making the expenditure on the Programmes undertaken as a part of CSR expenditure.
4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?  
During the Year at group level the Company has spent 35.55 lakhs towards Educational programmes.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?  
The Company at regular intervals monitors the outcome of the Programmes undertaken.

#### PRINCIPLE 9:

##### Businesses Should Engage With And Provide Value To Their Customers And Consumers In A Responsible Manner.

The 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:

- The 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 The Company's responsibility to give disclosures to the client before entering into any kind of agreement.
- The Company uses a combination of channels, which include websites, customer care numbers and leaflets to communicate openly with its clients.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year Percentage of Customer Complain pending as on the end of Financial Year NIL.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?  
The Company is in to Financial Services and the information is provided to the extent applicable.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as on end of financial year.  
The Company along with Subsidiaries are completely in to providing Financial Services & Advisory , in its ordinary course of Business there are grievances received by the Company . However the Complaints/ grievances so received are addressed timely with the best endeavour to the satisfaction of the Clients.
4. Did your Company carry out any consumer survey/consumer satisfaction trends?  
The Company has not carried out any customer survey or satisfaction trend however the Company address the comments or Remarks received vide email or Social Network.

#### On behalf of the Board of Directors

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

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

Mumbai  
Date: August 04, 2022



## Managerial Remuneration

The Disclosure required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure and forms an integral part of this Report.

A statement comprising the names of top 10 employees in terms of remuneration drawn and every persons employed throughout the year, who were in receipt of remuneration in terms of Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure and forms an integral part of this annual report. The said Annexure is not being sent along with this annual report to the members of the Company in line with the provisions of Section 136 of the Act. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company.

Statement Of Disclosure Of Remuneration  
(Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

S.No.	Requirements	Disclosure	
		Name of Director	Ratio
1	The ratio of the remuneration of each director to the median remuneration of all the employees of the Company for the financial year	Kamal Poddar	25.00
		Suyash Sunil Patodia	5.59
		Ajay Rajendra Kejriwal	10.05
		The median remuneration of all the employees of the company was Rs.3,60,000/-	
2	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year	Kamal Poddar	71%
		Ajay Rajendra Kejriwal	72%
		Manoj Singhania	33%
		Karishma Shah	31%
3	The percentage increase/decrease in the median remuneration of employees in the financial year.	During FY 2022, the percentage increase in the median remuneration of employees as compared to previous year was approximately 8.38%.	
4	The number of permanent employees on the rolls of Company	There were 1164 employees as on March 31, 2022.	
5	The Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration	Average increase in remuneration is 6.80% for Employees other than Managerial Personnel and 26.81% for Managerial Personnel.	
6	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Nomination, Remuneration and Board Diversity Policy of the Company.	



# Management Discussion & Analysis Report

## Global Economic Overview

Past couple of years have been severely impacted due to the pandemic. Last year the situation was better, but uncertainties continued due to new variants threatening the population and economies around world. The uncertainty in the global economic growth was further aggravated due to Russia-Ukraine war. According to International Monetary Fund (IMF)'s April 2022 World Economic Outlook Update, the global growth is projected to slow down from 6.1% in 2021 to 3.6% in 2022 and 2023. The moderation in growth is also due to lower base advantage in 2021.

As per IMF, Advanced Economies (AEs) grew by 5.2% and Emerging Markets and Developing Economies (EMDEs) by 6.8% in 2021 as against negative growth of 4.5% and 2.0%, respectively in 2020. China, a large global GDP constituent in the EMDE block, grew by 8.1% in 2021 as against 2.2% in 2020. The zero-tolerance COVID-19 policy and long drawn financial stress remain areas of concern for China, while its growth is expected to steam off to 4.4% in 2022, before rebounding to 5.1% in 2023.

GDP Growth Trend (%)

	2020	2021	2022 (P)	2023 (P)
World	(3.1)	6.1	3.6	3.6
AE	(4.5)	5.2	3.3	2.4
EMDE	(2.0)	6.8	3.8	4.4
India	(6.6)	8.9	8.2	6.9

Source: WEO Apr 2022, IMF

AE: Advanced economies, EMDE: Emerging markets and developing economies

The inflationary pressure is expected to remain due to the impact of war and broadening of the price pressures. As per IMF, inflation is projected at 5.7% in AE and 8.7% in EMDE in 2022, before moderating in 2023 at 2.5% for the AE and 6.5% for EMDE.

In 2022, the impact of Russia-Ukraine war is expected to be seen significant impact on oil and gas prices. This is also expected to be evident on food prices as well into 2023. Between August 2021 and February 2022, the crude oil prices increased by 36% led by strong recovery in oil demand globally, as well as short-lived effect of the Omicron variant in 2021. However, the geopolitical tensions and Russia-Ukraine war has led to Brent crude oil temporarily reach USD 140 in early March 2022. International Energy Agency (IEA) predicts that global demand for oil in 2022 is projected to increase to 99.7 million barrels a day (mb/d), an increase of 2.1 mb/d from 2021.

As per world financial inclusion close to one-third of adults – 1.7 billion – were still unbanked in 2017, according to the latest Findex data (2021 data forthcoming). About half of unbanked people included women poor households in rural areas or out of the workforce. Between 2011 and 2017 gender gap in account ownership remained stuck at 9 percentage points in developing countries, hindering women from being able to effectively control their financial lives. Countries with high mobile money account ownership had less gender inequality. The impact of the COVID-19 on this gender gap remains to be seen. Since 2010, more than 55 countries have made commitments to financial inclusion, and more than 60 have either launched or are developing a national strategy.

Source: IMF Economic Outlook April 2022, World Bank

## India

India, the second largest constituent of EMDE block, grew at a strong 8.9% in 2021 after a sharp contraction of 6.6% in 2020, according to IMF. The fast-paced vaccination drive, investor friendly government policies and focus on Aatmanirbhar Bharat

have enabled the Country to bounce back. IMF expects India to continue its steady growth in 2022 at 8.2% and stabilise at a 6.9% in 2023. The outbreak of the second and third wave led by Omicron variant did have some impact on the economic activities during the latter part of the financial year FY2022 which offset the annual growth to some extent.

In its second advance estimates of national accounts, National Statistical Office (NSO) has pegged real GDP (Gross Domestic Product – at Constant 2011-12 prices) growth rate at 8.7% in FY2022 as against its earlier estimates of 9.2% for the year. This is sharp contrast to FY2021 wherein GDP growth rate slumped into negative at 6.6% as per the first revised estimates. The per capita income also saw strong recovery with the second advance estimates indicating a 7.9% growth rate in FY2022 as against a negative growth of 7.6% in FY2021. The overall growth in economic indicators is expected to be backed by strong growth in agriculture and manufacturing sectors.

The rising oil prices and other commodity prices due to geopolitical risks and its connected supply chain disruption has led to significant volatility in the market with high inflationary pressures. Reserve Bank of India (RBI) has raised its inflation projections to 5.7% for FY2023 due to the impact of the ongoing geopolitical situation. In March 2022, the CPI (Consumer Price Index) breached RBI's upper threshold of 6% and touched 6.95%. The inflation is expected to remain at 7% till September if the energy prices do not soften going forward.

The year FY2022 has been marked by highest tax-GDP ratio of 11.7%, with direct tax to GDP at 6.1% and indirect tax to GDP ratio at 5.6%. The total tax revenue as per the pre-actual figures for FY2022 is estimated to have grown 34% over last year to Rs. 27.1 lakh crore from Rs. 20.3 lakh crore. This was led by growth of 49% in direct taxes and supported by 20% growth in indirect taxes. The year has been remarkable on Goods and Services Tax (GST) front as well that witnessed a monthly average collection of Rs. 1.4 lakh crore in FY2022. The overall tax revenue growth signifies the rapid economic recovery despite the successive waves of COVID, and well supported by one of the largest immunization programmes of the world run by any government. The collection was also supplemented with better compliance efforts in taxation powered by technology and artificial intelligence.

According to The Reserve Bank's Financial Inclusion Index (FI-Index)<sup>11</sup> draws on 97 indicators, reflecting ease of access, availability and usage of services, and quality of services. By end-March 2021, the value of the index reached 53.9 (43.4 at end-March 2017), indicating the road traversed so far and the miles to go. The Reserve Bank will continue its efforts towards improving the regulatory ecosystem for customer protection, upgrading and providing easy and quick access to the grievance redress mechanism, and also percolating customer awareness and financial education to the excluded sections of the population as also to remote areas of the country. Looking ahead, the implementation of the various milestones under the National Strategy for Financial Inclusion (NSFI) and the National Strategy for Financial Education (NSFE) would sustain the momentum of financial inclusion in the country.

Source: IMF Economic Outlook April 2022, RBI, Ministry of Finance

## Global GDP Growth (%)

The global economy for next two years will depend on how the conflict between Russia and Ukraine evolves. According to KPMG global outlook GDP growth could range between 3.3% - 4.0% this year and between 2.5% - 3.2% in 2023, depending on the scenario.

The forecast is currently skewed to downside. It is possible to



envisage that the ongoing geo-political tension could escalate beyond downside scenario, with cuts to energy supplies for example causing a significant disruption to production in parts of Europe. The COVID-19 pandemic is still causing shutdowns in major economies such as China, and a new wave could undo the progress in easing global supply chain blockages. The global economy emerged from the pandemic led recession with higher public debt. As central banks raise interest rates, the servicing cost of sovereign debt increases, making it challenging particularly for emerging countries whose debt is denominated in an appreciating US dollar. With policymakers and many businesses still reeling from the consequences of the pandemic, they are less ready to counter another significant economic shock.

One of the major concerns is the rising inflation rate across many parts of the world. The prevailing geo-political situation has further intensified these inflationary pressures. According to KPMG Global outlook global inflation could average between 4.5-7.7% this year and between 2.9-4.3% in 2023, depending on future developments of the crisis.

Higher inflationary prices are forcing policy changes of central banks across several economies already last year multiple banks across the world started raising rates. The bank of England ended its quantitative easing program further increasing rates during three consecutive meetings. The U.S Fed began raising rates in March and indicated that rates could rise six more times this year. The change in central banks' stance, especially the Fed's, could add volatility to markets as they adjust to a new policy direction.

Global economy is expected to face challenging times ahead under the geopolitical uncertainty.

Source: KPMG Global economic outlook April 2022

## Indian economic outlook

Indian economy is also impacted by the consequences of the ongoing conflict and economic repercussions. India's dependence on imported crude is a major threat to India's macro-economic framework. Moreover, if the conflict prolongs it is anticipated to impact the Indian economic growth plans. Despite India's limited exposure to trade with Russia the possibility of a trade shock through other channels and supply chain disruptions are likely to impact India's growth prospects.

Although, the Economic Survey 2021-22 had put forth India's GDP growth forecast between 8.0% and 8.5% for FY2023 earlier this year, risks to downsides remains.

Inflation continues to be the most significant risk for India. Surging crude oil prices are likely to adversely impact India's macros - including GDP, inflation, current account deficit, and Rupee value. Increase in oil-prices coupled with the sharp fall in Rupee value is inflating India's import bill adding to the stress on current account. Inflationary pressures accentuated by worsening CAD will be major concern for India. Capital outflow will keep financial markets in India on the edge with higher liquidity pressures for Indian corporates.

Foreign portfolio investors (FPIs) have remained net sellers in the Indian capital market for six consecutive months ending March 2022. Therefore, the key challenge at hand for India is to manage inflation and the Rupee value. Furthermore, the economists expect that private consumption has been the weakest link in the course to recovery. Consumer sentiments have been tepid for most of FY2022.

With escalating inflation, the purchasing power is being further constricted, especially for the low and lower-middle income households, who account for most of the population in India and are primary drivers to aggregate consumption.

Russia-Ukraine crisis has amplified the cost pressures being faced by

producers. This will further postpone private investment as average capacity utilization remains below the level that could trigger new investments. Limited ability to pass on rising cost of inputs is also eroding profitability of businesses. The cost escalation may hit the cash flow going ahead and is weighing heavily on capex plans. Moreover, exports that were providing a cushion to the loss of domestic output are likely to be subdued as the developed countries are also witnessing a slowdown and have been moving towards withdrawal of fiscal stimulus. Private demand and investment should be the focus in FY2023 to support growth.

Source: FICCI Economic Outlook Survey



## Indian Financial Sector

India has a diversified financial sector which is undergoing a rapid expansion. Which is led by a combination of strong growth of existing financial firms and new entrants to the market. Recently, the banking regulator has allowed new entities such as payment banks to be created, thereby adding to the type of entities operating in the sector. However, financial sector in India is dominated by banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

Government of India has introduced several reforms to liberalise, regulate and enhance financial sector. The Government and the RBI have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSME). With a combined push by the Government and private sector, India is undoubtedly one of the most attractive capital markets. As of January 2022, AUM managed by the mutual funds industry stood at Rs. 38.9 trillion and the total number of accounts stood at 123.1 million. Inflow in India's mutual fund schemes via systematic investment plan (SIP) increased by 17% to Rs. 1.1 lakh crore in November 2021 as compared to November 2020. Equity mutual funds registered a net inflow of Rs. 22.2 trillion by end of December 2021. The total first year premium of life insurance companies in India stood at USD 17.6 billion. In the first 10 months of FY2022, non-

life insurance sector premiums reached at Rs. 1.8 lakh crore.

The number of companies listed on the National Stock Exchange of India (NSE) increased from 135 in 1995 to 1920 by December 2021. According to the statistics by the futures Industry Association (FIA), a derivatives trade association, the NSE emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4<sup>th</sup> worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for 2020. India is expected to have 6.11 lakh High Net-worth Individuals (HNIs) by 2025.

Source: IBEF

## Growth Opportunity

- The financial services demand is increasing across income brackets on back of rising income.
- Financial market inclusion drive from the RBI has expanded the target market to semi-urban and rural areas.
- Investment corpus in Indian insurance sector is expected to rise to USD 1 trillion by 2025.
- The government has also approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.
- Credit, Insurance and investment penetration is rising in rural areas.
- HNI participation is growing in the wealth management segment.
- Lower Mutual fund penetration of 5-6% reflects latent growth opportunities.

Source: IBEF



## Way forward

- India is expected to be the fourth largest private wealth market globally by 2028.
- India's insurance industry has huge growth potential. India's insurance market is expected to reach US\$ 250 billion by 2025. It also offers an opportunity of US\$ 78 billion of additional life insurance premiums from 2020-30
- India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players
- The Association of Mutual Funds in India (AMFI) is targeting nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.5 trillion) and more than three times growth in investor accounts to 130 million by 2025
- India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US\$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD\$ 492.6 billion) during the same period

Source: IBEF



## Our Current Services

Choice group, through its multiple subsidiaries, offers financial services across all platforms catering to retail and institutional clients, corporates, state and central governments. The services are bifurcated into Retail services (B2C) and Institutional Services (B2B). The B2C services include Stock 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



### WEALTH SERVICES

- Mutual Fund Distribution
- Research insights of funds & their performance

### STOCK BROKING SERVICES

- Online Trading via website & mobile application
- Assistance in implementing trading strategies
- Dedicated Research Team

### NBFC ACTIVITY

- Loan against Property
- Loan against Securities
- MSME Business Loan
- Vehicle Loans
- Supply Chain Finance

### INSURANCE DISTRIBUTION

- Life & Health Insurance products
- Property & Liability Insurance
- End to end support for claim settlement

## Our Institutional Services



### MANAGEMENT CONSULTING & INVESTMENT BANKING

- Tax Advisory
- Business Advisory
- Bharat Desk
- Business setup outside India
- Private Equity
- Venture Capital

### INFRASTRUCTURE CONSULTING & GOVERNMENT ADVISORY

- Strengthening Government Finance
- Resource Augmentation
- Critical Project Monitoring
- Water Management
- Road & Highway
- Affordable Housing

# The Joy of Earning





## Choice Group Overview

Choice Group is engaged in providing end to end financial services for both individuals and corporate customers. Choice has its membership and registration with SEBI, RBI, NSE, BSE, MCX, NCDEX, AMFI and depository participant with CDSL & NSDL. An end to end financial conglomerate, the group has over the past decade expanded massively to become a holistic financial services firm with ground breaking technologies and innovative methodologies to serve its clients. Choice is among top 20 brokers with pan India presence with over 5 lakh clients and approximately 24,000 trained business associates.

Choice Group has come a long way since its membership of NSE, BSE, MCX, NCDEX and a depository participant with CDSL & NSDL. Registered with AMFI as Mutual Funds distributor, 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 Stock Broking, Insurance Broking, Wealth Services, Retail Loan Distribution and NBFC Lending. The B2B services comprise of Management consulting, Investment Banking and Government Services like Infrastructure Consulting and Government Advisory.

The detail discussion on each segment of the above mentioned categories forms part of this report:


1. Broking and Distribution
  - a. Stock Broking Services
  - b. Insurance Broking
  - c. Wealth Services
2. NBFC
3. Advisory
  - a. Management Consulting
  - b. Investment Banking
  - c. Infrastructure Consulting
  - d. Government Advisory

## Broking and Distribution


### Business Update

During the year, the Company Doubled the number of demat Accounts to 4,63,000. Compared to same period last year, active users increased by 3.75x as per NSE during the year enhancing Choice's ranking to No.16 as per NSE's active UCC list. Further to this Stock Broking client assets stood at Rs. 163 billion an increase of 129%, which resulted in highest ever revenues for the Group. Asset under Advice for Mutual Funds stood at Rs. 3,263 million. This growth was predominantly supported by 2.8x growth in number of customers and 75% increase in Insurance premium to Rs. 242 million in FY22

**A) Stock Broking Services** The group's Broking & Distribution Business is channelized through subsidiary M/s. Choice Equity Broking Private Limited herein referred to as "Choice Broking".




# 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 lager with each trade.


## 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



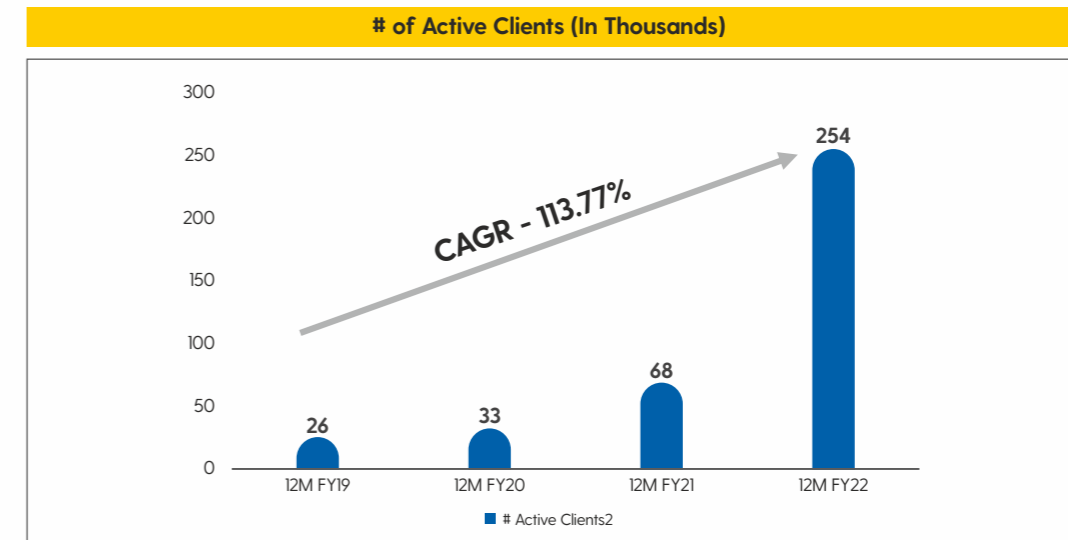
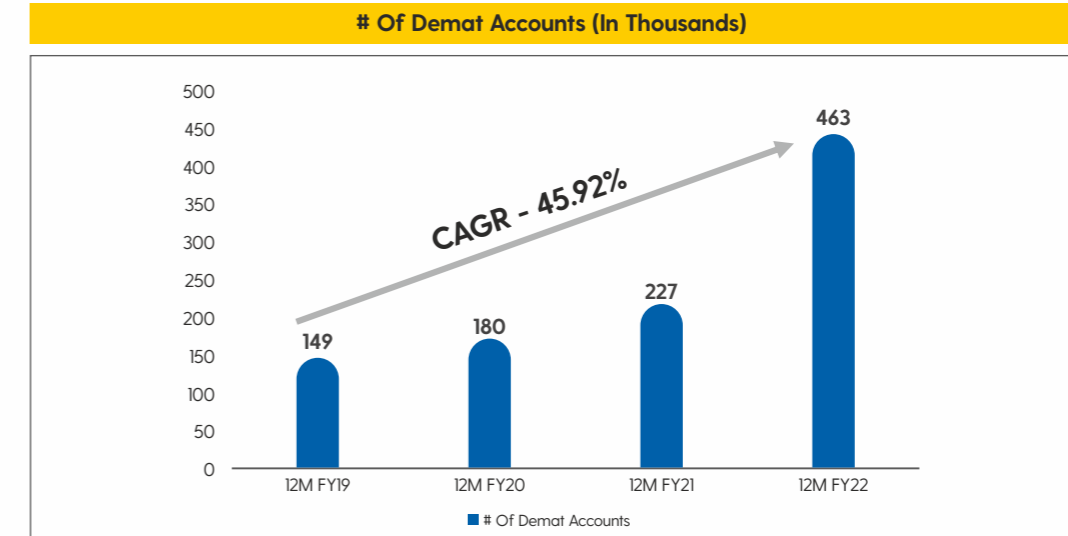
Check out the latest from the Trading Room here

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

Do visit the Choice portfolio of products at : 



## Operational Update



## Key Services

- Equity Trading
- Derivative Trading
- Debt Market Instruments
- Research & Analysis
- Commodity Trading
- Demat Services
- Portfolio Management
- IPO/ OFS/ Other Issues

## Industry Trends:

- India's market capitalization had surged by 37% from October 2021, it was at US\$ 3.5 trillion.
- Positive momentum in Indian stock market resulted in enhancement of investor wealth by Rs. 72 lakh crore (US\$ 953.7 billion) in 2021 and Sensex reached an all-time high of 61,765.59 points in October 2021.
- The number of demat account in India reached 7.4 crore between April-October 2021.
- The number of companies listed on the NSE increased from 135 in 1995 to 1,920 by December 2021.
- According to the statistics by the FIA, the NSE emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the WFE for 2020.
- India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report.
- According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to cross US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

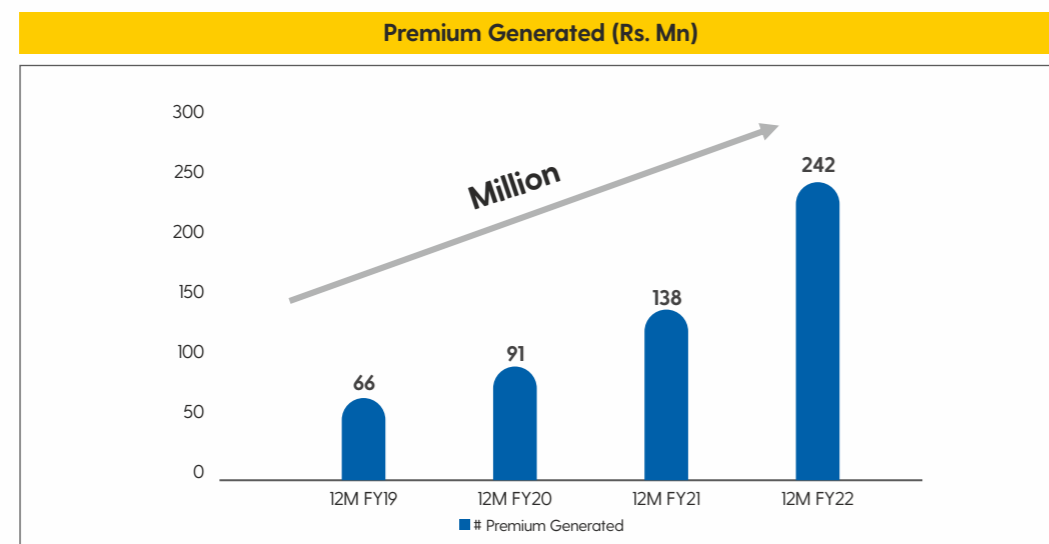
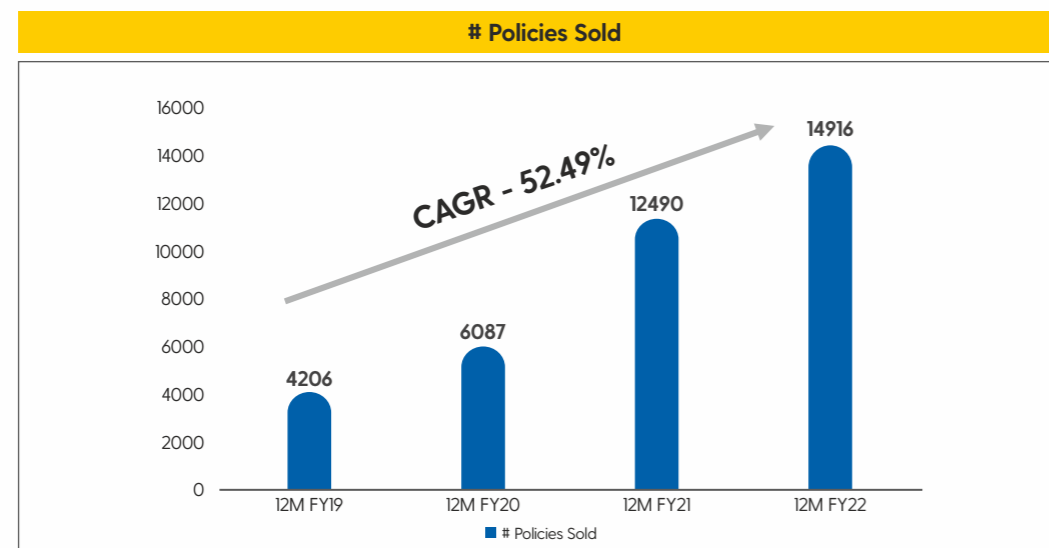
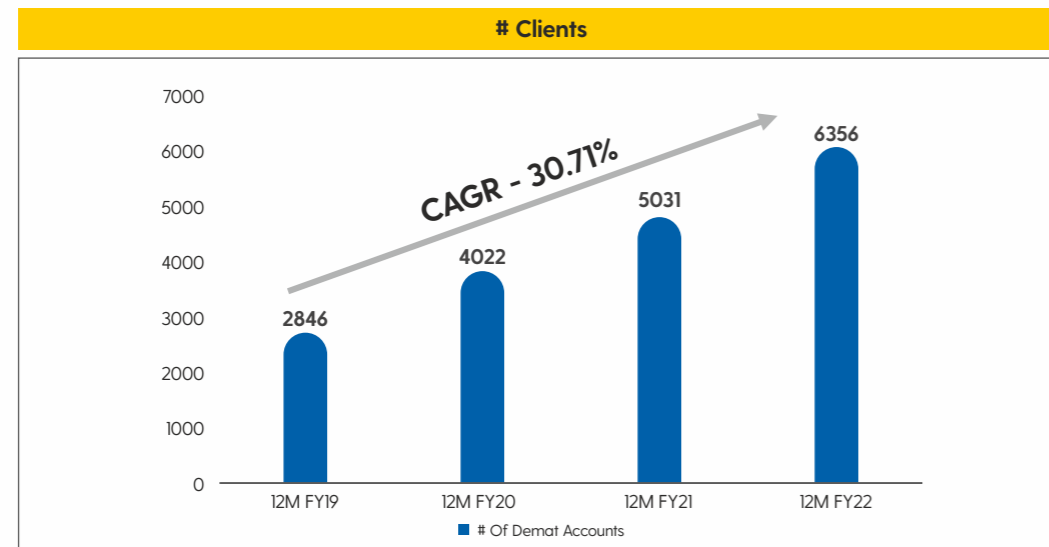
Source: IBEF



## B) Insurance Broking Services

The group offers Insurance Distribution Services through our subsidiary M/s. Choice Insurance Broking India Private Limited. The segment majorly focuses on Assisting Clients to buy the right Insurance Products as per their need and insured smooth claim processing.

### Operational Update



# The joy of earning!

## Our Services: Broking & Distribution

- Equity Derivatives
- Currency & Commodity
- Mutual Fund Distribution
- Insurance Broking



### Upcoming Development in Insurance Broking Services

- Online Portal for motor and health insurance products for instant quotes, comparison and policy issuance.
- Focus on building Product Specific Specialized Teams to ensure suitable Advisory and Support throughout the policy period for both Corporate and Retail Clients.
- Home and Appliances Insurance is a very new concept. This covers client from damages caused by electricity load, floods, theft, etc. Further extended warranties on white goods are high in cost and people generally don't prefer that. We are working towards Insurance product which can cover such faults/damages and its offering such as insurance with OEM tie-ups.
- Small ticket Health Insurance: With the awareness caused by Covid-19, there is a huge demand for health Insurance, but the premiums are expensive for majority of the Indian population. The Company is working on health insurance plan which has the right mix of coverage and affordability.

### Industry Trends:

- India's insurance industry has a huge growth potential and is expected to reach US\$ 250 billion by 2025. There are 24 life insurance companies in India.
- Gross premium collected by life insurance companies in India increased from Rs. 2.56 trillion (US\$ 39.7 billion) in FY12 to Rs. 7.31 trillion (US\$ 94.7 billion) in FY20.
- In FY22, premiums from new businesses of life insurance companies in India stood at US\$ 17.6 billion.
- According to the data compiled by the Life Insurance Council, in March 2021, new business premium of 24 life insurers increased by 70% YoY at Rs. 43,416.69 crore (US\$ 5.81 billion). For FY21, new business premium for life insurers increased by 7.5% YoY at Rs. 2.78 trillion (US\$ 37.17 billion).



# 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.

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!**



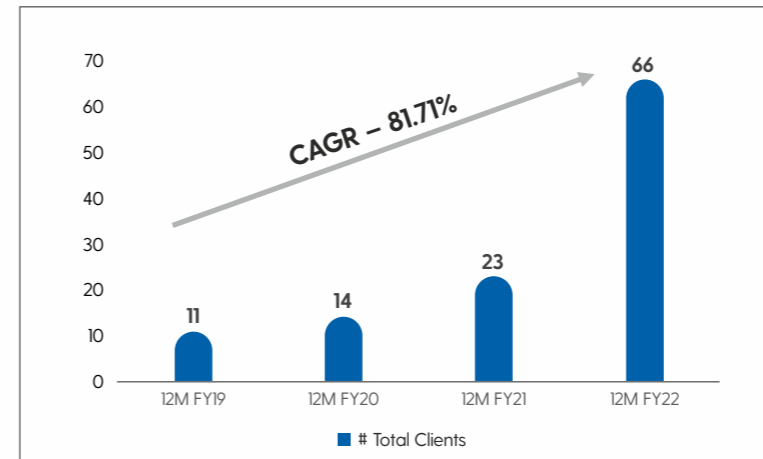
**Choice**

[www.choiceindia.com](http://www.choiceindia.com)

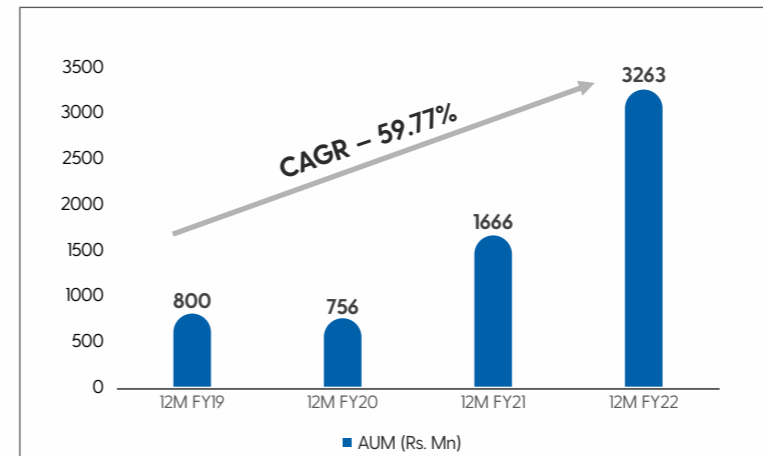


## Operational Update

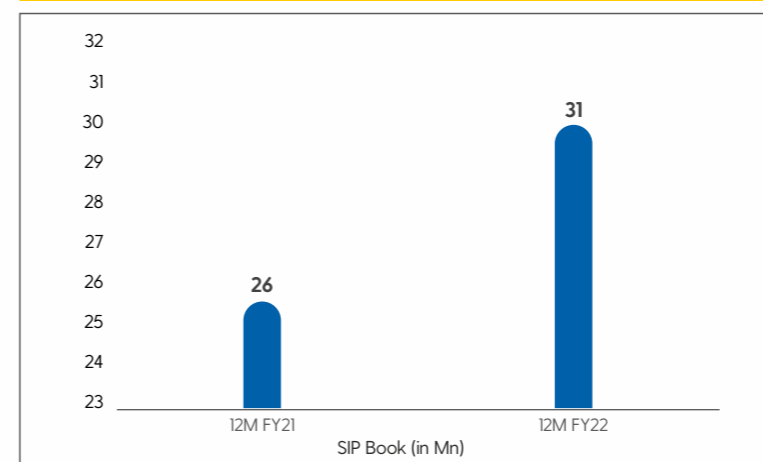
# Total Clients (in Thousands)



# AUM (in Mn)



SIP Book (in Mn)



### General Overview

- A trusted advisor and AMFI registered mutual fund distributor
- Strong research team to support client advisory
- State of Art App "Investica" provides end to end services for Wealth Management and investment in Mutual Funds

### Key Services

- **Mutual Fund Advisory and Distribution**
- **Research and Analysis**
- **Financial Planning**
- **Bond Advisory and Distribution**

### Industry Trends:

- As of January 2022, AUM managed by the mutual funds industry stood at Rs. 38.9 trillion (US\$ 518.2 billion) and the total number of accounts stood at 123.1 million.
- In May 2021, the mutual fund industry crossed over 10 crore folios.
- Inflow in India's mutual fund schemes via systematic investment plan (SIP) increased by 17% YoY to Rs. 1.1 lakh crore (US\$ 14.0 billion) in November 2021.
- Growth in B30 (beyond top 30) cities, sustainability of alpha, alternative investments and regulation norms are expected to shape the mutual fund industry in the coming years.
- About 17% assets in the mutual fund industry were generated from B30 locations in December 2021. These assets increased by 25%, from Rs. 5.1 lakh crore (US\$ 68.3 billion) in January 2021 to Rs. 6.4 lakh crore (US\$ 85.5 billion) in January 2022.
- The asset under management growth is expected to be in the range of 18-22% in FY2023.



# Our Geographical Presence



**65 Offices in 16 States across India**

**Mumbai - (Head office)**

- Ahmedabad
- Ahmednagar
- Agra
- Ajmer
- Aluva
- Angamaly
- Aurangabad
- Bangalore
- Baroda
- Bhilai
- Bhilwara
- Bhopal
- Bhubaneswar
- Chennai
- Coimbatore
- Daman
- Delhi - 1
- Delhi - 2
- Erode
- Gwalior
- Hubli
- Indore
- Jaipur - 1
- Jaipur - 2
- Jaipur - 3
- Jalgaon
- Jhunjhunu - 1
- Jhunjhunu - 2
- Kaloora
- Kanjirappally
- Kannur
- Kadavanthra
- Kolhapur
- Kolkata - 1
- Kolkata - 2
- Kota
- Kottaramattom
- Kottayam
- Kozhikode
- Madurai
- Mangalore
- Marol (Mumbai)
- Mysore
- Nagpur
- Pala
- Palakkad
- Patna
- Pune
- Raipur
- Rajahmundry
- Ranchi
- Salem
- Secunderabad
- Sikar - 1
- Sikar - 2
- Surat
- Thane
- Thrissur
- Tirunelveli
- Tiruvalla
- Trichy
- Trivandrum
- Udaipur
- Vishakhapatnam



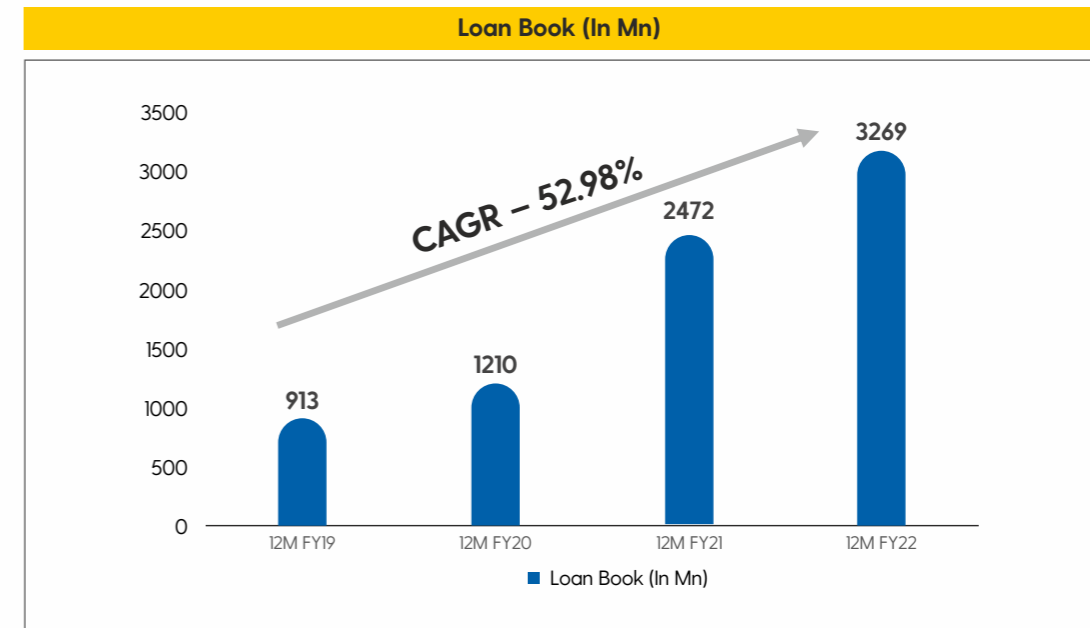
## Our NBFC Services

### Business Update

In FY22 the loan book grew by 32.5% to Rs. 3.26 billion from Rs.2.46 billion in FY21. Net Interest Margin (NIM) expanded to 8.0% in FY22. The PAT increased by 59.4% YoY to Rs. 152 million. Under NBFC

division 93+ employees were hired under various roles of IT, credit, operation, marketing and sales to launch digital lending platform for MSME.

### Operational Update



### Key Services

- MSME Flexi Credit for Micro Enterprises
- MSME Supply Chain Finance
- Loan against Properties
- Loan against Securities
- Vehicle Finance - MSME's Commercial Vehicle
- Supply Chain Finance

### Industry Trends:

- Non-banking financial companies (NBFCs) is rapidly gaining prominence as intermediaries in the retail finance space.
- NBFCs finance more than 80% of equipment leasing and hire purchase activities in India.
- The public funds of NBFCs increased from US\$ 278.2 billion in 2016 to US\$ 470.7 billion in 2020 at a CAGR of 14.0%.
- In December 2020, the Reserve Bank of India issued a draft circular on declaration of dividends by NBFCs, wherein it proposed that NBFCs should have at least 15% Capital to Risk Weighted Assets Ratio (CRAR) for the last 3 years, including the accounting year for which it proposes to declare a dividend.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to

participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial company micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 29, 2021, SBI announced that it has signed an agreement with three non-banking finance company-microfinance institutions (NBFCMFIs) for co-lending to joint liability groups (JLGs)

Source:IBEF





## Advisory Services

### Business Update

We won multiple contracts worth over Rs. 1 billion during the year under Jal Jeevan Mission and Rs. 2.75 billion worth of Order Book as on FY22 demonstrating an increase of 375% compared to last year. Our Segment Revenue increased to Rs. 686 million from Rs.359 million in FY21.

### A) Management Consulting & Investment Banking

The Management Consultancy & Infrastructure Consultancy caters to our Institutional Clients including the consultancy to 'Statutory Authorities' through our subsidiary M/s. Choice Consultancy Services Private Limited (CCSPL).

It includes business advisory, transaction advisory, taxation, business restructuring, overseas business set-up with Customized solutions to support various business requirements.

### 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 | 5) Trade Finance     |
| 2) Corporate Loans         | 6) Project Finance   |
| 3) Bank Guarantee          | 7) Mezzanine Finance |
| 4) Letter of Credit        | 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 | 5) Pipe Deals                |
| 2) Private Equity     | 6) Management Buyouts        |
| 3) Venture Capital    | 7) Leverage Buyouts          |
| 4) Angel Investments  | 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

### Industry Trends:

- The merger and acquisition market were at all-time high in 2021 and were mainly driven by first time buyers. India saw 85 strategic deals valued at more than US\$ 75 million
- With the easing of listing norms and a record number of entities choosing to go public in 2021, the year witnessed a strong listing of major Indian start-ups, with Zomato leading the trend, followed by the likes of Nykaa, Paytm and Policybazaar
- Fund raising from IPOs amounting to Rs. 1,18,704 crore (US\$ 15.4 billion) were at all time high during the calendar year 2021
- In 2021, PE exits in India crossed USD 38 billion, setting a record high. There was a substantial increase especially in the technology and energy sectors

Source:- IBEF, IFLR M&A report 2022

### Way forward

With a strong GDP forecast in excess of 8% for FY 2023, 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.

### B) Government & Infrastructure Consultancy

The Management Consultancy & Infrastructure Consultancy is catered to our Institutional Clients including the consultancy to "Statutory Authorities" through our subsidiary M/s. Choice Consultancy Services Private Limited (CCSPL).

Provides feasibility assessment and detailed project report for water management, road & highway, affordable housing and waste management Also provides project management and monitoring services.

Expert advisory services to government on various social initiatives Association with over 500 Urban Local Bodies, 25 State Departments and 10,000+ Panchayati Raj institutions

### Industry Trends:

- In FY2021, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.7 billion.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.2 billion and US\$ 26.3 billion, respectively, between April 2000-December 2021.
- The infrastructure sector has become the biggest focus area for the Government of India.
- India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the Country.
- The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30.
- India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for Development of Northeast to undertake strategic infrastructure projects for the region.



- In March, Mr. Nitin Gadkari, Minister for Road Transport and Highways inaugurates 19 National Highway projects in Haryana and Rajasthan totalling Rs 1,407 crore (US\$ 183.9 million).
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. ~217 projects worth Rs. 1.1lakh crore (US\$ 15.1 billion) were completed as of 2020.

## Technology in conjunction to Human touch

### Strengthening of Inhouse Technology Expertise

We are Certified with ISO 9001:2008, IEC 27001:2013, CMMI Level3. Over the years we have developed apps like Jiffy, ISMOS, Investica and constant updates from the team to keep up with trends. We have a dedicated team of over 100+ members focused on enhancing customer experiences which proactively identifies gaps and new features with timely and effective resolution of the same to ensure a smooth user experience. During the year, we have served more than 15 million requests per day, onboarded more than 5,00,000 clients, facilitated 150K+ transaction, managed INR 163 billion in Aum, disbursed more than INR 3 billion Loans and more than 15 thousand Insurance policies all through our indigenously developed platforms.

### Jiffy Super App

During the year we integrated multiple features in Jiffy to become a super App which understands client's behaviour and then guides them for their best suited financial service with the help of Optima - our AI powered behavioural engine. Our aim is to make the lives of our clients simpler and easier. The power of choice, a seamless experience, and loyalty will be at the centre of product. With this we will deliver an ultimate Choice Experience to our clients through jiffy app. With the Super App we will be able to show a client's total network to him and impact of his actions on his network. This transparency will create a positive bias towards us and will help us in better client retention. With Jiffy, Client will be able to seamlessly access all the services of Choice like Stock Market, Mutual Fund, Insurance, Loan, Fixed Income Investments.

## Choice Connect

To enable individual agents to become full service financial advisors with the help of proprietary engine, engaging trainings and digital execution of services we are working in Phygital Mode to acquire and service clients. To make the business sustainable and to reach the real 'Bharat' we have started tweaking our distribution approach and hence Choice Connect was born. In Choice Connect we aggregate all the services of Choice at one place and make it accessible to our Business Associates so there Earning Capacity multiplies. Since Choice Connect is an asset light model, it increases our reach without impacting any fixed cost. In addition to enhancing Jiffy, we are constantly working on Choice Connect to make it easier, simpler and transparent to use.

## Start your Journey of Financial Independence with CHOICE CONNECT

Stock Market

Mutual Funds

Insurance

Retail Loan

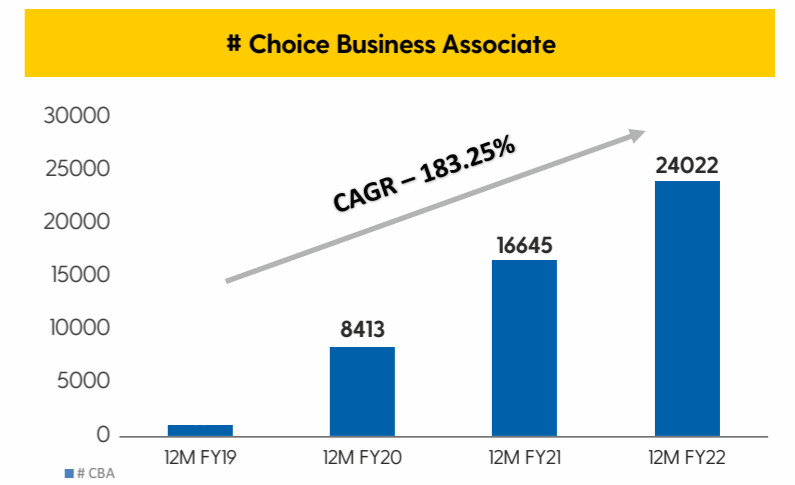
- No Registration Charges
- Earn more by selling Multiple services

- 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](tel:+918124242424)

[support@choiceconnect.in](mailto:support@choiceconnect.in)





## Internal Control System And Policy

The internal control systems have been designed to handle the dynamic and complex nature of business operations of the Company effectively and efficiently. The internal control systems and environment are commensurate to the scale and volumes of the business with adequate segregation of roles and responsibilities and redundancies. The executives of the Company keep themselves abreast with the detailed documentation of its policies and SOPs, which are regularly reviewed and updated by the management. The statutory auditors of the Company critically review the internal control environment within the ambit of the Internal Control over Financial Reporting (ICFR) requirements along with Information Technology General Controls (ITGC) framework to arrive at their opinion about the financial performance of the Company. The Company also has a strong internal audit framework as approved by the Audit Committee which ensures detailed coverage of the processes and systems needed to safeguard its assets, prevention and detection of errors and frauds, ensure accuracy and completeness of accounting transactions thus enabling timely preparation of reliable financial information. The various committees of the board, including the Audit Committee, periodically review the observations and recommendations of the internal auditors to further improve the systems and processes.

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

The Company's HR policies aims to provide a long and rewarding career to its talented and diverse workforce and focusses on their all-round development and growth. At Choice, employees are the core strength of its continuing growth in all the segments. Training and employee motivation is an integral part of the Company. The Company provides meaningful opportunities for learning and growth and continuously encourage its employees to widen the horizon for professional growth to climb up the corporate ladder. In order to enhance productivity and efficiency, employees are also rewarded for their best work performances. As on March 31, 2022, the total strength of the Company's permanent employees stood at 1164. 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 fulfil business objectives.
4. We make sure to take the below steps towards improving morale  
Employees perform better when they are satisfied with their  
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 Management

Risk Management plays a key role in business strategy and planning discussions. The Company has implemented a comprehensive risk management framework to identify, understand and manage risks associated with the business. The Company's risk management framework helps in conducting business in a well-controlled environment. It has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. In addition to this, the Company has in place a Board constituted Risk Management Committee that periodically assesses the expected and unexpected events, under which it is imperative to make effective strategies for exploiting opportunities. Accordingly, the Company has identified key risks and developed plans for managing the same. The risk management committee also reviews various processes in the business and takes required corrective decisions to protect the value for its stakeholders.

The details of the Committee and its terms of reference are set out in the Corporate Governance Report forming part of this Report. The Board of Directors has adopted a 'Risk Management Policy' which integrates various elements of risk management. The risk management policy is a comprehensive manual that establishes the framework in assessing risk in a structured and well-defined manner. The risk management policy is also reviewed periodically to ensure that the policy remains relevant to the prevailing internal and external risk. 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:** It 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) Financial Risk

The Company has exposure to the following risks arising from financial instruments:

- i. Credit risk;
- ii. Liquidity risk; and
- iii. Market risk (including interest rate risk)

#### i. Credit Risk

Credit Risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments, other balances with banks, loans and other receivables.

The Company has adopted a Policy of dealing with counter parties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counter parties are continuously monitored. Credit risk arising from trade receivables are reviewed periodically and based on past experience and history. Management is confident of

recovering all the dues. Credit risk arises from Investments and other balances with banks is limited and there is no collateral held against these became the counter parties are bank and recognised financial institutions with high credit ratings assigned by the credit rating agencies

#### Trade Receivables :

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition. A simplified approach has been considered for measuring expected credit losses (ECLs) of trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of trade receivables. For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the short fall, the same is termed as margin call triggered.

Based on the Industry practices and business environment in which the entity operates, Management considers unsecured receivables as default if the payment is overdue for more than 90 days for direct customer. For franchisee customers, Aggregate of unsecured receivables as reduced by Franchisee deposit/ future brokerages are considered as default. Management would also consider balance in client's family accounts and collaterals in form other than the securities while considering the secured position of the client. Management would also consider impairment on client balance which are unsecured and overdue for less than 90 days on case-to-case basis, based on their scope of recoverability. For litigation cases, management could provide enhanced provision if the probability of outflow of economic resource is higher. If there are specific cases which are overdue for more than 90 days and the management is very confident of its recovery in near future, impairment loss would not be provided for such cases based on the approval of business head for each reporting period. Probability of default (PD) on these receivables is considered at 100% and treated as credit impaired.

#### ii. Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short-term obligations associated with its financial liabilities.

#### iii. 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.

#### Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest-bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments expose the Company to fair value interest rate risk. Management believes that the interest rate risk attached to this financial asset are not significant due to the nature of this financial assets.

#### 3) 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.

#### 4) Operational Risk

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/ Checker 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.

#### 5) 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.

## Cautionary 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.

#### On behalf of the Board of Directors

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

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

Mumbai  
Date: August 04, 2022

# Corporate Governance

Good Governance with Good Intentions is the Hallmark of our Government, Implementation with integrity is our core passion

**By our Hon'ble Prime Minister Shri Narendra Modi.**

**Following the footsteps of our Hon'ble Prime Minister, your Company truly believes in the idea of "Governance with good intent", thus instigating reliability & morality as a virtue in all the spheres of the organisation including the "Management" is your Company's policy.**

A company is not all about just profits, market valuations, turnovers, there is lot that goes in to building its position and image. **Corporate Governance is one such intangible force.**

In the recent times, the cults and structures of businesses have profoundly altered. Thus, to integrate the variants while maintaining clarity, it is very much necessary to have a robust

system for corporate governance in place. Efficient "Corporate Governance" framework helps in flawless functioning, increase in profitability with assured support of all the stake holders. Good Corporate Governance creates a structure for Rule book and practices that determines how a Company operates and how it aligns the interest of all the Stake Holders.

To safeguard the interest of all our stakeholders, embedding a strong Corporate governance policy in the Company's DNA is indispensable. The eminence of the Company's Corporate governance standards affects its risks and value.

**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, 2022.**

## Company's Philosophy Corporate Governance

**Corporate Governance is moral based frame work which manages the Company's Business in a rational and translucent manner. Good Corporate governance allows the companies to regulate their associations with their stakeholders efficaciously.**

At "Choice" Corporate Governance is all about undertaking the business of the Company" more by Values than Rules ". Your Company believes that good Corporate Governance has to be knitted into the DNA of the organization for creating an "Corporate Culture" with high standards of Moral Value which encompasses all the spheres of the organisation.

We at "Choice" believe in creating "Wealth" for all our stake holders by upholding the highest standards of integrity, transparency and accountability.

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 of Corporate Governance i.e Transparency, Accountability, Disclosures & Financial Controls.

We at "Choice" believe that application of ideal management practices, Compliance of Law in true letter & spirit & adherence to moral values for administration are the key ingredients for sustainable development of all stakeholders.

We at "Choice" truly believe that recognition of Shareholders is the Prime Principle of " Corporate Governance". Strong governance focusing on fairness, transparency, accountability and responsibility are vital, not only for the healthy growth of the corporate sector but is equally important for the evolution of economy as a whole.

### 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;

**Your 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.**

**In totality "Choice" is in 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

Key to the success of the organisation depends on the Leadership

of its Management. The Governance structure plays a vital role in organising and allocating the roles to be played by the Executive officers of the Company under whose leadership the company shall evolve.

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 and assigns the working to the Executive Management of the Company.

The Board provides strategic 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

## Role Of Board Of Directors

Every role within a corporation comes with distinctly defined , responsibilities and duties. Each role from Top to bottom is designed to manage a explicit purpose within the organization.

Board directors of today are expected to represent independent and diverse perspectives. The Board is equally responsible for protecting shareholders' interests, establishing policies for management, oversight of the corporation or organization, and making decisions about important issues a company or organization faces.

It is often said that, the Board of Director's are responsible for providing oversight, insight & foresight. The Role of the Board of Director's is very crucial in this ever changing, volatile & multifarious business environment.

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 and is headed by Non - Executive Chairman, Mrs. Vinita Sunil Patodia. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enables value creation for all our stakeholders.**

**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 10 (Ten) Directors of which 5 (Five) are Non – Executive Independent Director, (1) Non Executive Non Independent Chairperson, 4 (Four) Executive Directors consisting of one Managing Director, one Joint Managing Director, 2 Executive Director.

### Details of the Board of Directors as on date of the Report:

Sr. No	Name of the Director	Category
1	Mrs. Vinita Patodia	Non -Executive - Non Independent Chairperson
2	Mr. Kamal Poddar	Managing Director
3	Mr. Syash Patodia	Joint Managing Director
4	Mr. Arun Kumar Poddar	Executive Director & CEO
5	Mr. Ajay Kejriwal	Executive Director
6	Mr. Ashok Kumar Thakur	Non -Executive - Independent Director
7	Mr. Kanhaiyalal Berwal	Non -Executive - Independent Director
8	Mr. Subodh Kumar Agrawal	Non -Executive - Independent Director
9	Mrs. Sudha Bhushan	Non -Executive - Independent Director
10	Mr. Sandeep Singh	Non -Executive - Independent Director

### Summary of Board Composition of the Board as on Date of this Report:

Category	No of Directors	% of Total number of Directors
Executive Director	4	40
Non- Executive - Non Independent Director	1	10
Independent Director ( Including Women Director)	5	50

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.

- i) During the year under review, Mr. Sunil Kumar Patodia (DIN No : 00751941) was appointed as the Non- Executive Non Independent Chairman of the Company with effect from August 13, 2021, his appointment as "Non- Executive Non Independent Chairman" was approved by the Shareholders at the Annual General Meeting of the Company held on September 23, 2021. However with utmost grief we hereby again mention that with effect from Feb 18, 2022 the position of "Chairman" of the Company was vacated due to sudden & sad demise of Mr. Patodia.
- ii) During the year under review, Mr. Suyash Patodia (DIN No: 09489670) & Mr. Arun Kumar Poddar (DIN No : 02819581) were appointed as the Executive Director's of the Company with effect from February 08, 2022, their appointment was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.
- On May 24, 2022, the Board has appointed Mr. Suyash Patodia (DIN No: 09489670) as Joint Managing Director of the Company & Mr. Arun Kumar Poddar (DIN No : 02819581) as the Chief

Executive Officer of the Company, their appointment was approved by the members vide postal ballot notice dated July 20, 2022

- iii) Mrs. Vinita Sunil Patodia (DIN No: 06360364) has been appointed as Additional Non-Executive Independent Chairperson of the Company with effect from May 24, 2022, her appointment was approved by the members vide postal ballot notice dated July 20, 2022
- iv) During the year under review, Mrs. Hemlata Kamal Poddar (DIN No: 02931322) the Non-Executive Non Independent Director of the Company tendered her resignation from the post of Directorship with effect from February 08, 2022.
- v) During the Year under review, Mr. Ashok Kumar Thakur (DIN No: 07573726) & Mr. Kanhaiyalal Berwal (DIN No: 07535424) the Independent Director's of the Company were appointed by the Board for their second term of Five Years with effect from July 14, 2021 at the Board Meeting of the Company held on June 25, 2021, their appointment for second term of Five Years was approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 23, 2021.
- vi) During the year under review the appointment of Mrs. Sudha Bhushan (DIN No:01749008), Mr. Sandeep Singh (DIN No: 02814440) & Mr. Subodh Kumar Agrawal (DIN No :00553916) for their first term of five years was approved by the Shareholders of the Company at the Annual General Meeting of the Company held on September 23, 2021.

## Experience/Core Skill Set Available With The Board

The Board periodically evaluates its Composition to keep intact suitable mix of skills, experience, independence & knowledge to ensure efficient Board working. The experiences & the Skill set brought together shall full fill the requirements suitable for the segment in which your Company serves.

In terms of Listing Regulations, the following skills & expertise and proficiencies have been identified by the Board of Director's as required in line with the Business and Sector in which the Company operates:

- Industry Experience & knowledge
- Financial and Accounting
- Taxation & Valuations
- Risk Management
- Business Management
- Business Development
- Corporate Governance
- Strategic Planning

The above mentioned Skills is possessed by the "Board" collectively considering the core competencies of each Member. Detailed below in the table is the area of expertise of each Director:

Skills/ Expertise & Core Competency	Mrs.Vinita Patodia	Mr.Kamal Poddar	Mr. Suyash Patodia	Mr.Arun Poddar	Mr. Ajay Kejriwal	Mr.Ashok Kumar Thankur	Mr.Kanhaiyalal Berwal	Mr. Subodh Kumar Agrawal	Mrs. Sudha Bhushan	Mr. Sandeep Singh
Industry Experience & knowledge	-	√	√	√	√	√	-	√	√	√
Financial & Accounting	-	√	√	√	√	√	-	√	√	√
Taxation & Valuations	-	√	√	-	√	-	-	-	√	-
Risk Management	-	√	-	√	-	-	-	√	√	√
Business Management	√	√	√	√	√	√	√	√	√	√
Business Development	√	√	√	√	√	√	√	√	√	√
Corporate Governance	√	√	√	√	√	√	√	√	√	√
Strategic Planning	√	√	√	√	√	√	√	√	√	√

## Independent Director & Their Role

The need for the Independent Director aroused due to the need of a robust framework of corporate governance in the running of the company to safeguard the interest of all the stakeholders. There is a "growing importance" of Independent Director's role and responsibility which majorly includes improving corporate credibility and governance standards functioning as a curator, and playing a vital role in risk management.

The 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 role of Independent Director is to act as guide to the Company and at the same time secure the interest of the Shareholders.

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 Director's Meeting

During the Year under review, the Independent Directors met on February 08, 2022 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 :

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. A sample letter of appointment / re- appointment containing 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 Executive Director's including the Managing Director & Joint Managing Director of the Company do not serve as an Independent Director in any Listed Company.

### Familiarisation Programme Of Independent Director

The Independent Directors have been familiarised with the Company, their roles and responsibilities in 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 2021-22, 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 2021-22 are put up on the website of the Company and can be accessed at [www.choiceindia.com](http://www.choiceindia.com).

The familiarisation programme ensures that the Independent Directors are updated on the Business undertaken by the Company & the ambit under which it is regulated. The Directors are also explained in details the Compliance required from them

under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained.

### 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 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. Five Board Meetings were held during the Financial Year under -review i.e 2021-22. The dates of these Board Meetings are April 15, 2021, June 25, 2021, August 13, 2021, November 12, 2021 and February 08, 2022. The Meetings were held at least once in a quarter and the time period between two meetings did not exceed 120 days. The details of attendance of the Director at the Board meetings held during the financial year 2021-22 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 2021
*Mr. Sunil Patodia	5	5	√
Mr. Kamal Poddar	5	5	√
**Mr. Suyash Patodia	1	1	-
***Mr. Arun Poddar	1	1	-
Mr. Ajay Kejriwal	5	5	√
****Mrs. Hemlata Poddar	4	4	√
Mr. Ashok Kumar Thakur	5	5	√
Mr. Kanhaiyalal Berwal	5	5	√
Mr. Subodh Kumar Agrawal	5	5	√
Mrs. Sudha Bhushan	5	5	√
Mr. Sandeep Singh	5	5	√

\* During the year under review, Mr. Sunil Kumar Patodia (DIN No : 00751941) was appointed as the Non- Executive Non Independent Chairman of the Company with effect from August 13, 2022. However with effect from February 18, 2022 Mr. Patodia ceased to be the Non-Executive Non Independent Chairman of the Company due to his Sudden Demise.

\*\* During the year under review, Mr. Suyash Patodia (DIN No: 09489670) was appointed as the Executive Director of the Company with effect from February 08, 2022, his appointment was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.

\*\*\* During the year under review, Mr. Arun Kumar Poddar (DIN No : 02819581) was appointed as the Executive Director of the Company with effect from February 08, 2022, his appointment was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.

\*\*\*\* During the year under review, Mrs. Hemlata Kamal Poddar (DIN No: 02931322) the Non-Executive Non Independent Director of the Company tendered her resignation from the post of Directorship with effect from February 08, 2022.

### 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 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 companies as on March 31, 2022 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	Name of the Listed Co Directorship held	Number of Committee Position held in other public Companies March 31, 2022		No. of Equity Shares held in "Choice International Limited" as on
				Chairman	Member	
*Mrs. Vinita Sunil Patodia	Non-Executive Non Independent Chairperson	2	-	-	-	36,12,500
Mr. Kamal Poddar	Managing Director	12	-	-	-	40,00,000
Mr. Suyash Patodia	Joint Managing Director	3	-	-	-	23,00,000
Mr. Arun Poddar	Executive Director	4	-	-	-	40,50,000
Mr. Ajay Kejriwal	Executive Director	8	-	-	-	4,02,000
Mr. Ashok Kumar Thakur	Independent Director	3	HG Infra Engineering Ltd Navkar Corp. Limited	3	0	-
Mr. Kanhaiyalal Berwal	Independent Director	1	-	-	-	-
Mr. Subodh Kumar Agrawal	Independent Director	0	-	-	-	-
Mrs. Sudha Bhushan	Independent Director	5	Aurinopro Sol. Ltd Digjam Limited	-	2	-
Mr. Sandeep Singh	Independent Director	3	Solid Containers Ltd Navkar Corp Ltd	-	-	-

- 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 five such committees.
- 3) Mr. Kamal Poddar & Mr. Arun Poddar are related to each other.
- 4) Mrs. Vinita Sunil Patodia & Mr. Suyash Patodia are related to each other
- 5) Brief Profile of each of the above Directors are available on the Company's website [www.choiceindia.com](http://www.choiceindia.com)
- 6) The details provided consist of the Director's Holding Directorship in the Company as on March 31, 2022 and changes as on the date of this report.
- 7) Mrs. Vinita Sunil Patodia was appointed as the Non-Executive Non Independent Chairperson of the company by the Board with effect from May 24, 2022

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

### Flow Of Information

The agenda items for Board/ Committee meetings are finalised by the Company Secretary in consultation with the Chairman. The



provided to Director to prepare for the meetings. The Board 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 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. Minutes are generally signed by the Chairman of the Board/ Committee at the next meeting.

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

All Members and Employees have affirmed compliance with the said code for the year ended March 31, 2022. 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, 2022.

Place : Mumbai

Date : August 04, 2022

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 structured digital 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.

### 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

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.

### 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).

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) Rights Issue Committee
- E) Risk Management Committee
- F) Investment Committee
- G) Finance Committee
- H) Securities Allotment Committee
- I) Corporate Social Responsibility Committee

The above mentioned Committee meetings are held at Regular Intervals to track the day to day affairs of the Company. The decisions taken by the Committee are reviewed by the Board of Directors at the Board Meeting conducted for each quarter.

All the decisions pertaining to the constitution of the Committees, appointment of Members and fixing their terms of reference/ role of committee are taken by the Board of Directors. Details of the role and composition of these Commitments including the number

of meetings held during the financial year and attendance at meetings are provided below.

### 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.

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended	Presence at the Previous Annual General Meeting held in September, 2021
Mr. A.K Thakur	Independent Director	Chairman	5	5	√
Mr. Ajay Kejriwal	Executive Director	Member	5	5	√
*Ms. Sudha Bhushan	Independent Director	Member	5	5	√

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) Appointment / 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;
  - 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

As on March 31, 2022, 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 5 times during the year 2021-22 i.e. on April 15, 2021, June 25, 2021, August 13, 2021, November 12, 2021, & February 08,, 2022. 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:

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 as on March 31, 2022 comprises of three Directors, all being Non-Executive Independent 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 as on March 31, 2022

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Ashok Kumar Thakur	Independent Director	Chairman	3	3
*Mrs. Hemlata Poddar	Non- Executive Director	Member	3	2
Mr. Kanhaiyalal Berwal	Independent Director	Member	3	3
**Mr. Sandeep Singh	Independent Director	Member	1	1

Note: \* Mrs. Hemlata Poddar resigned with effect from February 08, 2022, from the Directorship of the Company, thus she ceases to be the Member of the Committee.

\*\*Mr. Sandeep Singh has been appointed as the Member of the Committee with effect from February 08, 2022 in place of Mrs. Hemlata Poddar.

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 2021-22 the Committee meeting was held on June 25, 2021, August 13, 2021 and February 08, 2022.

#### 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 connation 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 Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Detail of total amount of sitting fees & Commission paid to Non – Executive Directors for FY 21-22 are as follows:

Name of the Director	Sitting Fees in Rs.	Commission in Rs.	Total in Rs.
Mr. Ashok Kumar Thakur	2,75,000	-	2,75,000
Mr. Kanhaiyalal Berwal	2,75,000	-	2,75,000
Mr. Subodh Kumar Agrawal	1,50,000	-	1,50,000
Mrs. Sudha Bhushan	2,00,000	-	2,00,000
Mr. Sandeep Singh	2,47,500	-	2,47,500
Mr. Sunil Patodia	-	-	-
Mrs. Hemlata Poddar	-	-	-

#### 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.

i) 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, 2022
Mr. Kamal Poddar	Rs. 90,00,000/-

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 23, 2021, where the re – appointment of the Managing Director along with his brief profile forming part of the Resolution was put to vote.



ii) **Remuneration to Joint Managing Director:** Mr. Suyash Patodia (DIN No : 09489670) was appointed as the Executive Director of the Company with effect from February 08, 2022, his appointment and Remuneration amounting to Rs. 60,00,000/- per annum was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.

On May 24, 2022, the Board has appointed Mr. Suyash Patodia as Joint Managing Director of the Company which was approved by the members vide postal ballot notice dated July 20, 2022. However his remuneration is subject to shareholder approval in the ensuing shareholders meeting.

iii) **Remuneration to Chief Executive Officer:** Mr. Arun Kumar Poddar (DIN No : 02819581) was appointed as the Executive Director of the Company with effect from February 08, 2022, his appointment & remuneration amounting to Rs. 72,00,000/- was approved by the Shareholders vide Postal Ballot Notice dated February 08, 2022 approved on April 30, 2022.

On May 24, 2022, the Board has appointed Mr. Arun Poddar as the Chief Executive Officer of the Company his appointment was approved by the members vide postal ballot notice dated July 20, 2022. However there is no change in remuneration to be paid to Mr. Poddar.

iv) **Remuneration to Executive Director:** Appointment of Mr. Ajay Kejriwal (DIN No : 03051841) has been approved by the Shareholders at the Annual General Meeting of the Company held in the year 2010 and his association is governed by the respective agreement executed between the Mr. Kejriwal and the Company in line with the Company's Nomination & Remuneration Policy.

Payment of remuneration to other Executive Director is governed by the respective agreement executed between the Director and the Company.

#### 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.

### 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	Chairperson	0	0
**Mr. Subodh Kumar Agarwal	Non- Executive Independent Director	Chairman	1	1
Mr. Ajay Kejriwal	Executive Director	Member	1	1
***Mr. Arun Kumar Poddar	Executive Director & CEO	Member	1	1

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

Note: \*Mrs. Hemlata Poddar resigned with effect from February 08, 2022, from the Directorship of the Company, thus she ceases to be the Member & Chairperson of the Committee.

\*\*Mr. Subodh Kumar Agrawal already being Member Committee was appointed as the ChairPerson of the Committee pursuant to Resignation of Mrs. Hemlata Poddar

\*\*\* Mr. Arun Kumar Poddar was appointed as the Member of the Committee with effect from February 08, 2022.

The Company Secretary acts as a Secretary to the Committee.

The Committee met one time during the Financial Year 2021-22 on February 10, 2022.

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 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 2021- 22 are as follows:

Opening Balance of Complains received	Complaints received during the year	Complaints Resolved During the Year	Closing Balance of Complaints received
0	0	0	0

### D) Rights Issue Committee

During the year under review, the Company on the approval of the Board Member's and on the approval of the Exchange, BSE Limited & Securities & Exchange Board of India (SEBI) the Company had issued 99,51,200 Equity Shares at a Price of Rs. 51/- each aggregating an total issues size of Rs.5075.11 Lakhs. For the smooth & efficient completion of the Rights issue Transaction & for allotment of Shares the Board had delegated the powers for execution of the transaction to the "Rights Issue Committee". The Rights Issue Committee was constituted by the Board on November 12, 2021.

The details of the constitution of the committee are as follow:

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
Mrs. Sudha Bhushan	Non-Executive Independent Director	Member	2	2

The Meeting of the Rights Issue Committee was held on January 14, 2022 & February 22, 2022.

### E) 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.

### F) 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	1	1
Mr. Ajay Kejriwal	Executive Director	Member	1	1
Mr. A K Thakur	Non Executive Independent Director	Member	1	1

The meeting of Committee was held on September 30, 2021.





## G) 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	1	1
Mr. Ajay Kejriwal	Executive Director	Member	1	1
Mr. Manoj Singhania	Chief Financial Officer	Member	1	1

The Meeting of the Finance Committee was held on March 21, 2022.

## H) 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 April 17, 2021, June 17, 2021 and June 25, 2021 during the Year under review for the conversion of 34,49,989, 32,36,538 and 45,50,000 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

## I) 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	Non Executive 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 February 10, 2022 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 2021-22, 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 2021-22 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.

### 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 and IND AS. 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 exchanges under the tab "News & Announcements".

### i) 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. I2001MH250300) 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 04, 2022.

The Company has obtained the certificate from M/s. R M Mimani & Associates LLP (Company Secretaries).

Attached is the Secretarial Compliance Report as Annexure

#### 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 2021-22.

#### 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:

- Number of Complaints filed during the financial year: Nil
- Number of Complaints disposed of during the Financial Year: Nil
- Number of Complaints pending as on end of the Financial Year: Nil

#### I) 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 2021-22. The declaration from our Managing Director, Mr. Kamal Poddar affirming the same forms the part of this report.

#### j) 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.

#### K) Disclosure on Commodity Price Risk and Commodity Hedging Activities

The Company does not involve in 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.

#### L) Utilization of Funds Raised

##### 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, balance 11,23,6527 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.

##### Details of utilization of Funds through Rights Issue

On the approval of the Members of the Board & its Committees , on the approval received from the Exchange BSE Limited & on the approval received from the Securities and Exchange Board of India , the Company has allotted 99,51, 200 Equity Shares of Face Value of Rs/. 10 each /- at a price of Rs.51/- per share( Including a Premium of Rs.41/- Per share ) on Right's Issue basis.

During the year the company has raised Rs. 5075.11 Lakhs through Rights issue, funds so raised through Rights issue has been utilized by the company as detailed in the offer letter dated Jan 14, 2022. There is no deviation of the funds utilized from the object mentioned in the offer letter dated Jan 14, 2022.

#### M) 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. 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/ Free Press Journal) & one local newspaper (Navshakti/ Aklamahanagr) 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 & NSE ( NEAPS & Digital Exchange portal pursuant to Regulation 10(l) 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 & NSE has 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>), <https://neaps.nseindia.com>, <https://digitalexchange.nseindia.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
		19(4)	Role of the Committee	Complied
4	Stakeholder Relationship Committee	20(1), 20(2) & 20(3)	Composition of stake holder relationship committee	Complied
		20(4)	Role of the Committee	Complied
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	Not Applicable
		21(4)	Role of the Committee	Not Applicable
6	Vigil Mechanism	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
8	Subsidiaries of the Company	24(1)	Composition of Board of Director of material unlisted subsidiary	Complied
		24(2), 24(3), 24(5) & 24(6)	Other requirements as stipulated under the regulations	Complied
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Complied
		25(3)	Meeting of Independent Directors	Complied
		25(4) & 25(7)	Review of Performance of Independent Director 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
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary requirements	Complied
		27(2)	Filing of quarterly compliance report on Corporate Governance	Complied
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Director	Complied
		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) (i)	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, 2021 to March 31, 2022

### III 29th Annual General Meeting for the Financial Year 2021- 22

Day and Date	Thursday, September 15, 2022
Time	10.30 AM
Mode	Physical - at The Byke Delotel, Chandavarkar Rd, Sundar Nagar, Borivali, Mumbai, Maharashtra 400092
Financial Year	2021-22

### IV) Listing Details

Stock Exchange on which Shares are Listed	BSE Limited (Bombay Stock Exchange) , National Stock of India Limited ( NSE)
Stock Code BSE	531358
Script Id BSE/NSE	CHOICEIN
ISIN	INE102B01014

### V) Dividend History

Stock Exchange on which Shares are Listed	BSE Limited (Bombay Stock Exchange) , National Stock of India Limited ( NSE)
Stock Code BSE	531358
Script Id BSE/NSE	CHOICEIN
ISIN	INE102B01014

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	
2021-22		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 2014-15 is due for transfer to the IEPF in October 01, 2022. Members, who have not yet claimed their dividend for the financial year 2014-15 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 October 01, 2022 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 2014-15 & 2015-16 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. 3,02,807/- (Rupees Three Lakh Two Thousand Eight Hundred and seven only), being the unclaimed dividend for the financial year 2013-14 to IEPF for the year 2021.

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.

As on date of the report there are 6543 shares transferred to IPF account. 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
2014-15	Final	September 26, 2015	October 1, 2022
2015-16	Final	September 20, 2016	October 1, 2023

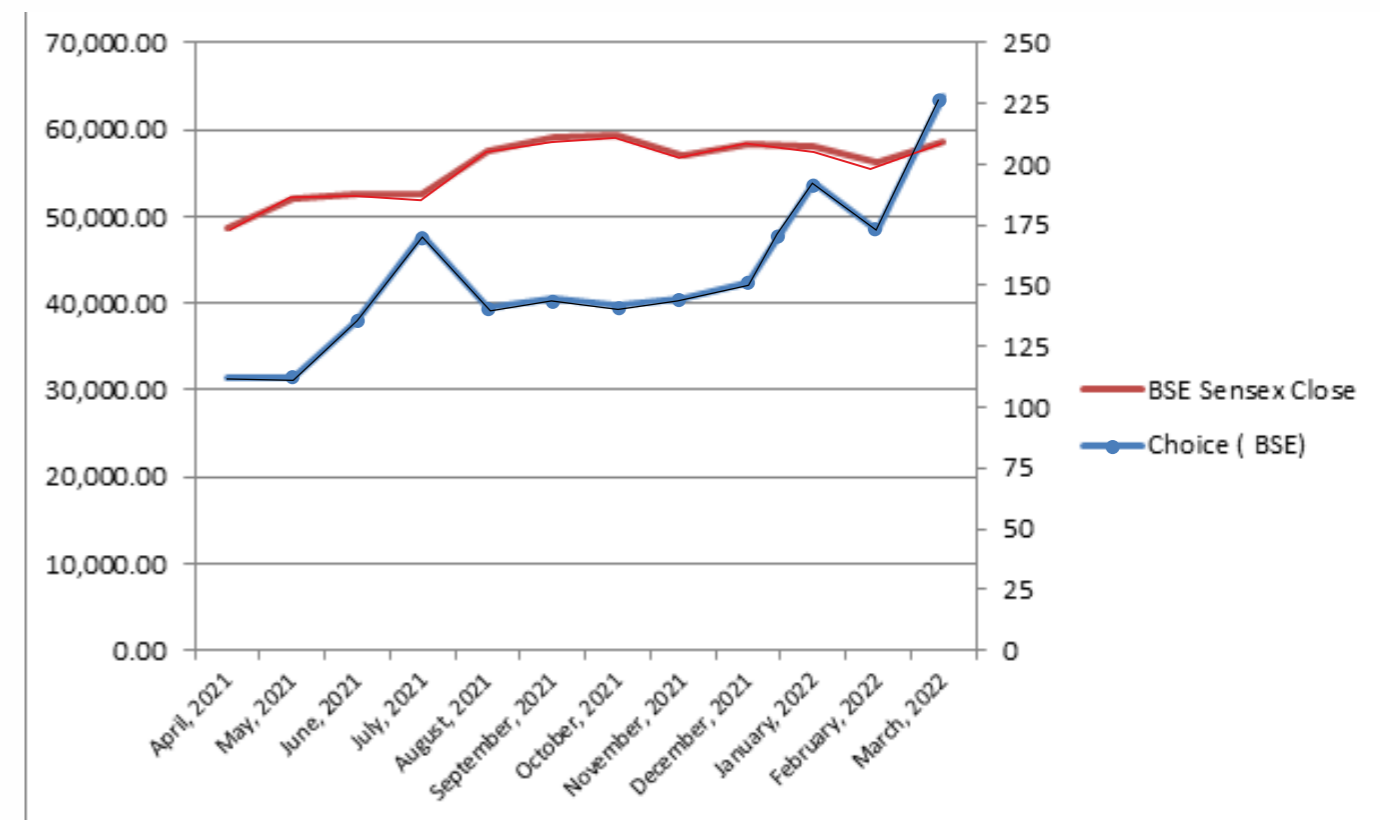
## VII) Details of General Body Meetings of Last three years

Financial Year	Date	Time	Venue	Special Resolutions if any
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 Poddar as the Managing Director of the Company
2019-20	September 30, 2020	11.00 AM	Video Conferencing / Other Audio Visual Means	-
2020-21	September 23, 2021	03.00 PM	Video Conferencing / Other Audio Visual Means	1) To approve the Re-appointments of Mr. Ashok Kumar Thakur (Din No. 26) as (Non- Executive) Independent Director of the company for a second term of five consecutive years.  2) 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.  3) To approve the revision in remuneration of Mr. Kamal Poddar, Managing Director of the Company.

## VIII) Market Price Data

Month	Choice High (BSE)	Choice Low (BSE)	Close Price (BSE)	BSE Sensex High	BSE Sensex Low	BSE Sensex Close
April, 2021	134.00	112.00	112.15	50,375.77	47,204.50	48,782.36
May, 2021	119.25	111.00	112.40	52,013.22	48,028.07	51,937.44
June, 2021	141.00	111.75	135.60	53,126.73	51,450.58	52,482.74
July, 2021	193.40	125.00	171.05	53,290.81	51,802.73	52,586.84
August, 2021	176.45	122.00	141.50	57,625.26	52,804.08	57,552.39
September, 2021	157.85	137.05	145.00	60,412.32	57,263.90	59,126.36
October, 2021	173.00	138.75	141.75	62,245.43	58,551.14	59,306.93
November, 2021	168.95	135.55	145.15	61,036.56	56,382.93	57,064.87
December, 2021	159.50	138.55	151.50	59,203.37	55,132.68	58,253.82
January, 2022	298.00	146.00	192.30	61,475.15	56,409.63	58,014.17
February, 2022	192.20	156.30	172.45	59,618.51	54,383.20	56,247.28
March, 2022	172.45	165.15	228.30	58,890.92	52,260.82	58,568.51

## 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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

X) Distribution of Shareholding as on March 31, 2022:

No. of Equity Shares	No. of Shareholder	% of total No. of Shareholders	Share Amount (In Rs.)	% total of Share Capital
1 to 500	2984	82.29	275846	0.56
501 to 1000	230	6.35	177647	0.37
1001 to 2000	134	3.70	195986	0.39
2001 to 3000	57	1.58	145542	0.29
3001 to 4000	23	0.63	81192	0.16
4001 to 5000	19	0.52	88887	0.17
5001 to 10000	59	1.62	416220	0.84
100001 to above	120	3.31	48374680	97.22
<b>Total</b>	<b>3626</b>	<b>100.00</b>	<b>49756000</b>	<b>100.00</b>

XI) Categories of Shareholder as on March 31, 2022

No	Category of Shareholder	Total No. of Shares	% of Total Shares
(A)	Shareholding of Promoter & Promoter Group		
a	Individuals	2,50,00,000	50.24
b	Bodies Corporate	6,00,000	1.21
	<b>Total Promoter Shareholding (A)</b>	<b>2,56,00,000</b>	<b>51.45</b>
(B)	<b>Public Shareholding</b>		
a	<b>Institutions</b>		
	i. Mutual Funds/UTI	-	-
	ii. Financial Institution/ Banks	-	-
	iii. Foreign Portfolio Investor	35,71,344	7.18
	iv. Insurance Companies	-	-
	v. Foreign Financial Institution	-	-
	vi. Foreign Mutual Fund	-	-
	Sub Total (Ba)	-	-
b	<b>Non – Institution</b>		
	i. Bodies Corporate	27,63,342	5.55
	ii. Individual	1,74,87,132	35.15
c	<b>NRI</b>	47,615	0.10
d	<b>Clearing Members</b>	7,797	0.02
e	<b>HUF</b>	2,72,227	0.55
f	<b>IEPF</b>	6,543	0.01
	<b>Sub Total (Bb)</b>		
	<b>Total Public Shareholding (B) (Ba+ Bb+ Bc+ Bd+ Be+ Bf)</b>	<b>24156000</b>	<b>48.55</b>
	<b>Grand Total (A+B)</b>	<b>4,97,56,000</b>	<b>100</b>

XII) Top Ten Shareholders as on March 31, 2022 other than Promoter & Promoter Group

Sr. No	Name of the Shareholder	No. of Shares Held	% of Holding
1	Mr. Madhusudan Murlidhar Kela	6000000	12.05
2	M/s. Genesis Grand General Trading LLC	3571344	7.17
3	M/s. Azura Projects Private Limited	1285026	2.58
4	M/s. Ravi Omprakash Agrawal	1000000	2.00
5	M/s. Florence Securities Private Limited	785684	1.57
6	Mr. Suresh K Jajoo	600000	1.20
7	Mrs. Vimla S Jajoo	600000	1.20
8	Mrs. Seeptra Sumeet Kabra	600000	1.20
9	Mr. Ankit Jajoo	600000	1.20
10	Mr. Yogesh Shrinivas Jadhav	562500	1.13

XIII) Address of Correspondence

Compliance Officer	R&T Agent: Link Intime India Pvt Ltd	Correspondence with the Company
<b>Ms. Karishma Shah</b> Company Secretary & Compliance Officer Sunil Patodia Tower, Plot No - 156- 158, Andheri ( East) Mumbai - 400099 Emailld: karishma.shah@choiceindia.com	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	Sunil Patodia Tower, Plot No - 156- 158, Andheri ( East) Mumbai - 400099 Emailld:info@choiceindia.com

XIV) Dematerialisation of Shares

As on March 31, 2022 total dematerialised Equity Shares of the Company amounts to 99.87% of the Company's Capital ( CDSL : 81.54% & NSDL 18.33% ). 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**

<b>Sd/-</b> <b>Kamal Poddar</b> <b>(Managing Director)</b> <b>DIN No: 01518700</b>	<b>Sd/-</b> <b>Ajay Kejriwal</b> <b>(Director)</b> <b>DIN No : 03051841</b>
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**Mumbai**  
**Date: August 04, 2022**



### 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, 2022 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 04, 2022

Sd/-  
(Manoj Singhanaia)  
Chief Financial Officer



### AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

The Members of  
Choice International Limited  
[CIN: L67190MH1993PLC071117]  
Sunil Patodia Tower, Plot No. 156- 158,  
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, 2022, 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, 2022.

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: A017083D000739123  
Place: Mumbai  
Dated: August 04, 2022



# Standalone Independent Auditors' Report 2021-2022

## The Joy of Earning



## INDEPENDENT AUDITORS' 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 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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 2022, 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 Director's report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the standalone financial statements, 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 audit we report 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 Statement of Cash Flows 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 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 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. Refer note 31 to the 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	Rs. Lakh	Due date	Payment Date
Unclaimed Dividend	3.03	24th October 2021	02nd November, 2021

- iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 44 to the standalone financial statements.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other person

or entity identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 44 to the standalone financial statements.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 (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: 22109839AJNDLK8217

Place: Mumbai  
Date: 24th May 2022

## 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 2022 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note"). 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 Act.

### 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial 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 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Sd/-**  
G.K. Subramaniam  
(Partner)  
(Membership No. 109839)  
UDIN: 22109839AJNDLK8217

Place: Mumbai  
Date: 24th May 2022





## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' 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, 2022)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i) In respect of the Company's Property, Plant and Equipment, Investment Property and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Property.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) Based on the examination of the registered conveyance deeds provided to us, we report that, the said deeds, comprising the immovable property of land and building, which is freehold disclosed in the standalone financial statements included in property, plant and equipment is held in the name of the Company as at the balance sheet date. Based on the confirmation directly received by us from lender, we report that, immovable property of land and buildings whose conveyance deeds have been pledged as security for loan is held in the name of the Company.

d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any point of time during the year, from bank or financial institution on the basis of security of current assets. Hence, reporting on the quarterly returns or statements filed by the Company with such banks or financial institutions is not applicable.

iii) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) The Company has provided loans during the year and details of which are given below:

(Rs. Lakh)

Particulars	Loans	Guarantees
A. Aggregate amount granted /provided during the year:		
- Subsidiaries	5,448.76	714.00
B. Balance outstanding as at balance sheet date in respect of above cases:*		
- Subsidiaries	5,261.32	9,834.00

\*The amounts reported are at gross amounts, without considering provisions made.

The Company has not provided any security to any other entity during the year.

b) The investments made, guarantees provided and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

c) The Company has granted loans are payable on demand. During the year the Company has not demanded such loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

d) In respect of loans granted by the Company, there is no amount overdue for more than 90 days at the balance sheet date.

e) No loans granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) According to information and explanations given to us and based on the audit procedures performed, Loans amounting to Rs. 5,261.32 lakh outstanding as at 31st March 2022 are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the financial year. Considering the above, in our opinion, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest thereon to any lender during the year.

iv) The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which

are deemed to be deposits 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. Hence, reporting under clause 3(v) of the Order is not applicable.

vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Act.

vii) In respect of statutory dues:

a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, cess and other material statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount Involved (Rs. Lakh)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	17.43 <sup>^</sup>	A.Y. 2018-19	wwCommissioner of Income-tax (Appeals)

<sup>^</sup> Net of Rs. 11.21 Lakh refund adjusted by the Department.

viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix) a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) According to the information and explanation given to us, in our opinion, term loans availed by the Company were, applied by the Company for the purposes for which the loans were obtained during the year.

d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company during the year.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and an associate.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries and associate.

x) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Act, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi) a) According to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 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) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company for the period under audit.

xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, associate company or persons connected with such directors and hence provisions of section 192 of the Act are not applicable to the Company.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year.





xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act is not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xxi) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries, an associate and joint controlled operations included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

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

**Sd/-**  
G.K. Subramaniam  
(Partner)  
(Membership No. 109839)  
UDIN: 22109839AJNDLK8217

Place: Mumbai  
Date: 24th May 2022

# Standalone Financial Statements 2021-2022



## Choice International Limited Standalone Balance Sheet

Particulars	Note No.	(Rs. In Lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
(a) Property, Plant and Equipment	3	6,142.37	6,179.85
(b) Investment Property	4	120.00	120.00
(c) Intangible Assets	5	15.21	7.14
(d) Intangible Assets Under Development	5	-	13.47
(e) Financial Assets			
(i) Investments	6	20,998.03	13,383.45
(ii) Other Financial Assets	7	4.20	4.38
(f) Income Tax Assets (Net)	8	82.86	74.71
<b>Current Assets:</b>			
(a) Financial Assets			
(i) Trade Receivables	9	60.21	53.40
(ii) Cash and Cash Equivalents	10	27.58	1.67
(iii) Bank balance other than (ii) above	11	1.72	7.44
(iv) Loans	12	5,261.32	3,959.79
(b) Other Current Assets	13	84.71	15.58
<b>Total Assets</b>		<b>32,798.22</b>	<b>23,820.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	4,975.60	2,856.83
(b) Other Equity	15	24,692.83	17,242.59
		<b>29,668.43</b>	<b>20,099.42</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	2,482.49	1,758.17
(b) Provisions	17	13.30	7.76
(c) Deferred Tax Liabilities (Net)	18	271.91	265.52
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	275.37	1,634.21
(ii) Trade Payables			
(a) Dues of micro enterprises and small enterprises	20	8.37	0.23
(b) Dues of creditors other than micro enterprises and small enterprises	20	27.40	34.07
(iii) Other Financial Liabilities	21	17.03	-
(b) Other Current Liabilities	22	32.55	19.44
(c) Provisions	23	1.36	2.06
<b>Total Liabilities</b>		<b>3,129.78</b>	<b>3,721.46</b>
<b>Total Equity and Liabilities</b>		<b>32,798.22</b>	<b>23,820.88</b>

The accompanying notes form an integral part of the standalone financial statements 1-54

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number :109839  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700  
**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841  
**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022



## Choice International Limited Standalone Statement of Profit and Loss

Particulars	Note No.	(Rs. In lakhs)	
		For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>I Revenue from Operations</b>	24	1,127.57	835.83
Other Income	25	0.56	30.91
<b>Total Income</b>		<b>1,128.13</b>	<b>866.74</b>
<b>II Expenses</b>			
Employee Benefits Expense	26	125.05	83.34
Finance Costs	27	313.51	192.05
Depreciation and Amortization Expense	28	63.03	71.39
Other Expenses	29	266.21	192.11
<b>Total Expenses</b>		<b>767.79</b>	<b>538.89</b>
<b>III Profit before exceptional items and tax (I- II)</b>		<b>360.33</b>	<b>327.85</b>
<b>IV Exceptional items</b>		-	-
<b>V Profit before tax (III-IV )</b>		<b>360.33</b>	<b>327.85</b>
<b>VI Tax Expense:</b>			
Current Tax		93.00	75.89
Earlier Years Tax Expense		16.87	6.48
Deferred Tax		6.83	15.28
<b>Total Tax Expense</b>		<b>116.70</b>	<b>97.65</b>
<b>VII Profit for the year (V-VI)</b>		<b>243.63</b>	<b>230.20</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement (losses)/ gains on defined benefit obligations		(3.41)	0.59
Tax Effect on above		0.95	(0.16)
<b>Other Comprehensive (loss)/Income for the year, net of tax</b>		<b>(2.46)</b>	<b>0.43</b>
<b>IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive (loss)/ Income for the year)</b>		<b>241.18</b>	<b>230.63</b>
<b>X Earnings Per Equity Share (Face Value INR 10 Per Share):</b>			
Basic (Rs.)	30	0.63	1.07
Diluted (Rs.)	30	0.63	0.70

The accompanying notes form an integral part of the standalone financial statements 1-54

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number :109839  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700  
**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022  
**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841  
**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022



## Choice International Limited Standalone Statement of Cash Flows

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	360.33	327.85
<b>Adjustments for:</b>		
Depreciation and amortisation	78.25	71.39
Finance costs	313.51	192.05
Interest Income	(0.13)	(30.62)
Sundry Balances Written off	0.29	2.09
Provision for Employee benefit expenses	1.44	2.23
<b>Operating cash flows before movement in working capital</b>	<b>753.71</b>	<b>564.99</b>
Working Capital Changes:		
(Increase)/ Decrease in Trade receivables	(6.81)	302.99
Increase / (Decrease) in Trade Payables	1.47	(3.61)
Increase in Other Current Financial Liabilities	17.03	0.01
Increase / (Decrease) in Other Current Liabilities	13.11	(26.99)
(Increase)/Decrease in Other Current Financial Assets	(0.12)	502.26
(Increase) in Other Current Assets	(69.15)	(1.56)
Decrease in Other Bank Balances	5.72	0.08
<b>Cash Generated From Operations</b>	<b>714.95</b>	<b>1,338.17</b>
Income taxes paid	(117.53)	(37.86)
<b>Net cash flow from operating activities (A)</b>	<b>597.43</b>	<b>1,300.31</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment	(20.85)	(0.78)
Purchase of Intangible Asset	(14.52)	(2.27)
Investment in Equity instruments of subsidiary company	(7,614.58)	(3,700.00)
(Increase) in Financial assets - loans	(1,301.53)	(2,087.06)
<b>Net Cash used in Investing Activities (B)</b>	<b>(8,951.48)</b>	<b>(5,790.11)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net (Repayment)/Proceeds from Current and Non Current Borrowings	(634.52)	1,091.26
Proceeds from Share issued and Security Premium	9,327.86	3,275.53
Interest Income	0.13	30.62
Finance costs paid	(313.51)	(220.86)
<b>Net Cash from Financing Activities (C)</b>	<b>8,379.97</b>	<b>4,176.55</b>
<b>Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>25.91</b>	<b>(313.25)</b>
Cash and cash equivalents at the beginning of the year	1.67	314.93
Cash and cash equivalents at the end of the year	27.58	1.67
<b>Net cash Increase/(decrease) in cash and cash equivalent</b>	<b>25.91</b>	<b>(313.26)</b>
Balance in Earmarked Accounts	1.72	7.44
<b>Cash and Bank Balances</b>	<b>29.29</b>	<b>9.10</b>



## Choice International Limited Standalone Statement of Cash Flows (Contd.)

Reconciliation of Liabilities from Financing Activities for the year ended March 31, 2022						(Rs. In lakhs)
Particulars	As at March 31, 2021	Proceeds	Impact of Ind AS	Repayment	As at March 31, 2022	
Term Loan including current maturities	1,971.18	1,295.73	(0.31)	508.75	2,757.85	
Bank Overdraft	1,421.19	7.22	-	1,428.41	-	
<b>Total</b>	<b>3,392.37</b>	<b>1,302.95</b>	<b>(0.31)</b>	<b>1,937.16</b>	<b>2,757.85</b>	

Reconciliation of Liabilities from Financing Activities for the year ended March 31, 2021						(Rs. In lakhs)
Particulars	As at March 31, 2020	Proceeds	Impact of Ind AS	Repayment	As at March 31, 2021	
Term Loan including current maturities	-	2,000.00	(28.82)	-	1,971.18	
Bank Overdraft	1,373.78	367.56	-	320.15	1,421.19	
Loan from Related Party	141.00	30.00	-	171.00	-	
Loan from Other Party	815.15	6.97	-	822.12	-	
<b>Total</b>	<b>2,329.93</b>	<b>2,404.53</b>	<b>(28.82)</b>	<b>1,313.27</b>	<b>3,392.37</b>	

The accompanying notes form an integral part of the standalone financial statements 1-54

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number : 109839  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700  
**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022  
**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841  
**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022



## Choice International Limited Standalone Statement of Changes in Equity

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

Particulars	Numbers of Shares (in lakhs)	(Rs. in Lakhs)
<b>Balance as at April 01, 2020</b>	<b>200.05</b>	<b>2,000.48</b>
Changes in equity share capital during the year	85.63	856.35
<b>Balance as at March 31, 2021</b>	<b>285.68</b>	<b>2,856.83</b>
Changes in equity share capital during the year	211.88	2,118.77
<b>Balance as at March 31, 2022</b>	<b>497.56</b>	<b>4,975.60</b>

### B : Other Equity (Rs. In lakhs)

Particulars	Reserve and Surplus							Total Other Equity
	Share Application Money	Capital Reserve	Securities Premium Reserve	Statutory Reserves	Revaluation Reserve	Retained Earnings	Other Comprehensive Income	
<b>Balance as at April 01, 2020</b>	<b>2,524.50</b>	<b>8.70</b>	<b>6,392.17</b>	<b>382.72</b>	<b>4,170.22</b>	<b>1,111.31</b>	<b>3.15</b>	<b>14,592.77</b>
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)
<b>Balance as at March 31, 2021</b>	<b>1,432.67</b>	<b>8.70</b>	<b>9,903.19</b>	<b>382.72</b>	<b>4,170.22</b>	<b>1,341.51</b>	<b>3.58</b>	<b>17,242.59</b>
Profit for the year						243.63		243.63
Other Comprehensive Income							(2.46)	(2.46)
Addition during the year	4,297.97		8,686.97					12,984.94
Share issue expenses			(45.23)					(45.23)
Transferred to Share capital & Securities Premium	(5,730.64)							(5,730.64)
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>8.70</b>	<b>18,544.93</b>	<b>382.72</b>	<b>4,170.22</b>	<b>1,585.14</b>	<b>1.12</b>	<b>24,692.84</b>

The accompanying notes form an integral part of the standalone financial statements 1-54

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number : 109839  
Place : Mumbai  
Date : May 24, 2022

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700  
**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841  
**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022

# Notes to Standalone Financial Statements 2021-2022



## Choice International Limited Notes to Standalone Financial Statements

### 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 Choice International Limited, Sunil Patodia Tower, J.B. Nagar, Andheri (East), Mumbai 400099. The Company's shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The board of directors approved the standalone financial statements for the year ended 31 March 2022 and authorized for issue on 24 May 2022.

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 standalone 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.

#### New and Amended Standards adopted by the Company

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments; Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

There is no impact on the Company due to the application of the above amendments.

#### New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

##### 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:

- Impairment of financial assets
- Estimation of fair value measurement of financial assets and liabilities
- Effective interest rate
- Business model assessment
- Provisions and Contingencies
- Useful life and expected residual value of assets
- Tax position for current tax and recognition of deferred tax assets/liabilities
- Measurement of Defined Benefit Obligations and actuarial assumptions
- 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 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 indefinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

### 6. Foreign exchange transactions and translations

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

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

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

### 7. Taxation

#### Current taxes

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

#### 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.

### 8. Impairment of Non-Financial Assets

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

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





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

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

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

## 9. Financial Instruments

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

### 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 FVOCI, 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.

### 10. Leases

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

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

is, or contains, a lease if the contract 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.

### 11. Finance Costs

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

### 12. Goods and Service Input Tax Credit

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

### 13. Dividend distribution to equity holders of the Company

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

#### 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

### 14. 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.



### 15. 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.

### 16. 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.

### 17. 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 noncash 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.

### 18. 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.

#### 19. 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.

### Choice International Limited Notes to the Standalone Financial Statements

#### Note 3 : Property, Plant and Equipment

Particulars	(Rs.in lakhs)											Total
	Freehold Land*	Building owned*	Water Pumps & Borewell	Computer Hardwares	Server & Networks	Electric Installation	Furniture & Fixtures	Solar Plant	Vehicles	Office Equipments		
<b>Cost as at April 01, 2020</b>	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	-	-	-	-	-	-	-	-	-	-	-	
<b>Cost as at March 31, 2021</b>	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	
Additions / Transfer	-	-	-	0.23	0.25	-	4.62	-	-	15.75	20.85	
Deletion	-	-	-	-	-	-	-	-	-	-	-	
<b>Cost as at March 31, 2022</b>	4,330.00	2,147.77	1.75	17.95	47.21	38.35	126.64	14.04	6.78	133.41	6,863.90	
<b>Accumulated Depreciation as at April 01, 2020</b>	-	328.54	1.35	16.93	24.92	30.30	90.97	1.56	6.44	95.62	596.63	
Depreciation charge during the year	-	33.95	0.33	0.26	7.83	4.04	11.76	0.53	-	7.87	66.57	
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	
<b>Accumulated Depreciation as at March 31, 2021</b>	-	362.49	1.68	17.19	32.75	34.34	102.73	2.09	6.44	103.49	663.20	
Depreciation charge during the year	-	33.94	-	0.19	6.13	2.08	7.12	0.53	-	8.33	58.32	
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	
<b>Accumulated Depreciation as at March 31, 2022</b>	-	396.43	1.68	17.38	38.88	36.42	109.85	2.62	6.44	111.82	721.52	
Net carrying amount as at March 31, 2022	4,330.00	1,751.34	0.07	0.57	8.32	1.93	16.78	11.43	0.34	21.60	6,142.37	
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	

#### Property, Plant and Equipments pledged/ mortgaged as security

\* Freehold land and Building of the Company is under charge against term loan availed from Aditya Birla Finance Limited, however in the previous year it was under charge against overdraft facility availed by Choice Equity Broking Private Limited (wholly owned subsidiary).

\* The building is given on lease to Group Companies





## Choice International Limited Notes to the Standalone Financial Statements

### Note 4 : Investment Property

(Rs.in lakhs)

Particulars	Investment in Land	Total
<b>Cost as at April 01, 2020</b>	120.00	120.00
Additions	-	-
Disposals	-	-
<b>Cost as at March 31, 2021</b>	120.00	120.00
Additions	-	-
Disposals	-	-
<b>Cost as at March 31, 2022</b>	120.00	120.00
<b>Accumulated amortisation and impairment</b>		
<b>As at April 01, 2020</b>	-	-
Amortisation charge during the year	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	-	-
Amortisation charge during the year	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	-	-
<b>Net carrying amount as at March 31, 2022</b>	120.00	120.00
<b>Net carrying amount as at March 31, 2021</b>	120.00	120.00

Notes:

#### Fair Value

As at March 31, 2022 and March 31, 2021, the fair value of property is Rs. 116.70 lakhs/- and Rs. 111.20 lakhs respectively. Fair value of property taken from District Level Committee Rate issued by the Government of Rajasthan on <http://epanjiyan.nic.in/>.

### Note 5 : Intangible Assets

(Rs. In lakhs)

Particulars	Computer Software	Intangible assets under development	Total
<b>As at April 01, 2020</b>	37.65	11.20	48.85
Additions	-	2.27	2.27
Deletions	-	-	-
<b>As at March 31, 2021</b>	37.65	13.47	51.12
Additions	12.77	1.76	14.52
Deletions	-	15.23	15.23
<b>As at March 31, 2022</b>	50.42	-	50.42
<b>Accumulated amortisation and impairment</b>			
<b>As at April 01, 2020</b>	25.69	-	25.69
Amortisation charge during the year	4.82	-	4.82
Deletions	-	-	-
<b>As at March 31, 2021</b>	30.51	-	30.51
Amortisation charge during the year	4.70	-	4.70
Deletions	-	-	-
<b>As at March 31, 2022</b>	35.21	-	35.21
<b>Net carrying amount as at March 31, 2022</b>	15.21	-	15.21
<b>Net carrying amount as at March 31, 2021</b>	7.14	13.47	20.61

Note:

Intangible Asset under development comprises of Trademark under development.

#### Ageing of Intangible Assets under development

During the year the Company has expensed out Intangible asset under development, hence the ageing of the same is not applicable.



## Choice International Limited Notes to the Standalone Financial Statements

### Note 6 : Investments

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<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, 2021: 5,050,000)	505.00	505.00
8,017,800 Equity Shares of Choice Equity Broking Private Limited of Rs.10 each fully paid (March 31, 2021: 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, 2021: 1,110,000)	110.89	110.89
50,000,000 Equity Shares of Choice Consultancy Services Private Limited of Rs.10/- each fully paid (March 31, 2021: 50,000,000)	301.00	301.00
67,512,000 Equity Shares of Choice Finserv Private Limited of Rs.10/- each fully paid (March 31, 2021: 41,060,000)	15,052.74	8,052.56
660,000 share of Choice Insurance Broking India Private limited at Rs. 9/- each fully paid (March 31, 2021: NIL)	59.40	-
<b>Other Investments - Unquoted Equity Instruments</b>		
223,600 Equity Shares of Fly HI Financial Services Pvt Ltd of Rs. 248.21/- each fully paid (March 31,2021: NIL)	555.00	-
<b>Total</b>	<b>20,998.03</b>	<b>13,383.45</b>
<b>Aggregate Amount of Unquoted Investment</b>	<b>20,998.03</b>	<b>13,383.45</b>
<b>Aggregate amount of impairment in the value of investments</b>	-	-
<b>Investment in Subsidiary, Joint Venture and Associate Companies</b>		

The Company has elected to recognise its investments in subsidiary, Joint venture and associates companies at cost in accordance with the option available in IND AS 27 "Separate Financial Statement".

### Note 7 : Other Financial Assets (Non Current)

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered Good		
Security Deposits	4.20	4.38
<b>Total</b>	<b>4.20</b>	<b>4.38</b>

### Note 8 : Income Tax Assets (Net)

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets	82.86	74.71
<b>Total</b>	<b>82.86</b>	<b>74.71</b>



## Choice International Limited Notes to the Standalone Financial Statements

### Note 9 : Trade Receivables

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good*	60.21	53.40
<b>Total</b>	<b>60.21</b>	<b>53.40</b>

\* Includes receivables from related parties for which refer note no.35(ii)

### Trade Receivables ageing schedule as on March 31, 2022 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction					Total
	Less Than 6 Months	6 months to 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables- Considered Good	59.95	0.26	-	-	-	60.21
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-

### Trade Receivables ageing schedule as on March 31, 2021 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction					Total
	Less Than 6 Months	6 months to 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables- Considered Good	53.38	0.02	-	-	-	53.40
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-

### Note 10 : Cash and Cash Equivalents

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks :		
- On Current Accounts	27.50	1.37
Cash on Hand	0.08	0.29
<b>Total</b>	<b>27.58</b>	<b>1.67</b>

### Note 11 : Bank Balances Other than (Note 10) Above

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks :		
- On Earmarked Accounts *	1.72	7.44
<b>Total</b>	<b>1.72</b>	<b>7.44</b>

\* Earmarked Bank balance represents amount on account of unclaimed dividend.



## Choice International Limited Notes to the Standalone Financial Statements

### Note 12 : Loans

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loan to related party*	5,261.32	3,959.79
<b>Total</b>	<b>5,261.32</b>	<b>3,959.79</b>

\* Refer note no. 35(ii)

Details of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of Loan in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
<b>Amount Repayable on Demand-</b>				
Other Related Party	5,261.32	100%	3,959.79	100%

### Note 13 : Other Current Assets

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities:		
- Goods & Service Tax Receivable	1.77	0.08
Advance to Vendors	9.73	4.46
Other receivables	5.19	-
Prepaid Expenses	17.28	6.22
Security Deposit	50.74	4.82
<b>Total</b>	<b>84.71</b>	<b>15.58</b>

### Note 14 : Equity Share Capital

(Rs. in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Authorised :</b>		
5,01,00,000 (March 31, 2021: 4,01,00,000) Equity shares of Rs. 10 each *	5,010.00	4,010.00
	<b>5,010.00</b>	<b>4,010.00</b>
<b>(b) Issued, Subscribed and Paid-up</b>		
4,97,56,000 (March 31, 2021: 2,85,68,273 ) Equity shares of Rs. 10 each fully paid up	4,975.60	2,856.83
<b>Total</b>	<b>4,975.60</b>	<b>2,856.83</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>		
<b>Particulars</b>	<b>Number of shares (In lakhs)</b>	<b>(Rs. In lakhs)</b>
<b>As at April 01, 2020</b>	<b>200.05</b>	<b>2,000.48</b>
Issued during the year (refer note 4 below)	85.63	856.35
<b>As at March 31, 2021</b>	<b>285.68</b>	<b>2,856.83</b>
Issued during the year (refer note 3 & 4 below)	211.88	2,118.77
<b>As at March 31, 2022</b>	<b>497.56</b>	<b>4,975.60</b>



## Choice International Limited Notes to the Standalone Financial Statements

### (d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of Shares (in lakhs)	% of Holding	Number of Shares (in lakhs)	% of Holding
Shares held by				
Kamal Poddar	40.00	8.04%	25.00	8.75%
Arun Kumar Poddar	40.50	8.14%	21.00	7.35%
Vinita Sunil Patodia	36.13	7.26%	16.13	5.64%
Archana Anil Patodia	15.75	3.17%	15.75	5.51%
Sonu Poddar	20.00	4.02%	20.00	7.00%
Sunil Kumar Patodia	25.89	5.20%	25.89	9.06%
Hemlata Poddar	20.00	4.02%	20.00	7.00%
Genesis Grand General Trading LLC	35.71	7.18%		
Madhusudan Murlidha Kela	60.00	12.06%		

### (e) Details of shareholding of Promoters

Name of the Promoter	As at March 31, 2022		% Change During the year **	As at March 31, 2021	
	Number of Shares (in lakhs)	% of total Number of Shares		Number of Shares (in lakhs)	% of total Number of Shares
Arun Kumar Poddar	40.50	8.14%	0.79%	21.00	7.35%
Kamal Poddar	40.00	8.04%	-0.71%	25.00	8.75%
Vinita Patodia	36.13	7.26%	1.62%	16.13	5.64%
Sunil Kumar Patodia	25.89	5.20%	-3.86%	25.89	9.06%
Suyash Sunil Patodia	23.00	4.62%	3.57%	3.00	1.05%
Hemlata Kamal Poddar	20.00	4.02%	-2.98%	20.00	7.00%
Sonu Poddar	20.00	4.02%	-2.98%	20.00	7.00%
Archana Anil Patodia	15.75	3.17%	-2.35%	15.75	5.51%
Anil C Patodia	11.00	2.21%	-1.64%	11.00	3.85%
Aastha Anil Patodia	3.00	0.60%	-0.45%	3.00	1.05%
Aayush Anil Patodia	3.00	0.60%	-0.45%	3.00	1.05%
Anil Chothmal Patodia HUF	3.00	0.60%	-0.45%	3.00	1.05%
Sunil Chothmal Patodia HUF	3.00	0.60%	-0.45%	3.00	1.05%
Arun Kumar Poddar HUF	2.25	0.45%	-0.34%	2.25	0.79%
Kamal Poddar HUF	2.25	0.45%	-0.34%	2.25	0.79%
Shreya Patodia	1.24	0.25%	-0.18%	1.24	0.43%
Shree Shakambhari Exims Private Limited	6.00	1.21%	-0.89%	6.00	2.10%

\* The Company has increased its authorised share capital from Rs.401.00 lakhs- to Rs.501.00 lakhs in pursuant to Right issue.

\*\* Shareholding of promoters changed from March 31, 2021 to March 31, 2022 occurred due to change in share holding and it is also affected due to issue of new shares during the year.

### 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 Right issue of shares**  
During the year, the Company has issued 99.51 lakhs shares of Rs. 10 each at a premium of Rs. 41 per share.
- Disclosure statement of Preferential allotment**  
During the year ended March 31, 2022, the company has converted 112.37 lakhs warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants. During the previous year ended March 31, 2021, the company has converted 85.63 lakhs warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants.



## Choice International Limited Notes to the Standalone Financial Statements

### Note 15 : Other Equity

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Application Money Pending Allotment	-	1,432.67
Statutory Reserve	382.72	382.72
Capital Reserve	8.70	8.70
Security Premium Reserve	18,544.93	9,903.19
Revaluation Reserve	4,170.22	4,170.22
Retained Earnings	1,585.15	1,341.51
Other Comprehensive Income	1.12	3.58
<b>Total</b>	<b>24,692.83</b>	<b>17,242.59</b>

#### (i) Statutory Reserve

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning and end of the year	382.72	382.72
	<b>382.72</b>	<b>382.72</b>

It is created as per the terms of Section 45 -IC(I) of Reserve Bank of India Act, 1934 as Statutory Reserve.

#### (ii) Capital Reserve

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning and end of the year	8.70	8.70
	<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, 2022	As at March 31, 2021
Balance as at the beginning of the year	9,903.19	6,392.17
Add : Additions during the year	8,686.97	3,511.02
Less: Right issue expenditure	45.23	-
<b>Balance as at the end of the year</b>	<b>18,544.93</b>	<b>9,903.19</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, 2022	As at March 31, 2021
Balance as at the beginning and end of the year	4,170.22	4,170.22
	<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.



## Choice International Limited Notes to the Standalone Financial Statements

### (v) Share Application Money Pending Allotment

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	1,432.67	2,524.50
Add- Addition during the year	4,297.97	3,275.53
Less- Warrants converted during the year	(5,730.64)	(4,367.37)
<b>Balance as at the end of the year</b>	<b>-</b>	<b>1,432.67</b>

During the year ended March 31, 2022, the company has converted all the outstanding 1,12,36,527 share warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the share warrants and during the year ended March 31, 2021 the company has converted 8,563,473 share warrants into equivalent number of equity shares.

### (vi) Retained Earnings

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	1,341.51	1,111.31
Add: Profit for the year	243.63	230.20
<b>Balance as at the end of the year</b>	<b>1,585.15</b>	<b>1,341.51</b>

Retained earnings represents surplus / accumulated earnings of the Company and are available for distribution to shareholders.

### (vii) Other Comprehensive Income

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	3.58	3.15
Add/(less) : (Loss)/Income during the year	(2.46)	0.43
<b>Balance as at the end of the year</b>	<b>1.12</b>	<b>3.58</b>

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.

### Note 16 : Borrowings

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>		
Loans taken from financial Institution*	2,757.86	1,971.18
Less- Current Maturities of long term debt (include in Current Borrowings)	(275.37)	(213.02)
	<b>2,482.49</b>	<b>1,758.17</b>

\*The loan was taken from Aditya Birla Finance Limited and is secured by way of first charge on freehold land and building at Mumbai. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly instalments ('EMI') ending in May 2029.

### Note 17 : Provisions

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits:		
Provision for Gratuity	13.30	7.76
<b>Total</b>	<b>13.30</b>	<b>7.76</b>



## Choice International Limited Notes to the Standalone Financial Statements

### 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	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred Tax (Assets)/ Liabilities arising on account of timing differences in:		
MAT Credit Entitlement	(36.03)	(36.53)
Property, Plant and Equipment - Depreciation	302.89	295.59
Provision for employee benefit expenses	(4.06)	(3.05)
Deferred Tax on amortisation of IRR	8.55	8.01
Deferred Tax on Fair value of Employee benefit expenses through Other comprehensive income	0.56	1.50
<b>Deferred Tax (Assets)/ Liabilities (net)</b>	<b>271.91</b>	<b>265.52</b>

### Movement in Deferred Tax (Assets)/ Liabilities

Particular	(Rs. In lakhs)				
	MAT Credit Entitlement	Property, Plant and Equipment - Depreciation	Provision for employee benefit expenses	Amortisation of IRR	Total
<b>As at April 01, 2020</b>	(75.11)	288.67	(2.06)	-	211.49
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>
Charged/ (Credited):					
To Profit or Loss		7.30	(1.00)	0.53	6.83
To Other Comprehensive Income			(0.95)		(0.95)
Mat Credit Utilised	0.50				0.50
<b>As at March 31, 2022</b>	<b>(36.03)</b>	<b>302.89</b>	<b>(3.50)</b>	<b>8.55</b>	<b>271.91</b>

### Note 19 : Borrowings

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>		
Current Maturity of Long term borrowings	275.37	213.02
Bank Overdraft*	-	1,421.19
<b>Total</b>	<b>275.37</b>	<b>1,634.21</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



## Choice International Limited Notes to the Standalone Financial Statements

### Note 20 : Trade Payables

(Rs. In lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Trade Payable</b>		
Dues to Micro Enterprises and Small Enterprises	8.37	0.23
Other than Micro and small Enterprises	27.40	34.07
<b>Total</b>	<b>35.77</b>	<b>34.30</b>

#### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

(Rs. In lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	8.37	0.23
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

#### Trade Payable Ageing Schedule as on March 31, 2022 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction				
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	Total
	MSME (Micro, Small and Medium Enterprises)	8.37	-	-	-
Others	16.76	0.05	-	10.59	27.40
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

#### Trade Payable Ageing Schedule as on March 31, 2021 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction				
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	Total
	MSME (Micro, Small and Medium Enterprises)	0.23	-	-	-
Others	23.23	-	-	10.84	34.07
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

## Choice International Limited Notes to the Standalone Financial Statements



### Note 21 : Other Financial Liabilities (Current)

(Rs. In lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Payable for Intangible Assets	17.03	-
<b>Total</b>	<b>17.03</b>	<b>-</b>

### Note 22 : Other Current Liabilities

(Rs. In lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
Statutory Dues	20.36	18.71
Other Liability	-	0.73
Interest Accrued But Not Due	12.19	-
<b>Total</b>	<b>32.55</b>	<b>19.44</b>

### Note 23 : Current Provisions

(Rs. In lakhs)

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Provision for Employee Benefits:</b>		
Provision for Gratuity	1.28	1.49
Provision for Leave Encashment	0.08	0.57
<b>Total</b>	<b>1.36</b>	<b>2.06</b>

### Note 24 : Revenue from Operations

(Rs. In Lakhs)

Particulars	For the Year ended	
	March 31, 2022	March 31, 2021
Interest income	527.82	242.23
Income from Business Support Services	599.75	548.60
Subletting Income	-	45.00
<b>Total</b>	<b>1,127.57</b>	<b>835.83</b>

### Note 25 : Other Income

(Rs. In Lakhs)

Particulars	For the Year ended	
	March 31, 2022	March 31, 2021
Credit Balances Written off	-	0.05
Interest on Income Tax Refund	-	2.10
Miscellaneous Income	0.43	0.24
Interest on Deposit	0.13	28.52
<b>Total</b>	<b>0.56</b>	<b>30.91</b>





## Choice International Limited Notes to the Standalone Financial Statements

### Note 26 : Employee Benefits Expenses

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and Wages	113.75	77.65
Contributions to Provident and Other Funds	0.36	0.39
Staff Welfare Expenses	8.87	3.43
Gratuity Expenses	2.07	1.88
<b>Total</b>	<b>125.05</b>	<b>83.34</b>

### Note 27 : Finance Costs

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest on Borrowings from Other	307.93	6.97
Interest on Borrowings from Banks	5.59	159.82
Interest on Deposit	-	25.25
<b>Total</b>	<b>313.51</b>	<b>192.05</b>

### Note 28 : Depreciation and Amortisation Expense

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on tangible assets (Refer Note 3)	58.32	66.57
Amortisation of intangible assets (Refer Note 5)	4.70	4.82
<b>Total</b>	<b>63.03</b>	<b>71.39</b>

### Note 29 : Other Expenses

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Bank Charges and Commission	0.75	0.33
Rent	-	12.44
Sundry Balances written off	0.30	2.09
Repairs & maintenance	26.76	14.30
Rates & taxes	17.66	20.14
Legal and professional	54.42	14.22
Insurance charges	1.09	0.98
Electricity Charges	20.81	14.45
Traveling & Conveyance expenses	1.03	3.97
Communication expenses	41.88	45.39
Canteen expenses	38.75	10.48
Computer expenses	15.63	16.34
Director sitting fees	11.75	6.50
Advertisement & Business promotion expenses	9.01	5.51
Printing & Stationery	1.85	0.60
Payment to Auditors:		
As auditor	18.00	18.00
Other matters	-	4.30
Out of pocket expenses	-	-
Miscellaneous expenses	6.52	2.07
<b>Total</b>	<b>266.21</b>	<b>192.11</b>



## Choice International Limited Notes to the Standalone Financial Statements

### Note 30 : Earnings Per Equity Share

(Rs. In Lakhs)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net Profit after tax attributable to Equity Shareholders for Basic EPS	243.63	230.20
Add/Less: Adjustment relating to potential equity shares	-	-
<b>(a) Net profit after tax attributable to equity shareholders for Diluted EPS</b>	<b>243.63</b>	<b>230.20</b>
<b>(b) Weighted average number of Equity Shares outstanding during the year (in lakhs)</b>		
For Basic EPS	387.29	214.69
For Diluted EPS	387.29	327.06
<b>(c) Face Value per Equity Share (Rs.)</b>	<b>10.00</b>	<b>10.00</b>
<b>Basic EPS (Rs.)</b>	<b>0.63</b>	<b>1.07</b>
<b>Diluted EPS (Rs.)</b>	<b>0.63</b>	<b>0.70</b>
<b>(d) Reconciliation between no. of shares used for calculating basic and diluted EPS</b>		
No. of shares used for calculating Basic EPS	387.29	214.69
Add: Potential equity shares	-	112.37
No. of shares used for calculating Diluted EPS	387.29	327.06

### Note 31 : Contingent Liabilities and Commitments

(Rs. In Lakhs)

A Contingent Liabilities*		
Particulars	As at March 31, 2022	As at March 31, 2021
i) Income tax demand contested by the Company	28.64	43.14
<b>Total</b>	<b>28.64</b>	<b>43.14</b>

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

(Rs. In Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
ii) *Corporate guarantees issued to Banks & Financial Institutions on behalf of subsidiaries	5,743.64	6,286.74
<b>Total</b>	<b>5,743.64</b>	<b>6,286.74</b>

\* The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is Rs. 5242.25 lakhs (March 31, 2021: Rs.5230.74 lakhs), for Choice Capital Advisors Private Limited is Rs. Nil/- (March 31, 2021: Rs. 94.32 lakhs) and for Choice Consultancy Services Private Limited is Rs. 501.39 lakhs (March 31, 2021: Rs.961.68 lakhs). However the overall sanction amount is Rs. 9,834.00/- (March 31, 2021 : Rs. 9,220.00 lakhs).

### B Capital Commitments- Nil (Previous year- Nil)

### Note 32 : Expenditure in Foreign Currency - Nil (Previous year- Nil)



## Choice International Limited Notes to the Standalone Financial Statements

### Note 33 : Reconciliation of Tax Expenses and the accounting profit multiplied by India's Tax Rate

	(Rs. In Lakhs)	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Profit Before Tax</b>	360.33	327.85
<b>Enacted Income Tax Rate</b>	27.82%	27.82%
<b>Tax @ 25% plus surcharge and education cess</b>	<b>100.24</b>	<b>91.21</b>
Tax effects of adjustments to reconcile expected Income tax expenses to reported income tax expenses :		
Expenses that are not deductible for tax purpose	17.60	27.75
Deductions available under income tax	(24.84)	(43.07)
	-	-
<b>Total</b>	<b>93.00</b>	<b>75.89</b>
Income tax for earlier year	16.87	6.48
Income tax Expenses recognised in profit & loss	93.00	75.89
Deferred tax recognised in profit & loss	6.83	15.28
<b>Total tax Expenses recognised in Profit &amp; Loss</b>	<b>116.70</b>	<b>97.64</b>
<b>Effective Tax Rate</b>	<b>32.39%</b>	<b>29.78%</b>

#### Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. This is long term capital loss which can only be set-off against future long term capital gain, which cannot be predicted.

	(Rs. In lakhs)			
Tax Losses (Long Term Capital Loss)	As at March 31, 2022		As at March 31, 2021	
	Gross Amount	Unrecognised Tax effect	Gross Amount	Unrecognised Tax effect
Long Term Capital Loss AY 2019-20	379.54	105.59	379.54	105.59

#### Tax Losses Carried Forward

Tax losses for which no deferred tax asset was recognised expire as follows:

	(Rs. In lakhs)			
Particulars	As at March 31, 2022	Expiry Date	As at March 31, 2021	Expiry Date
	Long term Capital Loss AY 2019-20	379.54	AY 2027-28	379.54

### 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:

	(Rs. In Lakhs)	
Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	0.22	0.25
Employer's Contribution to ESIC	0.14	0.14
<b>Total</b>	<b>0.36</b>	<b>0.39</b>

## Choice International Limited Notes to the Standalone Financial Statements

### 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 2020</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 March 2021</b>	<b>9.36</b>	<b>(0.11)</b>	<b>9.25</b>
Current Service cost	1.49		1.49
Interest expense/(income)	0.63	(0.04)	0.58
<b>Total amount recognised in profit or loss</b>	<b>2.12</b>	<b>(0.04)</b>	<b>2.07</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	0.04	0.04
(Gain)/loss from change in financial assumptions	-	-	-
Due to Change in demographic assumptions	-	-	-
Experience (gains)/losses	3.37	-	3.37
<b>Total amount recognised in other comprehensive income</b>	<b>3.37</b>	<b>0.04</b>	<b>3.41</b>
Transfer Out Obligation	(0.15)		(0.15)
<b>31 March 2022</b>	<b>14.69</b>	<b>(0.12)</b>	<b>14.58</b>

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

	(Rs. In Lakhs)	
	March 31, 2022	March 31, 2022
Present value of funded obligations	14.69	9.36
Fair value of plan assets	(0.12)	(0.11)
<b>Deficit/(Surplus) of gratuity plan</b>	<b>14.57</b>	<b>9.24</b>



## Choice International Limited Notes to the Standalone Financial Statements

### Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021
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		
	March 31, 2022	March 31, 2021	Increase in assumption		
			March 31, 2022	March 31, 2021	
Discount rate	0.50%	0.50%	Decrease by	5.16%	5.53%
Salary growth rate	0.50%	0.50%	Increase by	2.02%	2.67%
Withdrawal rate	W.R. x 110%	W.R. x 110%	Increase by	1.28%	1.06%

	Change in assumption		Impact on defined benefit obligation		
	March 31, 2022	March 31, 2021	Increase in assumption		
			March 31, 2022	March 31, 2021	
Discount rate	0.50%	0.50%	Increase by	5.58%	6.00%
Salary growth rate	0.50%	0.50%	Decrease by	1.91%	4.24%
Withdrawal rate	W.R. x 90%	W.R. x 90%	Decrease by	1.31%	1.09%

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 below:

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.



## Choice International Limited Notes to the Standalone Financial Statements

### Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are Rs. 1,28,481/- (as at March 31, 2021: Rs. 1,49 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 13.22 years (13.79 years 2020-21). The expected maturity analysis of undiscounted gratuity is as follows:

	(Rs. In Lakhs)	
	FY 21-22	FY 20-21
Less than one year	0.84	0.42
Between 1-2 years	0.82	0.42
Between 2-5 years	2.06	1.14
Over 5 years	3.04	2.12
<b>Total</b>	<b>6.76</b>	<b>4.10</b>

### Note 35 - Related Party Disclosure :

#### (i) Details of Related Parties -

Description of Relationship	Names of Related Parties
a. Subsidiary Companies	Choice Capital Advisors Private Limited Choice Corporate Services Private Limited Choice Equity Broking Private Limited Choice Consultancy Services Private Limited Choice Wealth Pvt. Ltd.(Formerly known as Choice Wealth Management Private Limited) Choice Portfolio Management Services Private Limited Choice Finserv Private Limited Choice Tech Lab Solutions Private Limited Choice Retail Solutions Private Limited Choice Insurance Broking India Private Limited (w.e.f. October 29,2021) Choice Housing Finance Private Limited (w.e.f. October 18, 2021) Shreyam Securities Limited (Formerly known as Escorts Securities Limited) (w.e.f. February 14, 2022)
b. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Managing Director) Arun Poddar (Executive Director w.e.f. Feb 08, 2022) * Suyash Patodia (Executive Director w.e.f. Feb 08,2022) Santosh Poddar (Relative of KMP) Manju Poddar (Relative of KMP) Sonu Poddar (Relative of KMP) Meenu Bajaj (Relative of KMP) Hemlata Poddar (Relative of KMP)) Vinita Patodia (Relative of KMP w.e.f. Feb 08, 2022) Shreya Patodia (Relative of KMP w.e.f. Feb 08, 2022) Ajay Kejriwal ( Executive Director) Babita Kejriwal( Relative of KMP) Rajendra Kejriwal ( Relative of KMP) Maltidevi Kejriwal ( Relative of KMP)



## Choice International Limited Notes to the Standalone Financial Statements

Description of Relationship	Names of Related Parties
	Vijay Kejriwal ( Relative of KMP)
	Manisha Dattani ( Relative of KMP)
	Manoj Singhania ( CFO)
	Shweta Chaudhary ( Relative of KMP)
	Savita Singhania ( Relative of KMP)
	Murarilal Singhania ( Relative of KMP)
	Meena Singhania ( Relative of KMP)
	Karishma Shah (Company Secretary)
	Praful Shah (Relative of KMP)
	Falguni Shah (Relative of KMP)
c. Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Kamal Poddar Hemlata Poddar Sunil Patodia Vinita Patodia Anil Patodia Archana Patodia Arun Poddar Sonu Poddar Shreya Patodia Suyash Patodia Aastha Patodia Ayush Patodia
e. Enterprises over which (a), (b) & (c) are able to exercise significant influence	S. K. Patodia & Associates The Byke Hospitality Limited Hotel Relax Private Limited Manbhari Biofuel Private Limited. Shree Shakambhari Exims Private Limited (Formerly known as Upton Infrastructure Pvt. Ltd.) Aqua Pumps Pvt. Ltd. Choice Insurance Broking India Private Limited (up to October 28, 2021) N S Technical Consultancy Private Limited (Formerly known as Wheresmypanidit.com Pvt Ltd Samekit Learning Management Private Limited Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L VSC Consulting Private JV with Choice Consultancy Services Private Limited Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd CCSPL- I & R JV Choice Consultancy Services JV NS Technical Consultancy (w.e.f. 18-01-22) Choice Consultancy Services JV Mars Planning & Engineering (w.e.f. 19-04-22)



## Choice International Limited Notes to the Standalone Financial Statements

Description of Relationship	Names of Related Parties
	Choice Science Eduhub LLP
	Choice Soft Skills Training LLP
	Samank Consumer Products Private Limited
	Samank Apparels Private Limited
	Choice Insurance Broking India Private Limited
	Choice Peers International Private Limited
	Mumbai Vaish Seva Sansthan
	Farmer's Evolvement Foundation
	Blazing Star Properties Private Limited
	Anant Incense Enterprise
	De Starvings Couriers LLP
	Choice Strategic Advisors LLP
	Lions Club of Mumbai Choice
	Sunil Patodia Welfare Foundation (Formerly known as Lions Mumbai Choice Foundation)
	Rupang Properties Private Limited
	Optimo Investment Advisor Private Limited
	Maruti Nandan Colonizers Private Limited (up to October 22, 2021)
	Kaninya Properties Private Limited (up to October 22, 2021)
	Sunil Patodia HUF
	Arun Poddar HUF
	Kamal Poddar HUF
	Anil Patodia HUF

\* Mr Arun Poddar has been appointed as an Executive Director w.e.f. February 08, 2022 , however he also falls under category of related party being relative of KMP in previous year. In the current year, he becomes KMP also.



## Choice International Limited Notes to the Standalone Financial Statements

### Accompanying notes to the financial statements

#### (ii) Details of Related Party transactions during the year ended March 31, 2022

(Rs. In Lakhs)

Particulars	Subsidiaries	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	7000.18	-	-	-	7,000.18
Choice Insurance Broking India Private Limited	59.40	-	-	-	59.40
	<b>7059.58</b>	-	-	-	<b>7059.58</b>
<b>Stake purchased in Choice Insurance Broking India Private Limited from</b>					
Kamal Poddar	-	59.40	-	-	59.40
	-	<b>59.40</b>	-	-	<b>59.40</b>
<b>Loan Given to-</b>					
Choice Finserv Private Limited	3,771.00	-	-	-	3,771.00
	<b>3,771.00</b>	-	-	-	<b>3,771.00</b>
<b>Loan Repayment received from-</b>					
Choice Finserv Private Limited	2,469.47	-	-	-	2,469.47
	<b>2,469.47</b>	-	-	-	<b>2,469.47</b>
<b>Revenue from Operations</b>					
<u>Income from Business Support Services-</u>					
Choice Equity Broking Private Limited	193.74	-	-	-	193.74
Choice Wealth Management Private Limited	3.20	-	-	-	3.20
Choice Capital Advisors Private Limited	33.03	-	-	-	33.03
Choice Corporate Services Private Limited	0.37	-	-	-	0.37
Choice Consultancy Services Private Limited	117.18	-	-	-	117.18
Choice Techlab Solutions Private Limited	56.86	-	-	-	56.86
Choice Insurance Broking India Private Limited	20.11	-	-	-	20.11
Choice Portfolio Management Private Limited	0.76	-	-	-	0.76
Choice Finserv Private Limited	0.48	-	-	-	0.48
The Byke Hospitality Limited	-	-	-	72.00	72.00
S K Patodia & Associates	-	-	-	102.02	102.02
	<b>425.73</b>	-	-	<b>174.02</b>	<b>599.75</b>
<u>Interest on Loans</u>					
Choice Finserv Private Limited	527.82	-	-	-	527.82
	<b>527.82</b>	-	-	-	<b>527.82</b>



## Choice International Limited Notes to the Standalone Financial Statements

#### (ii) Details of Related Party transactions during the year ended March 31, 2022 (Continued...)

(Rs. In Lakhs)

Particulars	Subsidiaries	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<b>Employee Benefit Expenses*</b>					
Director remuneration **	-	45.02	-	-	45.02
<u>Salary &amp; allowances</u>					
Manoj Singhania	-	23.12	-	-	23.12
Karishma Shah	-	15.70	-	-	15.70
	-	<b>83.84</b>	-	-	<b>83.84</b>
<b>Balances outstanding at the end of the year</b>					
<b>Loans- Current</b>					
Choice Finserv Private Limited	5,261.32	-	-	-	5,261.32
	<b>5,261.32</b>	-	-	-	<b>5,261.32</b>
<b>Trade receivables-</b>					
Choice Equity Broking Private Limited	16.14	-	-	-	16.14
Choice Wealth Management Private Limited	0.64	-	-	-	0.64
Choice Capital Advisors Private Limited	1.16	-	-	-	1.16
Choice Corporate Services Private Limited	0.12	-	-	-	0.12
Choice Consultancy Services Private Limited	10.67	-	-	-	10.67
Choice Techlab Solutions Private Limited	10.34	-	-	-	10.34
Choice Finserv Private Limited	0.55	-	-	-	0.55
Choice Insurance Broking India Private Limited	2.45	-	-	-	2.45
Choice Portfolio Management Private Limited	0.46	-	-	-	0.46
The Byke Hospitality Limited	-	-	-	7.34	7.34
S K Patodia & Associates	-	-	-	10.34	10.34
	<b>42.53</b>	-	-	<b>17.68</b>	<b>60.21</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 Insurance Broking India Private Limited	59.40	-	-	-	59.40
Choice Finserv Private Limited	15,052.74	-	-	-	15,052.74
	<b>20,443.03</b>	-	-	-	<b>20,443.03</b>

\* The above figures do not include provisions for Gratuity as separate actuarial valuations are not available.

\*\* Mr Arun Poddar has been appointed as an Executive Director w.e.f. February 08, 2022. He has not withdrawn the remuneration for the period starting from February 08, 2022 to March 31, 2022.



## Choice International Limited Notes to the Standalone Financial Statements

### Accompanying notes to the financial statements

#### (ii) Details of Related Party transactions during the year ended March 31, 2021

(Rs. In Lakhs)

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>						
<b>Income from Business Support Services-</b>						
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>358.27</b>	-	-	-	<b>190.34</b>	<b>548.61</b>
<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
<b>Salary &amp; allowances</b>						
Manoj Singhania	-	-	17.40	-	-	17.40
Karishma Shah	-	-	12.00	-	-	12.00
	-	-	<b>59.43</b>	-	-	<b>59.43</b>



## Choice International Limited Notes to the Standalone Financial Statements

#### (ii) Details of Related Party transactions during the year ended March 31, 2021 (Continued...)

(Rs. In lakhs)

Particulars	Subsidiaries	Associates	KMP	Relative of KMP	Enterprises over which (c) & (d) are able to exercise significant influence	Total
<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
<b>Miscellaneous Expenses</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.89	0.89
	<b>11.12</b>	-	-	-	<b>0.89</b>	<b>12.01</b>
<b>Balances outstanding at the end of the year</b>						
<b>Advance given</b>						
Kamal Poddar	-	-	0.32	-	-	0.32
	-	-	<b>0.32</b>	-	-	<b>0.32</b>
<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
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>



## Choice International Limited Notes to the Standalone Financial Statements

### 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:

Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
		(Rs. In Lakhs)					
Trade Receivables	9	60.21	-	60.21	53.40	-	53.40
Loans	12	5,261.32	-	5,261.32	3,959.79	-	3,959.79
Other Current Assets	13	84.71	-	84.71	15.58	-	15.58

(b) Current Liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
		(Rs. In Lakhs)					
Borrowings	19	275.37	-	275.37	1,634.21	-	1,634.21
Trade Payable	20	-	-	-	-	-	-
(a) Dues of micro enterprises and small enterprises		8.37	-	8.37	0.23	-	0.23
(b) Dues of creditors other than micro enterprises and small enterprises		27.40	-	27.40	34.07	-	34.07
Other Financial Liabilities	21	17.03	-	17.03	-	-	-
Other Current Liabilities	22	32.55	-	32.55	19.44	-	19.44
Provisions	23	1.36	-	1.36	2.06	-	2.06

(c) Quantitative Disclosures of carrying value / fair Value measurement hierarchy for assets and liabilities

Particulars	As at March 31, 2022				As at March 31, 2021			
	Date of Valuation	Total	Quoted Price in Active Market (Level 1)	Significant Observable inputs (Level 2)	Date of Valuation	Total	Quoted Price in Active Market (Level 1)	Significant Observable inputs (Level 2)
	(Rs. In Lakhs)							
<b>Financial Assets at Amortised Cost</b>								
<b>Non Current</b>								
Investment in subsidiaries	3/31/2022	20,443.03	-	-	3/31/2021	13,383.45	-	-
Investment in Other Company	3/31/2022	555.00	-	-	-	-	-	-
Other Financial Assets	3/31/2022	4.20	-	-	3/31/2021	4.38	-	-
<b>Current</b>								
Trade Receivables	3/31/2022	60.21	-	-	3/31/2021	53.40	-	-
Cash and Cash Equivalents	3/31/2022	27.58	-	-	3/31/2021	1.67	-	-
Bank Balance other than above	3/31/2022	1.72	-	-	3/31/2021	7.44	-	-
Loans	3/31/2022	5,261.32	-	-	3/31/2021	3,959.79	-	-
<b>Financial Liabilities at Amortised Cost</b>								
<b>Non Current</b>								
Borrowings	3/31/2022	2,482.49	-	-	3/31/2021	1,758.17	-	-
<b>Current</b>								
Borrowings	3/31/2022	275.37	-	-	3/31/2021	1,634.21	-	-
Trade Payables	3/31/2022	35.77	-	-	3/31/2021	34.29	-	-
Other Financial Liabilities	3/31/2022	17.03	-	-	3/31/2021	-	-	-



## Choice International Limited Notes to the Standalone Financial Statements

### 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, 2022	As at March 31, 2021
<b>Non-Current Financial Assets</b>		
Others	4.20	4.38
<b>Current Financial Assets</b>		
Trade receivables	60.21	53.40
Cash and Cash Equivalents	27.58	1.67
Other bank balances	1.72	7.44
Loans	5,261.32	3,959.79
Others	84.71	15.58
<b>Total</b>	<b>5,439.74</b>	<b>4,042.26</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, 2022	As at March 31, 2021
<b>Non Current Financial Liabilities</b>		
Borrowings	2,482.49	1,758.17
<b>Current Financial Liabilities</b>		
Borrowings	275.37	1,634.21
Trade Payable	35.77	34.30
Other Financial Liabilities	17.03	-
<b>Total</b>	<b>2,810.66</b>	<b>3,426.68</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 is no such financial assets.



## Choice International Limited Notes to the Standalone Financial Statements

### 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, 2022 and March 31, 2021 is the carrying amounts as stated in balance sheet except for balances of subsidiary company.

#### Liquidity Risk

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

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

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2022 and March 31, 2021:

Particulars	(Rs. In Lakhs)				
	0 to 1 year	1 to 3 year	3 to 5 years	After 5 years	Total
<b>Year ended March 31, 2022</b>					
Secured Loans	276.98	645.12	795.14	1,071.36	2,788.60
Trade Payables	35.77	-	-	-	35.77
Others	17.03	-	-	-	17.03

Particulars	(Rs. In Lakhs)				
	0 to 1 year	1 to 3 year	3 to 5 years	After 5 years	Total
<b>Year ended March 31, 2021</b>					
Secured Loans	1,563.20	387.39	477.48	993.13	3,421.20
Trade Payables	34.30	-	-	-	34.30
Others	213.02	-	-	-	213.02



## Choice International Limited Notes to the Standalone Financial Statements

### 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:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowing	2,757.86	1,971.18
Fixed Rate Borrowing	-	1,421.19
<b>Total</b>	<b>2,757.86</b>	<b>3,392.37</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:

Particulars	(Rs. In Lakhs)	
	Increase/ Decrease in basis points	Effect on Profit before Tax
<b>March 31, 2022</b>	+ 1%	(27.58)
	- 1%	27.58
<b>March 31, 2021</b>	+ 1%	(19.71)
	- 1%	19.71

### 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).





## Choice International Limited Notes to the Standalone Financial Statements

### 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.

Particulars	(Rs. In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	2,757.86	3,392.38
Cash and cash equivalents	27.58	1.67
<b>Net Debt (A)</b>	<b>2,730.29</b>	<b>3,390.71</b>
<b>B) Equity</b>		
Equity share capital	4,975.60	2,856.83
Other Equity	24,692.83	17,242.59
<b>Total Equity (B)</b>	<b>29,668.43</b>	<b>20,099.42</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>	<b>9.20%</b>	<b>16.87%</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. Further all activities are carried out within India. Accordingly, Segment Reporting in accordance with Ind Accounting Standard - 108 "Operating Segment" issued by the Institute of Chartered Accountants of India and adopted by Companies (Accounting Standard) Rules, 2015 is not applicable to the Company.

### Note 43 : Ratios

The Ratios for the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance (in %)
Current Ratio <sup>1</sup>	Current Assets	Current Liabilities	15.01	2.39	528.32%
Debt Equity Ratio <sup>2</sup>	Total Debt (Short Term and Long Term)	Shareholder's Fund	0.09	0.17	-44.92%
Debt Service Coverage Ratio <sup>3</sup>	Earnings Before Interest, tax and depreciation	Total Debt (Short Term and Long Term)	0.27	0.17	53.29%
Return on Equity <sup>4</sup>	Net Profit After tax	Shareholder's Fund	0.01	0.01	-28.30%
Trade Receivable Turnover Ratio <sup>5</sup>	Revenue	Average Trade Receivables	19.85	4.54	337.35%
Trade Payable Turnover Ratio <sup>6</sup>	Purchase of Service and Other Expenses	Average Trade Payables	7.60	5.32	42.80%
Net Capital Turnover Ratio <sup>7</sup>	Revenue	Working Capital	0.22	0.36	-37.57%
Net Profit Ratio	Net Profit After tax	Revenue	0.32	0.39	-18.53%
Return on Capital Employed	Earnings Before Interest and taxes	Capital Employed (Total Assets- Current Liabilities)	0.02	0.02	-11.57%
Return on Investment	No returns have been earned on investment hence It is not applicable to the Company				
Inventory Turnover Ratio	No Inventories held by the company hence it is not applicable to the Company				



## Choice International Limited Notes to the Standalone Financial Statements

- (1) Higher the current assets and lower the current liabilities has resulted in an improvement in the Current ratio.
- (2) Increase in equity due to infusion of equity and increase in retained earnings in current year and in the other side there is a decrease in debt position . It makes the stronger debt equity ratio.
- (3) There is an Increase in EBITD and decrease in debt position in current year which has contributed in an improvement in debt service coverage ratio.
- (4) There is an increase in Net profit in comparison with the previous year but It is not much as increase in equity. Which causes decline in the ratio.
- (5) Speedy recovery of trade receivables gives favourable ratio as compared to previous year.
- (6) Timely and early payment of trade payables provides better ratio in current year.
- (7) Revenue is not increase in comparison with the increase in working capital which causes decline in the ratio.

### Note 44 : Utilisation of Borrowed Funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### Note 45 : Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31,2022 and March 31, 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2022.

### Note 46 : Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from financial institution has been applied for the purposes for which such loans were was taken.

### Note 47 : Disclosure relating to Benami Property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

### Note 48 : Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

### Note 49 : Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.



## Choice International Limited Notes to the Standalone Financial Statements

### Note 50 : Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### Note 51 : Relationship with Struck off Companies

The Company has not entered in any transactions with companies struck off under section 248 of the Companies Act ,2013, or section 560 of Companies Act 1956.

### Note 52 : 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 53 : 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 standalone financial statements, includes the potential impact of the COVID-19 pandemic on the Company's financial statement 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 standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### Note 54 : Previous Years' Figures

Figures for the previous year have been regrouped/ reclassified wherever necessary to make them comparable.

#### For and on behalf of the Board of Directors

Choice International Limited  
CIN-L67190MH1993PLC071117

Sd/-

**Kamal Poddar**

Managing Director

DIN: 01518700

Sd/-

**Manoj Singhania**

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Sd/-

**Ajay Kejriwal**

Director

DIN: 03051841

Sd/-

**Karishma Shah**

Company Secretary

Place : Mumbai

Date : May 24, 2022

# Consolidated Independent Auditors' Report 2021-2022



## 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 Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of loss in its associate which comprise the Consolidated Balance Sheet as at 31st March 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and includes joint 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 of joint 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 2022, 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.

#### Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial

statements of the current period. The matter was 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 the matter. We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Impairment of loans measured at amortized cost (refer note 51 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. 32,527.89 lakhs net of provision for expected credit loss of Rs. 168.84 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 Parent's Board of Directors is responsible for the other information. The other information comprises the Director's report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the consolidated financial statements, standalone 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 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 identified above when it becomes available, compare with the financial statements of the joint 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 joint 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 Parent'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 Parent, 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 Parent 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 entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other 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 Parent 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

a) We did not audit the financial statements of two joint operations included in the standalone financial statements of the company included in the Group whose financial statements reflect total assets of Rs. 509.18 lakh as at 31st March 2022 and total revenue of Rs. 1,350.47 lakh 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 these joint operations have been audited by other auditors whose reports have been furnished to us or other auditors, and our opinion in so far as it relates

to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.

- b) We did not audit the financial statements of nine subsidiaries, whose financial statements reflect total assets of Rs. 45,698.84 lakh as at 31st March, 2022, total revenues of Rs. 8,189.33 lakh and net cash inflows amounting to Rs. 305.89 lakh 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.
- c) The consolidated financial statements also include the Group's share of net loss of Rs. 0.01 lakh for the year ended 31st March 2022, as considered in the consolidated financial statements, in respect of an associate whose financial statements have not been audited by us. These financial statements 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 associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial 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 other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of joint operations, subsidiaries, and associate referred to in the Other Matters section above we report, to the extent applicable that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) 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.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Parent and 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 2022 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 Parent, subsidiary companies and associate company incorporated in India. 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 by the Parent 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 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.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Parent and its subsidiary companies and associate company except for the following:

Nature of dues	Rs. Lakh	Due date	Payment Date
Unclaimed Dividend	3.03	24th October 2021	02nd November, 2021

- iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 54 to the consolidated financial statements.

- (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Refer Note 54 to the consolidated financial statements.

- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

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

Sd/-  
G.K. Subramaniam  
(Partner)  
(Membership No. 109839)  
UDIN: 22109839AJNDLK8217

Place: Mumbai  
Date: 24th May 2022



## 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Choice International Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of its associate company, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, and its 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 issued by the Institute of Chartered Accountants of India (ICAI)” (the “Guidance Note”). 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 Act.

### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained 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 Parent, its subsidiary companies and its associate company.

### 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 Parent, 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 2022, 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.

## 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 in so far as it relates to nine 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: 22109839AJNDLK8217

Place: Mumbai

Date: 24th May 2022





# Consolidated Financial Statements 2021-2022

**The Joy of  
Earning**



## Choice International Limited Consolidated Balance Sheet

(Rs. In lakhs)			
Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
(a) Property, Plant and Equipment	3	7,260.25	7,124.23
(b) Investment Property	4	120.00	120.00
(c) Goodwill	5	825.00	825.00
(d) Other Intangible Assets	5	520.96	483.66
(e) Intangible Assets Under Development	5	38.13	16.99
(f) Financial Assets			
(i) Investments	6	1,005.26	661.64
(ii) Loans	7	1,297.80	6.56
(iii) Other Financial Assets	8	402.22	488.87
(g) Income Tax Assets	9	413.38	291.42
(h) Deferred Tax Assets	10	140.26	100.82
(i) Other Non-Current Assets	11	325.30	2.18
Goodwill on Consolidation		108.77	-
<b>Current Assets:</b>			
(a) Securities held for Trade	12	2,370.34	872.30
(b) Financial Assets			
(i) Investments	13	51.78	-
(ii) Trade Receivables	14	8,159.53	7,613.07
(iii) Cash and Cash Equivalents	15	2,561.87	3,025.09
(iv) Bank balances other than (iii) above	16	11,338.68	1,792.49
(v) Loans	17	32,349.18	24,653.46
(vi) Other Financial Assets	18	26,101.04	17,027.57
(c) Other Current Assets	19	2,370.83	453.42
<b>Total Assets</b>		<b>97,760.58</b>	<b>65,558.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	20	4,975.60	2,856.83
(b) Other Equity	20 (a)	36,023.67	23,446.41
(c) Non Controlling Interests	20 (b)	79.87	-
		<b>41,079.14</b>	<b>26,303.24</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	21	3,651.59	2,621.85
(ii) Other Financial Liabilities	22	24.24	0.15
(b) Provisions	23	305.53	224.22
(c) Deferred Tax Liabilities	24	494.10	458.69
(d) Other non-current liabilities	25	418.42	241.13
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	26	17,939.96	12,151.66
(ii) Trade Payables	27		
Total outstanding dues of micro enterprises and small enterprises		359.13	342.14
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,535.43	1,036.09
(iii) Other Financial Liabilities	28	29,344.74	20,189.41
(b) Other Current Liabilities	29	1,827.39	1,184.40
(c) Provisions	30	780.91	805.79
<b>Total Liabilities</b>		<b>56,681.44</b>	<b>39,255.53</b>
<b>Total Equity and Liabilities</b>		<b>97,760.58</b>	<b>65,558.77</b>

The notes referred to above are an integral part of the consolidated financial statements 1- 64

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number :109839  
Place : Mumbai  
Date : May 24, 2022

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700

**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841

**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022



## Choice International Limited Consolidated Statement of Profit and Loss

(Rs. In lakhs)			
Particulars	Note No.	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>I Income</b>			
Revenue from Operations	31	27,181.80	16,874.35
Other Income	32	1,413.79	707.23
<b>Total Income</b>		<b>28,595.59</b>	<b>17,581.58</b>
<b>II Expenses</b>			
Operating Expenses	33	11,236.48	7,648.43
Employee Benefits Expense	34	5,695.04	4,193.80
Finance Costs	35	1,533.12	1,545.75
Depreciation and Amortization Expense	36	337.63	308.74
Other Expenses	37	2,429.74	1,603.31
<b>Total Expenses</b>		<b>21,232.01</b>	<b>15,300.03</b>
<b>III Profit before exceptional items and tax (I- II)</b>		<b>7,363.58</b>	<b>2,281.55</b>
<b>IV Exceptional items</b>		<b>-</b>	<b>-</b>
<b>V Profit before tax (III-IV )</b>		<b>7,363.58</b>	<b>2,281.55</b>
<b>VI Tax Expense</b>			
Current Tax		1,871.96	1,002.22
Earlier Years Tax Expense		87.41	12.84
Deferred Tax		43.76	(404.51)
<b>Total Tax Expense</b>		<b>2,003.13</b>	<b>610.55</b>
<b>VII Profit for the year from continuing operations(V-VI)</b>		<b>5,360.45</b>	<b>1,671.00</b>
<b>VIII Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement gains/ (losses) on defined benefit obligations		(9.32)	46.74
Tax Effect on above		2.46	(10.36)
<b>Other Comprehensive Income/ (Loss) for the year, net of tax</b>		<b>(6.86)</b>	<b>36.38</b>
<b>IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year) attributable to:</b>		<b>5,353.59</b>	<b>1,707.38</b>
<b>X Profit attributable to</b>			
Owners of the Company		5,357.62	1,671.00
Non - Controlling interests		2.83	-
<b>XI Other Comprehensive Income attributable to</b>		<b>(6.86)</b>	<b>36.38</b>
Owners of the Company		-	-
Non - Controlling interests		-	-
<b>XII Total Comprehensive Income attributable to</b>		<b>5,350.76</b>	<b>1,707.38</b>
Owners of the Company		5,350.76	1,707.38
Non - Controlling interests		2.83	-
<b>XIII Earnings Per Equity Share (Face Value Rs. 10 Per Share):</b>			
Basic (Rs.)	38	13.84	7.78
Diluted (Rs.)		13.84	5.11

The notes referred to above are an integral part of the consolidated financial statements 1- 64

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number :109839  
Place : Mumbai  
Date : May 24, 2022

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700

**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841

**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022



## Choice International Limited Statement of Consolidated Cash Flows

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	7,363.58	2,281.55
<b>Adjustments for:</b>		
Depreciation and amortisation	352.86	308.74
Finance costs	1,533.12	1,545.75
Interest Income	(1,319.90)	(618.53)
Sundry Balances Written off	(1.42)	200.00
Allowance of credit loss	13.36	17.84
Fair Value loss/ (Gain) on Investment	3.76	(2.14)
Loss on sale of Assets	-	4.11
Provision for Standard loan assets, Bad & doubtful debts, Bad debts written off	45.23	63.17
Loss/ (Gain) on sale of Investment	5.60	(62.92)
Fair value gain on securities held for trade	(856.52)	-
Bad debts written off	40.25	-
Provision for doubtful debts	32.85	-
<b>Operating cash flows before movement in working capital</b>	<b>7,212.77</b>	<b>3,737.57</b>
Movements in assets and liabilities :		
(Increase)/Decrease in Securities held for trade	(641.33)	2,188.61
Decrease in Trade receivables	939.08	1,273.37
Increase in Trade Payables	480.28	655.44
Increase in Other Non-Current Financial Liabilities	24.09	0.15
Increase in Other Non-Current Liabilities	175.08	22.11
Increase in Other Current Financial Liabilities	9,095.44	9,082.38
(Decrease) in Other Current Liabilities	(988.68)	(373.85)
Decrease / (Increase) in Other Non Current Financial Assets	86.65	(94.19)
(Increase)/ Decrease in Other Non Current Assets	(1,854.25)	1.33
(Increase) in Other Current Financial Assets	(9,073.48)	(7,970.62)
(Increase) in Current Investments	(6.83)	-
(Increase)/ Decrease in Other Current Assets	(954.32)	86.59
Increase in Long Term Provisions	38.58	85.86
Increase in Current Provisions	146.27	200.13
(Increase) in Financial assets - loans	(7,562.75)	(12,936.81)
<b>Cash Used in Operations</b>	<b>(2,883.40)</b>	<b>(4,041.93)</b>
Income taxes paid	(2,291.57)	(433.02)
<b>Net cash used in operating activities (A)</b>	<b>(5,174.97)</b>	<b>(4,474.95)</b>



## Choice International Limited Statement of Consolidated Cash Flows

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>B. Cash Flow from Investing Activities</b>		
Purchase or construction of Property, plant and equipment (including capital work-in-progress and capital advances)	(340.59)	(125.39)
Proceeds from Sale of Property, plant and equipment	0.09	10.08
Purchase of Intangible Assets	(181.13)	(2.63)
(Purchase)/ Sale of Investment	(502.43)	1,362.39
Movement in Other Bank Balance	(9,246.20)	(427.51)
Movement in Loans	(1,219.90)	68.08
Interest Received	1,319.90	618.53
<b>Net Cash used in Investing Activities (B)</b>	<b>(10,170.26)</b>	<b>1,503.55</b>
<b>C. Cash Flow from Financing Activities</b>		
Securities Premium on issue of Equity Shares	10,726.51	4,367.36
Proceeds from Share Application Money	(1,432.65)	(1,091.85)
Net Proceeds from Current and Non Current Borrowings	6,818.04	533.50
Finance costs	(1,533.12)	(1,545.75)
<b>Net Cash from Financing Activities ( C)</b>	<b>14,578.78</b>	<b>2,263.26</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(766.45)</b>	<b>(708.14)</b>
Cash and cash equivalents at the beginning of the year	3,025.09	3,733.23
Add: Opening cash and cash equivalents on purchase of subsidiary	303.23	-
Cash and cash equivalents at the end of the year	2,561.87	3,025.09
<b>Net (decrease) in cash and cash equivalent</b>	<b>(766.45)</b>	<b>(708.14)</b>

The notes referred to above are an integral part of the consolidated financial statements 1-64

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number :109839  
Place : Mumbai  
Date : May 24, 2022

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

<b>Sd/-</b> <b>Kamal Poddar</b> Managing Director DIN: 01518700	<b>Sd/-</b> <b>Ajay Kejriwal</b> Director DIN: 03051841
<b>Sd/-</b> <b>Manoj Singhania</b> Chief Financial Officer Place : Mumbai Date : May 24, 2022	<b>Sd/-</b> <b>Karishma Shah</b> Company Secretary Place : Mumbai Date : May 24, 2022



## Choice International Limited Consolidated Statement of Changes in Equity

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

Particulars	Numbers of Shares (in lakhs)		(Rs. in Lakhs)	
	2020	2021	2020	2021
<b>Balance as at April 1, 2020</b>	200.05	200.05	2,000.48	
Changes in equity share capital during the year	85.63	856.35		
<b>Balance as at March 31, 2021</b>	285.68	2,856.83		
Changes in equity share capital during the year	211.88	2,118.77		
<b>Balance as at March 31, 2022</b>	497.56	4,975.60		

### B : Other Equity

Particulars	Share Application Money Pending Allotment		Statutory Reserve		General Reserves		Capital Reserve		Reserve and Surplus Securities Premium		Revaluation Reserve		Lease Equalisation reserve		Retained Earnings		Non Controlling Interest		Comprehensive Income		Other Total Other Equity		
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	
<b>Balance as at April 01, 2021</b>	2,524.50	418.57	418.57	9.52	8.70	6,392.17	4,170.22	-	-	5,803.06	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive income for the year																							
Profit for the year																							
Other Comprehensive Income																							
Transferred to Statutory Reserve																							
Additions																							
Reversal of Loss on cessation of Subsidiary																							
Deletions																							
<b>Balance as at March 31, 2022</b>	5,800.02	582.91	582.91	9.52	8.70	9,903.20	4,170.22	-	-	7,309.72	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive income for the year																							
Profit for the year																							
Other Comprehensive Income																							
Transferred to Statutory Reserve																							
Additions																							
Goodwill and Contingent receivables on account of acquisition of Subsidiary																							
Pre Acquisition on account of acquisition of Subsidiary																							
Adjustment on account of NCI																							
Deletions																							
<b>Balance as at March 31, 2022</b>	4,367.37	899.59	899.59	9.52	8.70	18,544.94	4,170.22	-	-	12,365.83	-	-	-	-	-	-	-	-	-	-	-	-	

The notes referred to above are an integral part of the consolidated financial statements 1- 64

As per our report of even date attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration Number : 117366W/W-100018

**Sd/-**  
**G. K. Subramaniam**  
Partner  
Membership Number : 109839  
Place : Mumbai  
Date : May 24, 2022

**For and on behalf of the Board of Directors**  
Choice International Limited  
CIN-L67190MH1993PLC071117

**Sd/-**  
**Kamal Poddar**  
Managing Director  
DIN: 01518700  
**Sd/-**  
**Manoj Singhania**  
Chief Financial Officer  
Place : Mumbai  
Date : May 24, 2022

**Sd/-**  
**Ajay Kejriwal**  
Director  
DIN: 03051841  
**Sd/-**  
**Karishma Shah**  
Company Secretary  
Place : Mumbai  
Date : May 24, 2022

# Notes to Consolidated Financial Statements 2021-2022





## Choice International Limited Notes to the Consolidated Financial Statements

### 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 Sunil Patodia Tower, J.B. Nagar, Andheri (East), Mumbai 400099.

The Holding Company's shares are listed on the Bombay Stock Exchange (BSE).

The board of directors approved the consolidated financial statements for the year ended 31 March 2022 and authorized for issue on 24 May 2022.

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 provides 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.

The accounting policies are applied consistently to all the periods presented in the financial statements.

##### New and Amended Standards adopted by the Company

No new standards as notified by Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules are effective for the current year.

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments; Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

There is no impact on the Group due to the application of the above amendments.

##### New amendments issued but not effective:

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

##### ii. Functional and presentation current.

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 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 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 remeasurement 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.





Particulars	(Rs.in lakhs)											
	Freehold Land	Office Premises	Water Pumps & Bore well	Computer Hardwares	Server & Networks	Electric Installation	Furniture & Fixtures	Solar Plant	Motor Car	Motor Cycle	Office Equipments	Total
<b>Gross carrying amount as at April 01, 2020</b>	4,330.00	2,823.79	1.75	764.01	277.57	38.35	429.11	14.05	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
Less- on account of sale of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	4,330.00	2,823.79	1.75	782.99	376.33	38.35	429.11	14.05	142.13	1.25	424.34	9,364.09
Additions / Transfer	-	-	-	302.68	42.32	-	11.30	-	95.03	-	49.87	501.20
Disposals	-	-	-	0.09	-	-	-	-	-	-	-	0.09
Less- on account of sale of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	4,330.00	2,823.79	1.75	1,085.57	418.65	38.35	440.42	14.05	237.16	1.25	474.21	9,865.20
<b>Accumulated depreciation as at April 01, 2020</b>	-	391.07	1.35	715.13	137.92	30.30	350.82	1.56	121.85	0.65	328.57	2,079.22
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	48.13
Less- on account of sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	435.72	1.68	746.29	186.51	34.34	372.06	2.09	96.93	0.77	363.48	2,239.87
Depreciation charge during the year	-	44.66	(0.01)	41.30	62.31	2.08	16.68	0.53	19.11	0.12	24.62	211.40
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	-	-	-	-
Add: on account of purchase of subsidiary	-	-	-	119.78	13.61	-	2.52	-	-	-	17.77	153.68
Less- on account of sale of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	480.38	1.67	907.37	262.43	36.42	391.26	2.62	116.04	0.89	405.88	2,604.95
<b>Net carrying amount as at March 31, 2022</b>	4,330.00	2,343.41	0.08	178.20	156.22	1.93	49.16	11.44	121.12	0.36	68.33	7,260.25
<b>Net carrying amount as at March 31, 2021</b>	4,330.00	2,388.05	0.07	36.69	189.82	4.01	57.05	11.97	45.21	0.48	60.86	7,124.23

**Property, Plant and Equipments pledged/ mortgaged as security**

Office Building of the Group of Rs. 2147.77 lakhs is mortgaged 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 Premises worth Rs. 269.85 lakhs is mortgaged against loan taken for it from ICICI Bank.

**Choice International Limited  
Notes to the Consolidated Financial Statements**



**Note 4 : Investment Property**

(Rs.in lakhs)

Particulars	Investment in Land	Total
<b>Gross Carrying Amount as at April 01, 2020</b>	120.00	120.00
Additions	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	120.00	120.00
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	120.00	120.00
<b>Accumulated amortisation and impairment</b>		
<b>As at March 31, 2020</b>	-	-
Amortisation charge during the year	-	-
Disposals	-	-
<b>As at March 31, 2021</b>	-	-
Amortisation charge during the year	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	-	-
<b>Net carrying amount as at March 31, 2022</b>	120.00	120.00
<b>Net carrying amount as at March 31, 2021</b>	120.00	120.00

**Fair Value**

As at March 31, 2022 and March 31, 2021, the fair value of property is Rs. 116.70 lakhs- and Rs. 111.20 lakhs respectively. Fair value of property taken from District Level Committee Rate issued by the Government of Rajasthan on <http://epanjiyan.nic.in/>.

**Note 5 : Intangible Assets**

(Rs.in lakhs)

Particulars	Computer Software	Trademark	Customer list	Intangible assets under development	Goodwill	Total
<b>Gross Carrying Amount as at April 01, 2020</b>	1,754.34	0.26	-	14.36	825.00	2,593.95
Additions	-	-	-	2.64	-	2.64
Disposals	-	-	-	-	-	-
<b>As at March 31, 2021</b>	1,754.34	0.26	-	17.00	825.00	2,596.59
Additions	16.03	-	150.00	36.36	-	202.39
Disposals	-	-	-	(15.23)	-	(15.23)
<b>As at March 31, 2022</b>	1,770.37	0.26	150.00	38.13	825.00	2,783.76
<b>Accumulated amortisation and impairment</b>						
<b>As at April 01, 2020</b>	1,170.92	0.06	-	-	-	1,170.98
Amortisation charge during the year	99.93	0.03	-	-	-	99.96
Disposals	-	-	-	-	-	-
<b>As at March 31, 2021</b>	1,270.85	0.09	-	-	-	1,270.94
Amortisation charge during the year	92.72	0.03	33.49	-	-	126.24
Add: Purchase of subsidiary	2.49	-	-	-	-	2.49
Disposals	-	-	-	-	-	-
<b>As at March 31, 2022</b>	1,366.06	0.12	33.49	-	-	1,399.67
<b>Net carrying amount as at March 31, 2022</b>	404.31	0.14	116.51	38.13	825.00	1,384.09
<b>Net carrying amount as at March 31, 2021</b>	483.49	0.17	-	17.00	825.00	1,325.65



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 5 : Intangible Assets (contd.)

Intangible assets development ageing schedule for the year ended March 31, 2022 is given below

Intangible assets under development	Amount in Intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Software under Process	34.61	0.36	1.04	

Intangible assets development ageing schedule for the year ended March 31, 2021 is given below

Intangible assets under development	Amount in Intangible under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Software under Process	2.63	3.29	5.02	

### Note 6 : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investment carried at cost - Associate</b>		
2,600 Equity shares Samekit Learning Management Private Limited @ Rs. 10 each (March 31, 2021: 2600)	0.26	0.26
<b>Other Investments - Unquoted Equity Instruments</b>		
2,23,600 Equity Shares of Fly HI Financial Services Pvt Ltd of Rs. 248.21/- each fully paid (March 31, 2021: Nil) *	555.00	-
Nil Equity Shares of Gini & Jony Limited of Rs.10/- each fully paid (March 31, 2021: 400,000)**	-	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, 2021: 1,000,000)	450.00	450.00
Nil Equity Shares of GSL Securities Limited of Rs. 10/- each fully paid (March 31, 2021: 980)	-	0.04
Nil Equity shares of Lawreshwar Polymers Limited of Rs.10/- each fully paid (March 31, 2021: 22,023 )	-	5.74
<b>Total</b>	<b>1,005.26</b>	<b>661.64</b>

\* The Group has acquired 13% stake in Fly Hi Financials Services Private Limited during the year ended March 31, 2022.

\*\* The group subsequent to the year end on June 23, 2021 sold its investment in Gini & Jony Limited worth Rs. 205.60 lakhs for a consideration of Rs. 200.00 lakhs.

### Note 7 : Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	1,297.80	6.56
<b>Total</b>	<b>1,297.80</b>	<b>6.56</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 8 : Other Financial Assets- Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed Deposits*	35.00	25.00
Security deposits to stock exchange	249.75	264.25
Other Security deposits	107.82	192.86
Prepaid Rentals	1.46	0.89
Interest Accrued on Deposits	8.19	5.87
<b>Total</b>	<b>402.22</b>	<b>488.87</b>

\* The above fixed deposit receipt of Rs. 25 lakhs is under lien with ICICI Bank Limited for the purpose of Bank Guarantee. The Fixed Deposit receipt of Rs. 10 Lakhs is under lien with Bank of Baroda for the purpose of regulatory requirement as per IRDA

### Note 9 : Income Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance taxes (net of provisions)	413.38	291.42
<b>Total</b>	<b>413.38</b>	<b>291.42</b>

### Note 10 : Deferred Tax Assets - (Net)

The major components of deferred tax Assets as recognized in the financial statements are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets arising on account of timing differences in:		
MAT Credit Entitlement	59.79	16.36
Property, Plant and Equipment - Depreciation	(14.28)	(11.43)
Provision for employee benefit expenses	31.48	9.78
Provision for Standard Loan Assets	42.49	31.11
Provision for Doubtful debts	17.37	-
Impairment loss on Investment	-	47.57
Deferred Tax on Fair value of Employee benefit expenses through Other comprehensive income	1.39	(1.86)
Deferred Tax on Fair Valuation of Investments	11.48	-
Amortisation of loan as per EIR	(0.46)	(0.63)
Lease Equalisation	0.57	-
Allowance for Expected Credit Loss	6.13	7.19
Brought Forward Losses	2.73	2.73
Fair value of securities held for trade	(18.43)	-
<b>Deferred Tax Assets (net)</b>	<b>140.26</b>	<b>100.82</b>
Deferred Tax Assets routed through Profit & Loss	5.19	19.10
Deferred Tax Assets routed through Other Comprehensive Income	(3.48)	(0.25)





## Choice International Limited Notes to the Consolidated Financial Statements

### Note 11 : Other Non-Current Assets

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Security deposits to stock exchange	277.25	-
Other Security deposits	15.90	-
Prepaid Rent	-	2.18
Prepaid Expenses	5.58	-
Fixed deposit (with Maturity of more than 12 Months)*	26.57	-
<b>Total</b>	<b>325.30</b>	<b>2.18</b>

\* The above fixed deposit receipt of Rs. 25 lakhs is under lien with HDFC Bank Limited for the purpose of base capital and additional base capital.

### Note 12 : Securities held for trade

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Securities held for trade</b>		
Shares and Securities *	2,370.34	872.30
<b>Total</b>	<b>2,370.34</b>	<b>872.30</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	As at
	March 31, 2022	March 31, 2021
<b>Secured</b>		
Considered Good	6,306.54	6,464.68
<b>Unsecured</b>		
Considered Good	1,852.99	1,148.39
Considered Doubtful	195.11	126.71
Less: Allowances for impairment losses	(195.11)	(126.71)
<b>Total</b>	<b>8,159.53</b>	<b>7,613.07</b>

### Trade Receivables ageing schedule as on March 31, 2022 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction					Total
	Less Than 6 Months	6 months to 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables- Considered Good	6,058.60	29.58	218.36	-	-	6,306.54
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Undisputed Trade Receivables- Unsecured Considered Good	1,661.60	127.94	51.59	2.41	9.45	1,852.99
Undisputed Trade Receivables- Unsecured Considered Doubtful	55.22	15.90	77.52	11.11	35.36	195.11
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-

## Choice International Limited Notes to the Consolidated Financial Statements

Trade Receivables ageing schedule as on March 31, 2021 is as follows (Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction					Total
	Less Than 6 Months	6 months to 1 year	1-2 years	2-3 years	More Than 3 years	
Undisputed Trade Receivables- Considered Good	6,239.45	150.79	74.44	-	-	6,464.68
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Undisputed Trade Receivables- Unsecured Considered Good	834.67	302.33	8.34	0.65	2.40	1,148.39
Undisputed Trade Receivables- Unsecured Considered Doubtful	22.99	2.41	46.17	36.51	18.63	126.71
Disputed Trade Receivables- Considered Good	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-

### Note 14 : Investments- Current

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Investment in Mutual Funds</b>		
Aditya Birla Sun Life Corporate Bond Fund - Growth	24.78	-
Aditya Birla Sun Life Liquid Fund	27.00	-
<b>Total</b>	<b>51.78</b>	<b>-</b>

### Note 15 : Cash and Cash Equivalents

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balances with Banks :		
- In Current Accounts	2,558.84	3,022.15
Cash on Hand	2.35	1.53
Prepaid Card	0.68	1.42
<b>Total</b>	<b>2,561.87</b>	<b>3,025.09</b>

### Note 16 : Bank Balances Other than (Note 15) Above

(Rs. In lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balances with Banks :		
- In Earmarked Accounts	1.72	7.44
Fixed Deposits (Lien)	11,336.96	1,785.05
<b>Total</b>	<b>11,338.68</b>	<b>1,792.49</b>

\* The 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).



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 17 : Loans- Current

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured, considered good</b>		
Loan against shares & Securities	5.13	729.47
Loan against property	2,210.02	2,484.91
Loan to related party against property	-	576.06
<b>Unsecured, considered good</b>		
Advances to Suppliers	2.56	-
Advances to Employees	140.67	54.55
Loans to related parties	0.14	293.21
Loan Given to Others-		
- Business	20,501.55	9,814.09
- MSME	2,294.13	2,325.17
- Personal	2,586.72	2,940.69
- Others	4,777.10	5,558.92
Allowance for Credit loss	(168.84)	(123.61)
<b>Total</b>	<b>32,349.18</b>	<b>24,653.46</b>

Details of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013)-

(Rs. In lakhs)

Type of Borrower	As at March 31, 2022		As at March 31, 2021	
	Amount of Loan in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of Loan in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
<b>Amount Repayable on Demand-</b>				
Other Related Party	0.14	0.00%	293.21	1.19%

### Note 18 : Other Financial Assets- Current

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Carried at amortised cost</b>		
Security Deposits	132.64	85.47
Rent deposit	60.31	-
Accrued Income	8.65	260.03
Other Receivables	136.98	-
Receivable from Exchange	177.23	1,248.12
Unbilled Revenue	38.04	193.22
Margin Money	25,536.96	15,230.50
Retention money receivables	10.23	10.23
<b>Total</b>	<b>26,101.04</b>	<b>17,027.57</b>

## Choice International Limited Notes to the Consolidated Financial Statements



### Note 19 : Other Current Assets

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities:		
- Goods & Service Tax Receivable	72.90	69.67
Advance to Vendors	113.04	99.17
Prepaid Expenses	188.82	178.49
Other Advances	1,131.62	106.09
Interest accrued on margin deposit	789.45	-
Advance for Business purchase	75.00	-
<b>Total</b>	<b>2,370.83</b>	<b>453.42</b>

### Note 20 : Equity Share Capital

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised :</b>		
5,01,00,000 (March 31, 2021: 4,01,00,000) Equity shares of Rs. 10 each*	5,010.00	4,010.00
	<b>5,010.00</b>	<b>4,010.00</b>
<b>Issued, Subscribed and Paid-up</b>		
4,97,56,000 (March 31, 2021: 2,85,68,273) Equity shares of Rs. 10 each fully paid up	4,975.60	2,856.83
<b>Total</b>	<b>4,975.60</b>	<b>2,856.83</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.

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.

#### (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, 2022 Number of shares (in lakhs)	As at March 31, 2021 Number of shares (in lakhs)
Balance as at the Beginning of the year	285.68	200.05
Add: Shares issued during the year	211.88	85.63
<b>Balance as at the end of the year</b>	<b>497.56</b>	<b>285.68</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Equity Shares Shares held by	As at March 31, 2022		As at March 31, 2021	
	Number of Shares (in lakhs)	% of holding	Number of Shares (in lakhs)	% of holding
Kamal Poddar	40.00	8.04%	25.00	8.75%
Arun Kumar Poddar	40.50	8.14%	21.00	7.35%
Vinita Sunil Patodia	36.13	7.26%	16.13	5.64%
Archana Anil Patodia	15.75	3.17%	15.75	5.51%
Sonu Poddar	20.00	4.02%	20.00	7.00%
Sunil Kumar Patodia	25.89	5.20%	25.89	9.06%
Hemlata Poddar	20.00	4.02%	20.00	7.00%
Genesis Grand General Trading LLC	35.71	7.18%		
Madhusudan Murlidhar Kela	60.00	12.06%		

### (d) Details of Promoters shareholding

Name of the Promoter	As at March 31, 2022		% Change During the year **	As at March 31, 2021	
	Number of Shares (in lakhs)	% of holding		Number of Shares (in lakhs)	% of holding
Arun Kumar Poddar	40.50	8.14%	0.79%	21.00	7.35%
Kamal Poddar	40.00	8.04%	-0.71%	25.00	8.75%
Vinita Patodia	36.13	7.26%	1.62%	16.13	5.64%
Sunil Kumar Patodia	25.89	5.20%	-3.86%	25.89	9.06%
Suyash Sunil Patodia	23.00	4.62%	3.57%	3.00	1.05%
Hemlata Kamal Poddar	20.00	4.02%	-2.98%	20.00	7.00%
Sonu Poddar	20.00	4.02%	-2.98%	20.00	7.00%
Archana Anil Patodia	15.75	3.17%	-2.35%	15.75	5.51%
Anil C Patodia	11.00	2.21%	-1.64%	11.00	3.85%
Aastha Anil Patodia	3.00	0.60%	-0.45%	3.00	1.05%
Aayush Anil Patodia	3.00	0.60%	-0.45%	3.00	1.05%
Anil Chothmal Patodia HUF	3.00	0.60%	-0.45%	3.00	1.05%
Sunil Chothmal Patodia HUF	3.00	0.60%	-0.45%	3.00	1.05%
Arun Kumar Poddar HUF	2.25	0.45%	-0.34%	2.25	0.79%
Kamal Poddar HUF	2.25	0.45%	-0.34%	2.25	0.79%
Shreya Patodia	1.24	0.25%	-0.18%	1.24	0.43%
Shree Shakambhari Exims Private Limited	6.00	1.21%	-0.89%	6.00	2.10%

\* The Company has increased its authorised share capital from Rs.401.00 lakhs to Rs.501.00 lakhs in pursuant to Right issue.

\*\* Shareholding of promoters changed from March 31, 2021 to March 31, 2022 occurred due to change in share holding and it is also affected due to issue of new shares during the year.

### (e) Disclosure statement of Right issue of shares

During the year, the Company has issued 9,951,200 shares of Rs. 10 each at a premium of Rs. 41 per share.

### (f) Disclosure statement of Preferential allotment

During the year ended March 31, 2022, the company has converted 11,236,527 warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants. During the previous year ended March 31, 2021, the company has converted 8,563,473 warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants.



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 20 (a) : Other Equity

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Share Application Money Pending Allotment	-	1,432.65
Statutory Reserve	899.59	582.91
Capital Reserve	8.70	8.70
Security Premium Reserve	18,544.94	9,903.19
Revaluation Reserve	4,170.22	4,170.22
Retained Earnings	12,365.83	7,309.72
Other Comprehensive Income	22.65	29.50
Lease Equalisation Reserve	2.22	-
General Reserve	9.52	9.52
<b>Total</b>	<b>36,023.67</b>	<b>23,446.41</b>

#### (i) Share Application Money Pending Allotment:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	1,432.65	2,524.50
Add : Additions during the year	4,297.98	3,275.52
Less : Warrants converted during the year	(5,730.63)	(4,367.37)
<b>Balance as at the end of the year</b>	<b>-</b>	<b>1,432.65</b>

#### (ii) Statutory Reserve:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	582.91	418.57
Add : Additions during the year	316.68	164.34
<b>Balance as at the end of the year</b>	<b>899.59</b>	<b>582.91</b>

It is created as per the terms of Section 45 IC (I) of Reserve Bank of India, 1934 as Statutory Reserves.

#### (iii) Capital Reserve:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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.



## Choice International Limited Notes to the Consolidated Financial Statements

### (iv) Securities Premium Reserve:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	9,903.19	6,392.17
Add : Additions during the year	8,686.97	3,511.02
Less: Right issue expenditure	45.23	-
<b>Balance as at the end of the year</b>	<b>18,544.93</b>	<b>9,903.19</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.

### (v) Revaluation Reserve:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
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, 2022	As at March 31, 2021
Balance as at the beginning of the year	7,309.72	5,803.06
Add: Profit for the year	5,360.45	1,671.00
(Less): Transferred to Statutory Reserve	(316.68)	(164.34)
Add: Reversal of Loss due to acquisition of ESL	233.77	-
Add: pre acquisition reserve of subsidiaries	(248.16)	-
(Less): Adjustment on account of NCI	26.73	-
<b>Balance as at the end of the year</b>	<b>12,365.83</b>	<b>7,309.72</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, 2022	As at March 31, 2021
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.

## Choice International Limited Notes to the Consolidated Financial Statements

### (viii) Other Comprehensive Income:

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year	29.50	(6.88)
Add : Additions during the year	(4.05)	36.38
Add : On account of merger	(2.80)	-
<b>Balance as at the end of the year</b>	<b>22.65</b>	<b>29.50</b>

Other Comprehensive Income consist of measurement gains / losses on defined benefit plans, gain /(loss) of equity instruments carried through FVTOCI.

### Note 20 (b): Non Controlling Interest

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non Controlling Interest	79.87	-
	<b>79.87</b>	<b>-</b>

### Note 21 : Borrowings

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured loans</b>		
Term loan from Bank *	4,133.07	2,982.62
Less: Current maturity of long term borrowings	(481.48)	(360.77)
<b>Total</b>	<b>3,651.59</b>	<b>2,621.85</b>

\* The outstanding amount loan of Rs.2786.98 lakhs ( March 31, 2021 - Rs.2000.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly instalments ('EMI') ending in May 2029.

\* The outstanding amount loan of Rs.929.73 lakhs ( March 31, 2021 - Rs.500.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly instalments ('EMI') ending in June 2029.

\* The outstanding amount loan of Rs.168.72 lakhs ( March 31, 2021-Rs.203.33 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.4.22 lakhs (March 31, 2021- 6.33 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 Instalments ("EMI") of Rs. 21,759/-ending in December 2023.

\* The outstanding amount of loan of Rs 160.66 lakhs (PY -Rs. 179.12 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 instalments and interest, ending in August ,2028.

\* The outstanding loan amount Rs. 72.12 lakhs (P Y - Nil) has been taken from Yes Bank Limited against mortgage of the vehicle. The loan is repayable in monthly EMI of Rs. 1.62 lakhs ending on August 2026.

### Note 22 : Other Financial Liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposit	24.24	0.15
<b>Total</b>	<b>24.24</b>	<b>0.15</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 23 : Provisions

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits:		
Provision for Gratuity	299.90	224.22
Others	5.63	-
<b>Total</b>	<b>305.53</b>	<b>224.22</b>

### Note 24 : Deferred Tax Liabilities - (Net)

(Rs. In lakhs)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax (Assets)/ Liabilities arising on account of timing differences in:		
MAT Credit Entitlement	(36.03)	(37.33)
Property, Plant and Equipment - Depreciation	526.38	520.05
Provision for employee benefit expenses	(88.17)	(81.46)
Deferred Tax on Fair value of Employee benefit expenses through Other Comprehensive Income	12.08	18.25
Deferred Tax on Fair Valuation of Investments	0.83	(0.23)
Amortisation of loan as per EIR	8.46	10.72
Allowance for Expected Credit Loss	(8.50)	(21.91)
Provision for Expenses	(0.80)	-
Deferred Tax Asset on Goodwill	28.69	28.69
Deferred Tax Liability on F.V. of Inventory	63.74	21.91
Provision for Doubtful Debts	(12.58)	-
<b>Deferred Tax (Assets)/ Liabilities (net)</b>	<b>494.10</b>	<b>458.69</b>
<b>Deferred Tax Liabilities routed through Profit &amp; Loss</b>	<b>38.57</b>	<b>(385.42)</b>
<b>Deferred Tax Liabilities routed through Other Comprehensive Income</b>	<b>1.02</b>	<b>10.11</b>

### Note 25 : Other Non-current liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Franchisee deposit	418.42	241.13
<b>Total</b>	<b>418.42</b>	<b>241.13</b>

### Note 26 : Borrowings

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured Loans</b>		
Loan from Financial Institutions*	7,538.65	7,597.09
Bank Overdraft**	6,007.75	4,308.22
Debentures	-	75.00
Current Maturities of Long term debt	186.10	-
<b>Unsecured Loans</b>		
Loan taken from Related Parties	381.44	42.66
Other Loans	3,826.02	128.69
<b>Total</b>	<b>17,939.96</b>	<b>12,151.66</b>

## Choice International Limited Notes to the Consolidated Financial Statements

\* Loans taken from Financial Institutions are secured against shares & securities placed as collateral by customers, directors, relatives of director and subsidiary for tenure of 12 months.

\*\* Bank overdraft facility taken from SBM Bank and it is secured against fixed deposit of subsidiary and carries interest @ 8.10% p.a.

\*\* Bank overdraft facility was 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

\*\* The bank overdraft facility taken from Indusind Bank Limited is secured by way of hypothecation of receivables.

\*\* The bank overdraft facility taken from Axis Bank Limited is secured by way of hypothecation of current assets.

### Note 27 : Trade Payables

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade Payable</b>		
Dues to Micro Enterprises and Small Enterprises*	359.13	342.14
Other than Micro and small Enterprises	1,535.43	1,036.09
<b>Total</b>	<b>1,894.56</b>	<b>1,378.23</b>

#### (ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	359.13	342.14
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

#### Trade Payable Ageing Schedule as on March 31, 2022 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
MSME (Micro, small and Medium Enterprises)	349.47	2.05	-	7.61	359.13
Others	1,460.99	16.38	29.05	29.01	1,535.43
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-



## Choice International Limited Notes to the Consolidated Financial Statements

Trade Payable Ageing Schedule as on March 31, 2021 is as follows

(Rs. In lakhs)

Particulars	Outstanding for following periods from the date of the transaction				
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	Total
MSME (Micro, Small and Medium Enterprises)	329.46	3.09	9.59		<b>342.14</b>
Others	957.13	34.96	22.11	21.89	<b>1,036.09</b>
Disputed Dues- MSME	-	-	-	-	-
Disputed Dues- Others	-	-	-	-	-

### Note 28 : Other Financial Liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from Customers	28,944.78	19,815.35
Current Maturities of Long-Term Debt	295.38	360.78
Debentures*	75.00	-
Interest accrued but not due	29.58	13.28
<b>Total</b>	<b>29,344.74</b>	<b>20,189.41</b>

\* The Company has 15 outstanding debentures of Rs. 500,000/- per unit which were issued on private placement basis with tenor of 1161 days from the date of allotment. These are non convertible and redeemable debentures with coupon 37% and secured by way of hypothecation on receivables and current assets.

### Note 29 : Other Current Liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory Dues	625.29	300.33
Advance from Customers	5.53	250.16
Franchisee and other deposits	4.59	42.50
Other Payables	1,191.98	591.41
<b>Total</b>	<b>1,827.39</b>	<b>1,184.40</b>

### Note 30 : Provisions

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	100.15	70.57
Provision for Leave Encashment	39.66	23.60
Provision for Expenses	318.64	192.91
Provision for Tax (net of advance tax)	322.46	518.71
<b>Total</b>	<b>780.91</b>	<b>805.79</b>

## Choice International Limited Notes to the Consolidated Financial Statements



### Note 31 : Revenue from Operations

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Sale of Services	20,806.06	12,621.56
Interest income	3,940.66	2,829.11
Income from Business Support Services	184.27	190.34
Subletting Income	-	15.60
Profit on sale of Investment	-	62.92
Fair value changes of Securities held for trade	790.27	-
Delayed Payment Charges	1,053.04	842.99
Other Fees and Charges	407.50	311.83
<b>Total</b>	<b>27,181.80</b>	<b>16,874.35</b>

### Note 32 : Other Income

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on		
- Bank Deposits	222.44	11.73
- Others	1,097.45	606.80
Credit Balances Written off	1.42	19.71
Interest on Rent Deposit	0.29	53.49
Rent Received	50.40	3.40
Interest on Income Tax Refund	11.03	6.78
Gain on sale of Investments	12.36	-
Miscellaneous Income	22.16	3.18
Fair Value Gain on Investment	(3.76)	2.14
<b>Total</b>	<b>1,413.79</b>	<b>707.23</b>

### Note 33 : Operating Expenses

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Professional Fees /Sub Contract Charges	4,501.33	2,123.90
Brokerage Charges	6,017.89	-
Commission Expenses	8.22	-
Sub Brokerage	12.91	2,953.04
Fair Value loss on Securities held for trade	(65.33)	1,722.27
Loss on sale of securities held for trade	-	371.60
Computer and Software Expenses	360.78	280.58
Depository Charges	110.57	80.56
Membership and Subscription Charges	8.13	4.82
Lease Line Expenses	76.35	80.06
Exchange Charges	11.38	0.58
Other Operating Expenses	194.25	31.03
<b>Total</b>	<b>11,236.48</b>	<b>7,648.43</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 34 : Employee Benefits Expenses

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages	5,527.00	4,044.00
Contributions to Provident and Other Funds	144.67	128.51
Staff Welfare Expenses	23.37	21.29
<b>Total</b>	<b>5,695.04</b>	<b>4,193.80</b>

### Note 35 : Finance Costs

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on Borrowings from Related Parties	50.38	15.16
Interest on Borrowings from Others	461.67	6.97
Interest on Borrowings from financial Institutions	668.03	176.55
Interest on Debentures	8.72	41.45
Interest on Borrowings from Banks	230.55	837.74
Interest & Borrowings Cost on Commercial Paper	-	335.00
Other Borrowing Costs	113.77	132.88
<b>Total</b>	<b>1,533.12</b>	<b>1,545.75</b>

### Note 36 : Depreciation and Amortisation Expense

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on tangible assets (Refer Note 3)	211.40	223.34
Amortisation of intangible assets (Refer Note 4)	126.23	85.40
<b>Total</b>	<b>337.63</b>	<b>308.74</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 37 : Other Expenses

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Business Support Expenses	4.02	17.44
Bank Charges and Commission	0.89	2.73
Rent	226.90	169.90
Repairs & maintenance	134.57	80.48
Rates & taxes	88.42	54.78
Legal and professional	459.63	355.69
Insurance charges	2.61	1.72
Electricity Charges	62.60	53.96
Traveling & Conveyance expenses	238.24	76.47
Communication expenses	203.74	145.44
Canteen expenses	38.75	18.87
Computer expenses	20.41	16.44
Claim & Dispute	65.65	66.92
CSR expenses	35.55	11.81
Guesthouse Expenses	16.35	12.09
Director sitting fees	11.75	6.50
Advertisement & Business promotion expenses	461.10	83.37
Printing & Stationery	44.79	14.58
Payment to Auditors	-	-
Statutory Audit Fees	54.36	50.87
Tax Audit Fees	0.85	0.40
Other Matters	1.19	5.61
Provision on standard loan assets	45.23	63.17
Miscellaneous expenses	134.10	65.00
Loss on sale of Investment	5.60	-
Loss on sale of PPE	-	4.11
Allowances for doubtful debts	(26.89)	17.84
Bad Debts written off	40.25	200.00
Provision for Bad & Doubtful Debts	32.85	-
Provision for Security Deposit	13.50	-
Sundry Balance Written off	1.51	5.48
Donation	10.00	-
Rental Expenses	1.22	1.64
<b>Total</b>	<b>2,429.74</b>	<b>1,603.31</b>

As per Section 135 of the Companies Act, 2013, the company is mandatorily required to spend on corporate social responsibility (CSR) activities.

#### Details for CSR Expenditure :

1. Gross amount required to spend by the Company	35.55	11.81
2. Amount spend during the year	35.55	
a. Paid during the year		
b. Provision made during the year	-	
3. Shortfall at the end of the year	-	11.81
4. Nature of CSR Activities	Donation towards general donation	Donation towards general donation
5. Details of related party transaction	Lions Mumbai Choice Foundation	Lions Mumbai Choice Foundation



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 38 : Earnings Per Equity Share

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit after tax attributable to Equity Shareholders for Basic EPS	5,360.45	1,671.00
Add/Less: Adjustment relating to potential equity shares	-	-
Net profit after tax attributable to equity shareholders for Diluted EPS	5,360.45	1,671.00
Weighted average number of Equity Shares outstanding during the year		
For Basic EPS	387.29	214.69
For Diluted EPS	387.29	327.05
Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS (Rs.)	13.84	7.78
Diluted EPS (Rs.)	13.84	5.11

### 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, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	127.34	112.05
Employer's Contribution to ESIC	15.89	16.36
<b>Total</b>	<b>143.23</b>	<b>128.41</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:



## Choice International Limited Notes to the Consolidated Financial Statements

(Rs. In lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
<b>01 April 2020</b>	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>294.81</b>

(Rs. In lakhs)

Particulars	Present value of obligation	Fair value of Plan assets	Net amount
<b>01 April 2021</b>	300.29	5.48	294.81
On acquisition of Subsidiaries	36.38	0.34	36.02
Transfer In/ (Out) obligation	-	-	-
Current Service cost	79.99	-	79.99
Interest expense/(income)	20.37	2.55	17.82
<b>Total amount recognised in profit or loss</b>	<b>100.36</b>	<b>2.55</b>	<b>97.81</b>
Remeasurements			
Return on plan assets, excluding amounts included in interest expense / (income)	-	(2.13)	2.13
(Gain)/loss from change in financial assumptions	(11.99)	-	(11.99)
(Gain)/loss from change in demographic assumptions	(5.34)	-	(5.34)
Experience (gains)/losses	17.02	-	17.02
<b>Total amount recognised in other comprehensive income</b>	<b>(0.31)</b>	<b>(2.13)</b>	<b>1.81</b>
Employer contributions	-	-	-
Benefit payments	(30.70)	-	(30.70)
<b>31-Mar-22</b>	<b>406.00</b>	<b>6.24</b>	<b>399.76</b>





## Choice International Limited Notes to the Consolidated Financial Statements

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

(Rs. In Lakhs)

	March 31, 2022	March 31, 2021
Present value of funded obligations	406.00	300.29
Fair value of plan assets	6.24	5.48
<b>Deficit/(Surplus) of gratuity plan</b>	<b>399.76</b>	<b>294.81</b>

### Significant estimates- actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2022	March 31, 2021
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	
	March 31, 2022	March 31, 2021		Increase in assumption	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	Decrease by	387.75	280.07
Salary growth rate	0.50%	0.50%	Increase by	436.23	318.04
Withdrawal rate	W.R. x 110%	W.R. x 110%	Increase by	416.57	301.04

	Change in assumption			Impact on defined benefit obligation	
	March 31, 2022	March 31, 2021		Decrease in assumption	
	March 31, 2022	March 31, 2021		March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	Increase by	442.71	321.68
Salary growth rate	0.50%	0.50%	Decrease by	392.37	282.38
Withdrawal rate	W.R. x 90%	W.R. x 90%	Decrease by	410.95	298.53

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.



## Choice International Limited Notes to the Consolidated Financial Statements

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 2022 are Rs. 105.41 lakhs (as at March 31, 2021: Rs. 70.77 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 13.22 years (13.79 years 2020-21). The expected maturity analysis of undiscounted gratuity is as follows

	(Rs. In Lakhs)	
	2021-22	2020-21
Less than one year	20.22	13.79
Between 1-2 years	15.06	9.91
Between 2-5 years	66.64	43.41
Over 5 years	113.71	70.38
<b>Total</b>	<b>215.63</b>	<b>137.49</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### 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. Property, Plant and equipments that are used interchangeably amongst segments are not allocated to primary and secondary segments.

(Rs. In lakhs)

Particulars	For the year ended 31 March, 2022						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
<b>Segment Revenue</b>	3,940.66	17,418.42	6,857.18	1,014.23	1,396.74	<b>30,627.23</b>	-
Less: Inter-segment Sales / Income	19.69	248.42	-	680.01	1,083.52	<b>2,031.64</b>	-
Total Revenue External	3,920.97	17,170.00	6,857.18	334.22	313.22	<b>28,595.59</b>	-
Total revenue of each segment as a percentage of total revenue of all segments	13.71%	60.04%	23.98%	1.17%	1.10%	-	-
<b>Segment Result: Profit / (Loss) before interest and taxes</b>	2,923.49	5,097.64	541.49	(618.91)	(580.13)	<b>7,363.58</b>	-
<b>Profit before tax</b>	-	-	-	-	-	-	<b>7,363.58</b>
Less: Tax expenses	-	-	-	-	-	-	2,003.13
Net profit after tax	-	-	-	-	-	-	5,360.45
<b>Net Profit for the Year</b>	-	-	-	-	-	-	<b>5,360.45</b>
Other Comprehensive Income	-	-	-	-	-	-	(6.86)
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>5,353.59</b>

(Rs. In lakhs)

Particulars	For the year ended 31 March, 2022						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
<b>Segment Assets</b>	38,569.47	47,031.43	4,310.66	254.65	7,594.37	<b>97,760.58</b>	<b>97,760.58</b>
<b>Segment Liabilities</b>	15,259.90	32,408.13	2,405.73	217.53	3,674.42	<b>53,965.71</b>	<b>53,965.71</b>
<b>Capital Expenditure</b>	-	-	-	-	703.59	<b>703.59</b>	<b>703.59</b>
<b>Depreciation and Amortisation</b>	-	-	-	-	337.63	<b>337.63</b>	<b>337.63</b>
<b>Other Non Cash Expenses</b>							
Allowance for Credit Loss	-	6.17	(15.89)	(17.17)	-	<b>(26.89)</b>	<b>(26.89)</b>
Provision for Standard Loan Assets	45.23	-	-	-	-	<b>45.23</b>	<b>45.23</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(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)	
<b>Segment Revenue</b>	2,934.61	11,127.35	3,588.24	929.50	1,123.01	<b>19,702.71</b>	-
Less: Inter-segment Sales / Income	42.58	530.84	-	709.50	838.21	<b>2,121.13</b>	-
Total Revenue External	2,892.03	10,596.51	3,588.24	220.00	284.80	<b>17,581.58</b>	-
Total revenue of each segment as a percentage of total revenue of all segments	16.45%	60.27%	20.41%	1.25%	1.62%	-	-
<b>Segment Result: Profit / (Loss) before interest and taxes</b>	2,129.74	720.83	338.43	(614.56)	(292.89)	<b>2,281.55</b>	-
<b>Profit before tax</b>	-	-	-	-	-	-	<b>2,281.55</b>
Less: Tax expense	-	-	-	-	-	-	610.55
Net profit after tax	-	-	-	-	-	-	1,671.00
<b>Net Profit for the Year</b>	-	-	-	-	-	-	<b>1,671.00</b>
Other Comprehensive Income	-	-	-	-	-	-	36.38
<b>Total Comprehensive Income</b>	-	-	-	-	-	-	<b>1,707.38</b>

(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)	
<b>Segment Assets</b>	24,650.20	31,309.35	2,457.53	249.95	6,891.74	<b>65,558.78</b>	<b>65,558.78</b>
<b>Segment Liabilities</b>	7,804.76	24,289.97	1,377.96	467.38	5,315.47	<b>39,255.53</b>	<b>39,255.53</b>
<b>Capital Expenditure</b>	-	-	-	-	128.03	<b>128.03</b>	<b>128.03</b>
<b>Depreciation and Amortisation</b>	-	-	-	-	308.74	<b>308.74</b>	<b>308.74</b>
<b>Other Non Cash Expenses</b>							
Allowance for Credit Loss	-	2.79	(1.66)	16.71	-	<b>17.84</b>	<b>17.84</b>
Provision for Standard Loan Assets	63.17	-	-	-	-	<b>63.17</b>	<b>63.17</b>

**Choice International Limited**  
**Notes to the Consolidated Financial Statements**

**Note 41 : Statement containing salient features of the financial Statements of Subsidiaries /Associate Companies /Joint Ventures (Pursuant to section 129(3) of the Companies Act, 2013)**

**Part "A" : Subsidiaries**

S.No.	Name of the Subsidiary	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	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	11,429.30	45,740.97	33,509.89	2,562.50	15,782.58	4,337.44	1,217.58	3,119.86	5.61	3,125.47	100
2	Choice Wealth Pvt. Ltd.	NA	64.16	(70.38)	175.99	182.21	-	153.68	(15.92)	(4.61)	(11.31)	(0.14)	(11.45)	100
3	Choice Portfolio Management Services Pvt. Ltd.	NA	211.00	(83.03)	138.14	10.17	-	30.25	(89.48)	(1.43)	(88.05)	0.75	(87.31)	100
4	Choice Capital Advisors Pvt. Ltd.	NA	505.00	270.48	962.46	186.98	450.00	190.50	25.74	6.73	19.02	0.26	19.28	100
5	Choice Corporate Services Pvt. Ltd.	NA	1.00	(71.20)	29.19	99.39	-	69.26	3.95	(0.23)	4.18	0.01	4.19	100
6	Choice Techlab Solutions Pvt Ltd	NA	1.00	83.27	312.14	227.87	-	1,018.76	(0.30)	8.37	(8.67)	(6.18)	(14.85)	100
7	Choice Retail Solutions Pvt Ltd	NA	1.00	(72.00)	298.48	369.48	-	1,163.59	3.66	(0.37)	4.03	(1.08)	2.95	100
8	Choice Consultancy Services Pvt. Ltd. (Note 1)	NA	500.00	1,206.25	3,948.48	2,242.23	0.26	6,877.66	562.72	141.53	421.19	0.24	421.43	100
9	Choice Finserv Private Limited	NA	7,001.20	11,027.50	39,103.44	21,074.74	-	3,955.48	2,083.25	561.01	1,522.24	(1.06)	1,521.18	100
10	Choice Insurance Broking India Private Limited (Note 2)	NA	132.00	22.07	208.67	54.60	51.78	137.86	8.63	2.97	5.67	(3.20)	2.47	50
11	Shreyam Securities Limited (Formerly known as Escorts Securities Limited) (Note 3)	NA	1,350.00	(102.46)	3,963.24	2,715.70	-	119.47	83.56	(45.13)	128.69	0.40	129.09	100
12	Choice Housing Finance Private Limited	NA	-	-	-	-	-	-	-	-	-	-	-	100



**Choice International Limited**  
**Notes to the Consolidated Financial Statements**

Note-1 Choice Consultancy Services Private Limited includes share of Jointly Controlled Operations.  
 Note-2 During the year ended March 31, 2022, the Holding Company has acquired controlling stake in Choice Insurance Broking India Private Limited w.e.f October 29, 2021.  
 Note-3 During the year ended March 31, 2022, the Group (through one of its Subsidiaries) acquired controlling stake in Shreyam Securities Limited (formerly known "Escorts Securities Limited") w.e.f. February 14, 2022.

**Part "B" : Associate / Jointly Controlled Entities**

S. 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		Description of how there is significant influence	Reason why the associate / Joint Controlled Entity is not Consolidated	Profit/Loss for the year	
			Numbers(in lakhs)	Amount of Investment in Associate /Joint Venture (Rs.in lakhs)			Net Worth Attributable to Shareholding as per latest audited Balance Sheet (Rs. In lakhs)	(i) Considered in Consolidation (Amount in Rs.)
1	Thought Consultants Jaipur P L in JV with Choice Consultancy Services P L	March 31, 2022	-	-	50.00% Jointly Controlled Operation of CCSPL	Consolidated	11.83	0.41
2	CCSPL- I&R JV	March 31, 2022	-	-	50.00% Jointly Controlled Operation of CCSPL	Consolidated	27.67	29.62
3	Samekit Learning Management Private Limited (Formerly Known as Gravotix Technology Private Limited)	March 31, 2022	0.03	0.26	26.00% Associate of CCSPL	Consolidated	-	-





## Choice International Limited Notes to the Consolidated Financial Statements

**Note 42 : The aggregate amount of assets, liabilities, income and expenditure of the Jointly Controlled Operation included in CFS is as follows :**

Name of Entity	(Rs. In lakhs)			
	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>(i) Assets</b>				
<b>Non Current Assets</b>				
Property, Plant and Equipment	-	-	25.20	6.11
Deferred Tax Assets	0.13	0.13	-	-
Income Tax Assets	-	-	60.46	1.84
<b>Financial Assets</b>				
Loans	-	-	1.90	0.09
<b>Current Assets</b>				
(a) Financial Assets				
(i) Trade Receivables	6.67	1.67	0.80	53.17
(ii) Cash and Cash Equivalents	0.57	0.50	104.81	2.44
(iii) Bank Balance other than above(ii)	-	-	22.61	7.99
Other Current Assets	10.85	10.96	20.59	9.91
<b>(ii) Liabilities</b>				
<b>Non Current Liabilities</b>				
Deferred Tax Liabilities	-	-	1.19	0.07
<b>Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	-	-	8.50	3.65
Trade Payables	6.20	1.85	110.29	21.59
Other Current Liabilities	-	-	88.73	58.19
Provisions	0.19	-	-	-

### (b) Details of Income and Expenditure

Name of Entity	(Rs. In lakhs)			
	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>(iii) Income</b>	7.95	0.00	667.29	54.06
<b>(iv) Expenditure</b>	7.35	(1.12)	623.87	55.93



## Choice International Limited Notes to the Consolidated Financial Statements

**Note 43 : Reconciliation of Tax Expenses and the accounting profit multiplied by India's Tax Rate**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit Before Tax</b>	7,363.59	2,281.56
Enacted Income Tax Rate (%)	27.82%	27.82%
<b>Income Tax Expenses calculated at applicable income tax rate</b>	<b>2,048.55</b>	<b>634.73</b>
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Expenses that are not deductible for tax purposes	175.72	205.32
Excess tax provision made during the year	15.67	-
Deductions available under income tax	(183.55)	197.13
Impact Due to Mat	-	1.89
Impact on account of Tax Rate	(159.94)	(36.85)
Impact Due to brought forward losses	(1.72)	-
<b>Total</b>	<b>1,894.74</b>	<b>1,002.22</b>
Income Tax for Earlier Year	86.54	12.84
Income Tax Expenses recognised in Profit & Loss	1,894.74	1,002.22
Deferred tax recognised in Profit & Loss	62.03	(404.51)
<b>Total Tax Recognised in Profit &amp; Loss</b>	<b>2,043.30</b>	<b>610.55</b>
Actual Effective Income Tax Rate	27.75%	26.76%

### Note 44 : Related Party Disclosure

#### (i) Details of Related Parties -

Description of Relationship	Names of Related Parties
a. Associate Company	Samekit Learning Management Private Limited
b. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Managing Director) Arun Poddar (Executive Director wef. Feb 08, 2022) * Suyash Patodia (Executive Director wef. Feb 08, 2022) Vinita Patodia (Relative of KMP wef. Feb 08, 2022) Shreya Patodia (Relative of KMP wef. Feb 08, 2022) Hemlata Poddar (Relative of KMP) Sonu Poddar (Relative of KMP) Santosh Kumar Poddar (Relative of KMP) Manju Poddar (Relative of KMP) Meenu Poddar (Relative of KMP) Ajay Kejriwal (Executive Director) Malti Rajendra Kejriwal (Relative of Director) Babita Ajay Kejriwal (Relative of Director) Vijay Rajendra Kejriwal (Relative of Director) Manisha Dattani (Relative of KMP)



## Choice International Limited Notes to the Consolidated Financial Statements

Description of Relationship	Names of Related Parties
	Rajendrakumar Kejriwal (Relative of Director)
	Manoj Singhania (CFO)
	Shweta Chaudhary ( Relative of KMP)
	Savita Singhania (Relative of KMP)
	Murarilal Singhania ( Relative of KMP)
	Meena Singhania ( Relative of KMP)
	Karishma Shah (Company Secretary)
	Pratul Shah (Relative of KMP)
	Falguni Shah (Relative of KMP)
c. Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Kamal Poddar Hemlata Poddar Sunil Patodia Vinita Patodia Anil Patodia Archana Patodia Arun Poddar Sonu Poddar Shreya Patodia Suyash Patodia Aastha Patodia Ayush Patodia
d. Enterprises over which (b) & (c) are able to exercise significant influence	S. K. Patodia & Associates The Byke Hospitality Ltd. Hotel Relax Pvt. Ltd. Manbhari Biofuel Pvt. Ltd. S. K. Patodia Advisory Services Pvt. Ltd. Shree Shakambhari Exims Private Limited (Formerly known as Upton Infrastructure Pvt. Ltd.) Aqua Pumps Pvt. Ltd. N S Technical Consultancy Private Limited (Formerly known as Wheresmypandit.com Pvt. Ltd.) Samekit Learning Management Private Limited Motormistri.Com Private Limited Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services P L VSC Consulting Private JV with Choice Consultancy Services Private Limited Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd CCSPL- I & R JV Choice Consultancy Services JV NS Technical Consultancy (wef January 18, 2022) Choice Consultancy Services JV Mars Planning & Engineering (wef. April 19, 2022) Choice Science Eduhub LLP Choice Soft Skills Training LLP Samank Consumer Products Private Limited Samank Apparels Private Limited Choice Insurance Broking India Private Limited (up to October 28, 2021)



## Choice International Limited Notes to the Consolidated Financial Statements

Description of Relationship	Names of Related Parties
	Choice Peers International Private Limited
	Farmer's Evolvement Foundation
	Mumbai Vaish Seva Sansthan
	Blazing Star Properties Private Limited
	Anant Incense Enterprise
	De Starvings Couriers LLP
	Choice Strategic Advisors LLP
	Sunil Patodia Welfare Foundation (Formerly known as Lions Mumbai Choice Foundation)
	Lions Club of Mumbai Choice
	Rupang Properties Private Limited
	Optimo Investment Advisors Private Limited
	Maruti Nandan Colonizers Private Limited (up to October 22, 2021)
	Kanaiya Properties Private Limited (up to October 22, 2021)
	Ajay Kejriwal HUF
	Vijay Kejriwal HUF
	Anil Patodia HUF
	Sunil Patodia HUF
	Santosh Poddar HUF
	Arun Poddar HUF
	Kamal Poddar HUF

\* Mr Arun Poddar has been appointed as an Executive Director wef. February 08, 2022 , however he also falls under category of related party being relative of KMP in previous year. In the current year, he becomes KMP also.

### (ii): Details of Related Party transactions during the year ended March 31, 2022 (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 (b) & (c) are able to exercise significant influence	Total
<b>Stake Purchased in Choice Insurance Broking India Private Limited from</b>						
Kamal Poddar	-	59.40	-	-	-	<b>59.40</b>
<b>Loan Given to</b>						
Choice Strategic Advisors LLP	-	-	-	-	143.13	<b>143.13</b>
S K Patodia & Associates	-	-	-	-	484.00	<b>484.00</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	1,409.00	<b>1,409.00</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(ii): Details of Related Party transactions during the year ended March 31, 2022

(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 (b) & (c) are able to exercise significant influence	Total
<b>Loan Repayment received from</b>						
Choice Strategic Advisors LLP	-	-	-	-	143.13	<b>143.13</b>
Choice Peers International Private Limited	-	-	-	-	114.59	<b>114.59</b>
Samank Apparels Private Limited	-	-	-	-	120.16	<b>120.16</b>
S K Patodia & Associates	-	-	-	-	540.29	<b>540.29</b>
Rupang Properties Private Limited	-	-	-	-	576.06	<b>576.06</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	1,411.17	<b>1,411.17</b>
<b>Advance Given</b>						
Choice Science Eduhub LLP	-	-	-	-	0.26	<b>0.26</b>
Choice Strategic Advisors LLP	-	-	-	-	55.00	<b>55.00</b>
<b>Advance Repayment received</b>						
Choice Strategic Advisors LLP	-	-	-	-	55.00	<b>55.00</b>
<b>Loan Taken from-</b>						
Choice Strategic Advisors LLP	-	-	-	-	1,616.86	<b>1,616.86</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	3.83	<b>3.83</b>
<b>Loan Repaid-</b>						
Choice Strategic Advisors LLP	-	-	-	-	1,454.81	<b>1,454.81</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	3.83	<b>3.83</b>
<b>Revenue from Operations</b>						
<b>Income from Business Support Services</b>						
The Byke Hospitality Limited	-	-	-	-	72.00	<b>72.00</b>
S K Patodia & Associates	-	-	-	-	102.02	<b>102.02</b>
Choice Insurance Broking India Private Limited	-	-	-	-	10.25	<b>10.25</b>
<b>Other Income</b>						
<b>Rent Income</b>						
S K Patodia & Associates	-	-	-	-	15.60	<b>15.60</b>
Choice Insurance Broking India Private Limited	-	-	-	-	1.40	<b>1.40</b>
<b>Interest Income on loan</b>						
Choice Strategic Advisors LLP	-	-	-	-	1.30	<b>1.30</b>
Choice Peers International Private Limited	-	-	-	-	7.84	<b>7.84</b>
Samank Apparels Private Limited	-	-	-	-	9.50	<b>9.50</b>
Maruti Nandan	-	-	-	-	48.38	<b>48.38</b>
SK Patodia & Associates	-	-	-	-	24.43	<b>24.43</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(ii): Details of Related Party transactions during the year ended March 31, 2022

(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 (b) & (c) are able to exercise significant influence	Total
<b>Income from Professional Fees</b>						
SK Patodia & Associates	-	-	-	-	20.75	<b>20.75</b>
Choice Peers International Private Limited	-	-	-	-	0.01	<b>0.01</b>
<b>Income from Brokerage</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.23	<b>0.23</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	399.14	<b>399.14</b>
Motormistri.Com Private Limited	-	-	-	-	3.64	<b>3.64</b>
Shree Shakambhari Exims Private Limited	-	-	-	-	0.05	<b>0.05</b>
Choice Strategic Advisors LLP	-	-	-	-	0.01	<b>0.01</b>
Ajay Rajendra Kejriwal	-	0.02	-	-	-	<b>0.02</b>
Ajay R Kejriwal (HUF)	-	-	-	-	2.74	<b>2.74</b>
Malti Rajendra Kejriwal	-	-	0.01	-	-	<b>0.01</b>
Babita Ajay Kejriwal	-	-	0.02	-	-	<b>0.02</b>
Vijay Rajendra Kejriwal	-	-	0.04	-	-	<b>0.04</b>
Rajendrakumar Kejriwal	-	-	0.07	-	-	<b>0.07</b>
Harsh Kejriwal	-	-	0.01	-	-	<b>0.01</b>
Kamal Poddar	-	0.03	-	-	-	<b>0.03</b>
Kamal Poddar (HUF)	-	-	-	-	0.01	<b>0.01</b>
Arunkumar Poddar	-	0.01	-	-	-	<b>0.01</b>
Hemlata Kamal Poddar	-	-	0.02	-	-	<b>0.02</b>
Santosh Kumar Poddar	-	-	0.14	-	-	<b>0.14</b>
Manju Poddar	-	-	0.02	-	-	<b>0.02</b>
Sonu Poddar	-	-	0.15	-	-	<b>0.15</b>
Sunil Patodia	-	0.03	-	-	-	<b>0.03</b>
Shreya Patodia	-	-	0.01	-	-	<b>0.01</b>
Suyash Patodia	-	0.20	-	-	-	<b>0.20</b>
Karishma Shah	-	0.06	-	-	-	<b>0.06</b>
Falguni Shah	-	-	0.15	-	-	<b>0.15</b>
Savita Singhania	-	-	0.02	-	-	<b>0.02</b>
<b>Interest on Loan (Expenses)</b>						
Choice Strategic Advisors LLP	-	-	-	-	47.18	<b>47.18</b>
<b>Director Remuneration</b>						
Kamal Poddar	-	90.00	-	-	-	<b>90.00</b>
Suyash Patodia	-	20.11	-	-	-	<b>20.11</b>
<b>Salaries &amp; Allowances</b>						
Manoj Singhania	-	23.12	-	-	-	<b>23.12</b>
Karishma Shah	-	15.70	-	-	-	<b>15.70</b>
Ajay Kejriwal	-	36.29	-	-	-	<b>36.29</b>
Vijay Kejriwal	-	-	-	15.00	-	<b>15.00</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(ii): Details of Related Party transactions during the year ended March 31, 2022

(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 (b) & (c) are able to exercise significant influence	Total
<b>Reimbursement of Expenses</b>						
Ajay Kejriwal	-	1.84	-	-	-	<b>1.84</b>
Vijay Kejriwal	-	-	0.98	-	-	<b>0.98</b>
<b>Other Expenses</b>						
Sunil Patodia Welfare Foundation	-	-	-	-	9.50	<b>9.50</b>
S.K. Patodia & Associates	-	-	-	-	4.49	<b>4.49</b>
<b>Borrowings Current</b>						
Choice Strategic Advisors LLP	-	-	-	-	371.04	<b>371.04</b>
Arun Poddar	-	9.80	-	-	-	<b>9.80</b>
<b>Trade receivables-</b>						
The Byke Hospitality Limited	-	-	-	-	7.34	<b>7.34</b>
S K Patodia & Associates	-	-	-	-	11.74	<b>11.74</b>
Kamal Poddar HUF	-	-	-	-	0.01	<b>0.01</b>
Arunkumar Poddar	-	0.01	-	-	-	<b>0.01</b>
Shreya Patodia	-	-	0.04	-	-	<b>0.04</b>
Sonu Poddar	-	-	0.15	-	-	<b>0.15</b>
Shree Shakambhari Exims Private Limited	-	-	-	-	0.07	<b>0.07</b>
<b>Trade Payables</b>						
Motormistri.Com Private Limited	-	-	-	-	16.33	<b>16.33</b>
Ajay Kejriwal HUF	-	-	-	-	3.88	<b>3.88</b>
Kamal Poddar	-	3.29	-	-	-	<b>3.29</b>
Manju Poddar	-	-	0.27	-	-	<b>0.27</b>
Suyash Patodia	-	4.32	-	-	-	<b>4.32</b>
Falguni Shah	-	-	0.26	-	-	<b>0.26</b>
Karishma Shah	-	0.78	-	-	-	<b>0.78</b>
<b>Other Current Assets</b>						
<b>Advance to trade Payable</b>						
Choice Science Eduhub LLP	-	-	-	-	0.26	<b>0.26</b>
<b>Non Current Investments</b>						
Samekit Learning Management Private Limited (Formerly known as Gravitix Technology Private Limited)	-	-	-	-	0.26	<b>0.26</b>
The Byke Hospitality Limited	-	-	-	-	450.00	<b>450.00</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(iii): Details of Related Party transactions during 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 (b) & (c) are able to exercise significant influence	Total
<b>Loan Given to</b>						
Choice Peers International Private Limited	-	-	-	-	114.59	<b>114.59</b>
Samank Apparels Private Limited	-	-	-	-	12.00	<b>12.00</b>
S K Patodia & Associates	-	-	-	-	208.00	<b>208.00</b>
Rupang Properties Private Limited	-	-	-	-	208.89	<b>208.89</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	52.65	<b>52.65</b>
<b>Loan Repayment received from</b>						
Choice Peers International Private Limited	-	-	-	-	9.82	<b>9.82</b>
S K Patodia & Associates	-	-	-	-	534.41	<b>534.41</b>
Rupang Properties Private Limited	-	-	-	-	60.44	<b>60.44</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	50.48	<b>50.48</b>
<b>Loan Taken from-</b>						
Kamal Poddar	-	30.00	-	-	-	<b>30.00</b>
Choice Insurance Broking India Private Limited	-	-	-	-	15.48	<b>15.48</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	796.60	<b>796.60</b>
<b>Loan Repaid-</b>						
Kamal Poddar	-	135.00	-	-	-	<b>135.00</b>
Choice Insurance Broking India Private Limited	-	-	-	-	11.00	<b>11.00</b>
Choice Peers International Private Limited	-	-	-	-	11.59	<b>11.59</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	796.60	<b>796.60</b>
<b>Revenue from Operations</b>						
<b>Income from Business Support Services-</b>						
The Byke Hospitality Limited	-	-	-	-	73.30	<b>73.30</b>
S K Patodia & Associates	-	-	-	-	109.67	<b>109.67</b>
Choice Insurance Broking India Private Limited	-	-	-	-	17.92	<b>17.92</b>
<b>Income from Subletting</b>						
S K Patodia & Associates	-	-	-	-	15.60	<b>15.60</b>
<b>Income from Professional Fees</b>						
Samank Apparels Private Limited	-	-	-	-	-	<b>-</b>
Samank Consumer Products Private Limited	-	-	-	-	0.05	<b>0.05</b>
SK Patodia & Associates	-	-	-	-	22.54	<b>22.54</b>
Choice Peers International Private Limited	-	-	-	-	0.02	<b>0.02</b>
Choice Insurance Broking India Private Limited	-	-	-	-	13.06	<b>13.06</b>



## Choice International Limited Notes to the Consolidated Financial Statements

(iii): Details of Related Party transactions during 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 (b) & (c) are able to exercise significant influence	Total
<b>Income from Brokerage</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.06	<b>0.06</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	124.78	<b>124.78</b>
Kanaiya Properties Private Limited	-	-	-	-	39.50	<b>39.50</b>
Ajay Rajendra Kejriwal	-	0.00	-	-	-	<b>0.00</b>
Ajay R Kejriwal (HUF)	-	-	-	0.06	-	<b>0.06</b>
Malti Rajendra Kejriwal	-	-	0.00	-	-	<b>0.00</b>
Babita Ajay Kejriwal	-	-	0.00	-	-	<b>0.00</b>
Vijay Rajendra Kejriwal	-	-	0.01	-	-	<b>0.01</b>
Rajendrakumar Kejriwal	-	-	0.01	-	-	<b>0.01</b>
Kamal Poddar	-	0.78	-	-	-	<b>0.78</b>
Kamal Poddar (HUF)	-	-	-	-	0.08	<b>0.08</b>
Arunkumar Poddar	-	0.00	-	-	-	<b>0.00</b>
Hemlata Kamal Poddar	-	-	0.08	-	-	<b>0.08</b>
Santosh Kumar Poddar	-	-	1.86	-	-	<b>1.86</b>
Manju Poddar	-	-	1.14	-	-	<b>1.14</b>
Pushpa P Parmanandka	-	-	0.00	-	-	<b>0.00</b>
Meenu Poddar	-	-	1.63	-	-	<b>1.63</b>
Sunil Patodia	-	-	-	0.00	-	<b>0.00</b>
Sunil Patodia HUF	-	-	-	-	0.01	<b>0.01</b>
Vinita Patodia	-	-	-	0.00	-	<b>0.00</b>
Anil Patodia	-	-	-	0.00	-	<b>0.00</b>
Anil Patodia HUF	-	-	-	-	0.00	<b>0.00</b>
Archana Patodia	-	-	-	0.00	-	<b>0.00</b>
Shreya Patodia	-	-	0.02	-	-	<b>0.02</b>
Suyash Patodia	-	-	0.00	-	-	<b>0.00</b>
Aastha Patodia	-	-	-	0.01	-	<b>0.01</b>
Karishma Shah	-	0.02	-	-	-	<b>0.02</b>
Savita Singhania	-	-	0.03	-	-	<b>0.03</b>
<b>Interest on Loan (Income)</b>						
Choice Peers International Private Limited	-	-	-	-	5.42	<b>5.42</b>
Samank Apparels Private Limited	-	-	-	-	12.98	<b>12.98</b>
S K Patodia & Associates	-	-	-	-	34.96	<b>34.96</b>
Rupang Properties Private Limited	-	-	-	-	80.11	<b>80.11</b>

## Choice International Limited Notes to the Consolidated Financial Statements

(iii): Details of Related Party transactions during 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 (b) & (c) are able to exercise significant influence	Total
<b>Interest on Loan (Expenses)</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	3.22	<b>3.22</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	11.91	<b>11.91</b>
<b>Director Remuneration</b>						
Kamal Poddar	-	60.00	-	-	-	<b>60.00</b>
<b>Salaries &amp; Allowances</b>						
Manoj Singhania	-	17.40	-	-	-	<b>17.40</b>
Karishma Shah	-	12.00	-	-	-	<b>12.00</b>
Ajay Kejriwal	-	21.00	-	-	-	<b>21.00</b>
Vijay Kejriwal	-	-	10.20	-	-	<b>10.20</b>
<b>Other Expenses</b>						
Samank Consumer Products Private Limited	-	-	-	-	0.89	<b>0.89</b>
<b>Current Financial Assets- Loan</b>						
Samank Apparels Private Limited	-	-	-	-	120.16	<b>120.16</b>
S K Patodia & Associates	-	-	-	-	56.29	<b>56.29</b>
Rupang Properties Private Limited	-	-	-	-	576.06	<b>576.06</b>
Choice Peers International Private Limited	-	-	-	-	114.59	<b>114.59</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	2.17	<b>2.17</b>
<b>Borrowings Current</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	32.86	<b>32.86</b>
Arun Poddar	-	9.80	-	-	-	<b>9.80</b>
<b>Trade receivables-</b>						
The Byke Hospitality Limited	-	-	-	-	9.03	<b>9.03</b>
S K Patodia & Associates	-	-	-	-	33.25	<b>33.25</b>
Choice Insurance Broking India Private Limited	-	-	-	-	16.21	<b>16.21</b>
Hemlata Kamal Poddar	-	-	1.97	-	-	<b>1.97</b>
Meenu Poddar	-	-	0.00	-	-	<b>0.00</b>
Manju Poddar	-	-	8.91	-	-	<b>8.91</b>
Kamal Poddar	-	2.50	-	-	-	<b>2.50</b>
Kamal Poddar HUF	-	-	-	-	1.97	<b>1.97</b>
Maruti Nandan Colonizers Private Limited	-	-	-	-	59.10	<b>59.10</b>
Sunil Patodia	-	-	-	0.00	-	<b>0.00</b>
Vinita Patodia	-	-	-	0.00	-	<b>0.00</b>
Anil Patodia huf	-	-	-	-	0.02	<b>0.02</b>
Archana Patodia	-	-	-	0.02	-	<b>0.02</b>
Shreya Patodia	-	-	-	0.03	-	<b>0.03</b>





## Choice International Limited Notes to the Consolidated Financial Statements

(iii): Details of Related Party transactions during 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 (b) & (c) are able to exercise significant influence	Total
<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	-	-	-	0.79
S K Patodia & Associates	-	-	-	-	0.59	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
<b>Other Current Liabilities</b>						
Choice Insurance Broking India Private Limited	-	-	-	-	0.08	0.08
<b>Other Current Assets</b>						
Advance to trade Payable	-	-	-	-	-	-
Kamal Poddar	-	0.32	-	-	-	0.32
SK Patodia & Associates	-	-	-	-	1.82	1.82
<b>Non Current Investments</b>						
Samekit Learning Management Private Limited (Formerly known as Grivotix Technology Private Limited)	-	-	-	-	0.26	0.26
The Byke Hospitality Limited	-	-	-	-	450.00	450.00



## Choice International Limited Notes to the Consolidated Financial Statements

### 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, 2022			As at March 31, 2021		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Securities held for Trade	12	2,370.34	-	2,370.34	872.30	-	872.30
Trade Receivables	14	8,159.53	-	8,159.53	7,613.07	-	7,613.07
Loans	17	32,349.18	-	32,349.18	24,653.46	-	24,653.46
Other Financial Assets	18	26,101.04	-	26,101.04	17,027.57	-	17,027.57
Other Current Assets	19	2,370.83	-	2,370.83	453.42	-	453.42

(b) Current Liabilities expected to be paid/adjusted within twelve months and after twelve months from the reporting date:

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2022			As at March 31, 2021		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Borrowings	26	17,939.96	-	17,939.96	1,378.22	-	1,378.22
Trade Payables	27	1,894.56	-	1,894.56	12,151.66	-	12,151.66
Other Financial Liabilities	28	29,344.74	-	29,344.74	20,189.41	-	20,189.41
Other Current Liabilities	29	1,827.39	-	1,827.39	1,184.40	-	1,184.40

(c) Fair Value hierarchy of financial assets and liabilities measured at Fair Value:

(Rs. In lakhs)

Particulars	Note No.	As at March 31, 2022				As at March 31, 2021			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Investments (Other Than Subsidiaries and Associates)	6	-	1,005.00	-	1,005.00	5.78	655.60	-	661.38
Loans- Non Current	7	-	-	-	-	-	-	-	6.56
Other Financial Assets-Non Current	8	-	-	-	402.22	-	-	-	488.87
Securities held for trade	12	2,370.34	-	-	2,370.34	872.30	-	-	872.30
Trade Receivables	14	-	-	-	8,159.53	-	-	-	7,613.07
Loans- Current	17	-	-	-	32,349.18	-	-	-	24,653.46
Other Financial Assets- Current	18	-	-	-	26,101.04	-	-	-	17,027.57
<b>Financial Liabilities</b>									
Borrowings- Non Current	21	-	-	-	3,651.59	-	-	-	2,621.85
Other Non Current Financial Liabilities	22	-	-	-	24.24	-	-	-	0.15
Borrowings- Current	26	-	-	-	17,939.96	-	-	-	1,378.22
Trade Payable	27	-	-	-	1,894.56	-	-	-	12,151.66
Other Current Financial Liabilities	28	-	-	-	29,344.74	-	-	-	20,189.41



## Choice International Limited Notes to the Consolidated Financial Statements

### (d) Quantitative Disclosures of carrying value / fair Value measurement hierarchy for assets and liabilities:

Particulars	As at March 31, 2022				As at March 31, 2021			
	Date of Valuation	Total	Quoted	Significant	Date of Valuation	Total	Quoted	Significant
			Price in Active Market (Level 1)	Observable inputs (Level 2)			Price in Active Market (Level 1)	Observable inputs (Level 2)
<b>Financial Assets measured at Fair Value through Profit and Loss</b>								
Non Current								
Investment in Equity Shares of Other Companies	3/31/2022	-	-	-	3/31/2021	5.78	5.78	-
Current								
Securities Held for Trade	3/31/2022	2,370.34	2,370.34	-	3/31/2021	872.30	872.30	-
<b>Financial Assets measured at Fair Value through Other Comprehensive Income</b>								
Non Current								
Investment in Equity Shares of Other Companies	3/31/2022	450.00	-	450.00	3/31/2021	450.00	-	450.00
Investment in Equity Shares of Other Companies	3/31/2022	-	-	-	3/31/2021	205.60	-	205.60
<b>Financial Assets at Amortised Cost</b>								
Non Current								
Investment in Equity Shares of Other Companies	3/31/2022	555.00	-	-	3/31/2021	-	-	-
Investment in Associates	3/31/2022	0.26	-	-	3/31/2021	0.26	-	-
Loans	3/31/2022	1,297.80	-	-	3/31/2021	6.56	-	-
Other Financial Assets	3/31/2022	402.22	-	-	3/31/2021	488.87	-	-
Current								
Trade Receivables	3/31/2022	8,159.53	-	-	3/31/2021	7,613.07	-	-
Loans	3/31/2022	32,349.18	-	-	3/31/2021	24,653.46	-	-
Other Financial Assets	3/31/2022	26,101.04	-	-	3/31/2021	17,027.57	-	-

## Choice International Limited Notes to the Consolidated Financial Statements

### Note 46 : Ratios

The Ratios for the year ended March 31, 2022 and March 31, 2021 are as follows:

Particulars	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	Variance (in %)
Current Ratio	Current Assets	Current Liabilities	1.65	1.55	6.10%
Debt Equity Ratio	Total Debt (Short Term and Long Term)	Shareholder's Fund	0.53	0.56	-6.24%
Debt Service Coverage Ratio <sup>1</sup>	Earnings Before Interest, tax and depreciation	Total Debt (Short Term and Long Term)	0.43	0.28	52.76%
Return on Equity <sup>2</sup>	Net Profit After tax	Shareholder's Fund	0.13	0.06	105.41%
Trade Receivable Turnover Ratio <sup>3</sup>	Revenue	Average Trade Receivables	3.45	2.02	70.73%
Trade Payable Turnover Ratio	Purchase of Service and Other Expenses	Average Trade Payables	1.48	1.53	-2.71%
Net Capital Turnover Ratio	Revenue	Working Capital	0.81	0.86	-5.18%
Net Profit Ratio <sup>5</sup>	Net Profit After tax	Revenue	0.27	0.14	100.36%
Return on Capital Employed <sup>6</sup>	Earnings Before Interest and taxes	Capital Employed (Total Assets- Current Liabilities)	0.19	0.13	50.93%
Inventory Turnover Ratio <sup>7</sup>	Net Sales	Average Inventories	0.70	0.20	249.60%
Return on Investment	No returns have been earned on investment hence It is not applicable to the Company				

(1) There is an Increase in EBITD and Increase in debt position in current year which has contributed in debt service coverage ratio.

(2) Increase in Profitability in current year has improved the return on equity ratio for current year.

(3) Speedy recovery of trade receivables gives favourable ratio as compared to previous year.

(4) There is an increase in Net profit in comparison with the previous year, which gives better ratio for the current year.

(5) Increase in EBIT and increase in Capital Employed has an impact on current year's ratio.

(6) There is a increase in inventory turnover ratio in the current year is on account of addition of subsidiary during the current year.

### Note 47 : 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, 2022	As at March 31, 2021
<b>Non-Current Financial Assets</b>		
Loans	1,297.80	6.56
Other Financial Assets	402.22	488.87
<b>Current Financial Assets</b>		
Trade receivables	8,159.53	7,613.07
Cash and Cash Equivalents	2,561.87	3,025.09
Other bank balances	11,338.68	1,792.49
Loans	32,349.18	24,653.46
Others	26,101.04	17,027.57
<b>Total</b>	<b>82,210.32</b>	<b>54,607.12</b>

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



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 48 : 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, 2022	As at March 31, 2021
<b>Non-Current Financial Liabilities</b>		
Borrowings	3,651.59	2,621.85
Other Financial Liabilities	24.24	0.15
<b>Current Financial Liabilities</b>		
Borrowings	17,939.96	12,151.66
Trade Payable	1,894.56	1,378.22
Other Financial Liabilities	29,344.74	20,189.41
<b>Total</b>	<b>52,855.09</b>	<b>36,341.29</b>

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

### Note 49 : 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, 2022	As at March 31, 2021
<b>Non Current Financial Assets</b>		
Investments	-	5.78
<b>Current Financial Assets</b>		
Securities held for trade	2,370.34	872.30
<b>Total</b>	<b>2,370.34</b>	<b>878.08</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.

### Note 50 : 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, 2022	As at March 31, 2021
<b>Non Current Financial Assets</b>		
Investments	450.00	450.00
<b>Total</b>	<b>450.00</b>	<b>450.00</b>



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 51 : 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 migrate 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.

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.



## Choice International Limited Notes to the Consolidated Financial Statements

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Gross Stage 1 (DPD&lt; 30 days) Performing asset and 12 month ECL</b>	32,696.72	24,721.14
Less : Impairment loss allowance	168.84	123.61
<b>Net Stage 1 Assets</b>	<b>32,527.89</b>	<b>24,597.54</b>
ECL Provision Coverage	0.52%	0.50%
<b>Gross Stage 2 (30&gt;DPD&lt; 90 days) Under performing assets increase in credit risk and Lifetime ECL</b>	-	-
Less : Impairment loss allowance	-	-
<b>Net Stage 2 Assets</b>	-	-
ECL Provision Coverage	-	-
<b>Gross Stage 3 (DPD&gt;90) Non-performing assets credit impaired and lifetime ECL</b>	-	-
Less : Impairment loss allowance	-	-
<b>Net Stage 3 Assets</b>	-	-
ECL Provision Coverage	-	-
<b>Total Loans &amp; Advances</b>	<b>32,696.72</b>	<b>24,721.14</b>
Less : Impairment loss allowance	168.84	123.61
<b>Net Loans &amp; Advances</b>	<b>32,527.89</b>	<b>24,597.54</b>
ECL Provision Coverage	0.52%	0.50%

### 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 Group's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary Group. 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, 2022 and March 31, 2021 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, 2022 and March 31, 2021:

Particulars	(Rs.in lakhs)				
	0-1 Year	1-3 years	3-5 years	More than 5 Years	Total
<b>Year ended March 31, 2022</b>					
Secured Loans	14,010.69	1,049.70	1,213.72	1,480.37	17,754.48
Unsecured Loans	4,207.46	-	-	-	4,207.46
Trade Payables	1,894.56	-	-	-	1,894.56
Others	30,801.75	-	-	-	30,801.75



## Choice International Limited Notes to the Consolidated Financial Statements

Particulars	(Rs.in lakhs)				
	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

### 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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 Group to interest rate changes at the end of the reporting period are as under:

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Variable Rate Borrowing	15,105.30	2,805.34
Fixed Rate Borrowing	6,856.63	177.28
<b>Total</b>	<b>21,961.93</b>	<b>2,982.62</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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(Rs.in lakhs)	
	Increase/ Decrease in basis points	Effect on Profit before Tax
<b>March 31, 2022</b>	+ 1%	151.05
	- 1%	(151.05)
<b>March 31, 2021</b>	+ 1%	28.05
	- 1%	(28.05)

### 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 Group'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 Group manages its foreign currency risk by hedging the payables as an when considered necessary. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure. The Group 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.



## Choice International Limited Notes to the Consolidated Financial Statements

### 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 Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	(Rs.in lakhs)	
	Change in Foreign Exchange Rate	Effect on Profit before Tax
<b>March 31, 2022</b>	+ 5%	-
	- 5%	-
<b>March 31, 2021</b>	+ 5%	-
	- 5%	-

### Note 52 : 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.

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>A) Net Debt</b>		
Borrowings (Current and Non-Current)	21,591.55	14,773.51
Cash and cash equivalents	13,900.55	4,817.58
<b>Net Debt (A)</b>	<b>7,691.00</b>	<b>9,955.93</b>
<b>B) Equity</b>		
Equity share capital	4,975.60	2,856.83
Other Equity	36,023.67	23,446.41
<b>Total Equity (B)</b>	<b>40,999.27</b>	<b>26,303.24</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>	18.76%	37.85%



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 53 : Contingent Liabilities not Provided for

Particulars	(Rs. In lakhs)	
	As at March 31, 2022	As at March 31, 2021
Income tax demand contested by the Group *	93.52	88.03
<b>Total</b>	<b>93.52</b>	<b>88.03</b>

\*The Group does not expect any outflow of economic resources in respect of above.

### (b) Corporate Guarantee Issued to

Particulars	(Amount in Rs.)	
	As at March 31, 2022	As at March 31, 2021
Corporate guarantees issued to Banks & Financial Institutions on behalf of subsidiaries-	5,743.64	6,286.74
<b>Total</b>	<b>5,743.64</b>	<b>6,286.74</b>

\* The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is Rs. 5242.25 lakhs (March 31, 2021: Rs.5230.74 lakhs), for Choice Capital Advisors Private Limited is Rs. Nil/- (March 31, 2021: Rs. 94.32 lakhs) and for Choice Consultancy Services Private Limited is Rs. 501.39 lakhs (March 31, 2021: Rs.961.68 lakhs). However the overall sanction amount is Rs. 9,834.00/- (March 31, 2021 : Rs. 9,220.00 lakhs ).

### Note 54 : Utilisation of Borrowed Funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

### Note 55 : Undisclosed Income

There have been no transactions which have not been recorded in the books of accounts, that have been surrendered or disclosed as income during the year ended March 31,2022 and March 31, 2021, in the tax assessments under the Income Tax Act, 1961. There have been no previously unrecorded income and related assets which were to be properly recorded in the books of account during the year ended March 31, 2022.

### Note 56 : Capital and Other Commitments

Capital Commitments : Nil

### Note 57 : Disclosure relating to Benami Property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.



## Choice International Limited Notes to the Consolidated Financial Statements

### Note 58 : Wilful Defaulter

The Group has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

### Note 59 : Compliance with number of layers of Companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

### Note 60 : Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### Note 61 : Relationship with Struck off Companies

The Group has not entered in any transactions with companies struck off under section 248 of the Companies Act, 2013.

### Note 62 : Expenditure in Foreign Currency - Nil

### Note 63 : COVID Impact

The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant volatility in the financial markets and slowdown in the economic activities. Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional restrictions continued to be implemented in areas as India witnessed two more waves of the Covid-19 pandemic during the year ended 31 March 2022.

Currently, the number of new Covid-19 cases have reduced significantly and the Government of India has withdrawn most of the Covid-19 related restrictions. As at March 31, 2022, the Group holds an aggregate provision of ₹ 168.84 lakhs against the advances.

### Note 64 : Previous Years' Figures

Figures for the previous year have been regrouped/ reclassified wherever necessary to confirm the classification /disclosure adopted in the current year.

#### For and on behalf of the Board of Directors

Choice International Limited  
CIN-L67190MH1993PLC071117

Sd/-

**Kamal Poddar**

Managing Director  
DIN: 01518700

Sd/-

**Manoj Singhania**

Chief Financial Officer

Place : Mumbai

Date : May 24, 2022

Sd/-

**Ajay Kejriwal**

Director  
DIN: 03051841

Sd/-

**Karishma Shah**

Company Secretary

Place : Mumbai

Date : May 24, 2022



# The Joy of Earning

# Notice of 29th Annual General Meeting of Choice International Limited

**Choice**  
The Joy of Earning

## CHOICE INTERNATIONAL LIMITED

Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar, Andheri (East), Mumbai-400 099  
Tel No.: +91-22-6707 9999, Website: www.choiceindia.com  
Email ID: info@choiceindia.com/secretarial@choiceindia.com | CIN: L67190MH1993PLC071117

Notice is hereby given that 29th Annual General Meeting (AGM) of the Members of Choice International Limited will be held on Thursday, September 15, 2022 at 10.30 AM (IST) at The Byke Delotel, Chandavarkar Rd, Sundar Nagar, Borivali, Mumbai, 400092, 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, 2022 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, 2022 and the reports of the Auditors thereon.

#### 2. To appoint a Director in place of Mr. Ajay Rajendra Kejriwal (DIN: 03051841) who retires by rotation and, being eligible, offers himself for re-appointment.

#### 3. To appoint of Statutory Auditor of the Company & fix their Remuneration.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. M S K A & Associates (Registration No.: 105047W) be and is hereby appointed as the Statutory Auditor of the Company, to hold office until the conclusion of the 34th Annual General Meeting of the company to be held in the year 2027 at such remuneration plus taxes as applicable and reimbursement of out-of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf in place of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Registration No. 117366W/W-100018), the Retiring Statutory Auditors"

### Special Business:

#### 4. To increase the Authorised Share Capital of the Company and amendment in the Capital Clause of the Memorandum of Association of the Company.

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 13 and 61 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and in terms of applicable provisions of the Securities & Exchange Board of India (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. 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 to Rs. 1,08,00,00,000 /- (Rupees One

Hundred Eight Crores Lakhs) divided into 10,80,00,000 (Ten Crore Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each by creating additional 5,79,00,000 (Five Crore Seventy Nine Lakhs) 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. 1,08,00,00,000 /- (Rupees One Hundred Eight Crores Lakhs) divided into 10,80,00,000 (Ten Crore Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only). 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."

#### 5. To Consider and Approve the Issue of Bonus Shares.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 63 and other applicable provisions of the Companies Act, 2013 read with Companies (Share Capital & Debentures), Rules, 2014 and as per the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Foreign Exchange and Management Act, 1999, Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all other applicable provisions, Regulations and Guidelines issued from time to time by the Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and other statutory authorities and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, approval of shareholders be and is hereby accorded to capitalize a sum not exceeding Rs. 49,75,60,000 (Rupees Forty nine crores seventy five lacs sixty thousand only) out of the total sum of Rs. 185,44,93,886 /- (Rupees One hundred Eighty Five crore Forty Four lakh Ninety Three thousand Eight hundred and Eighty Six only) standing to the credit of 'Securities Premium Account' of the Company, as per the audited financial statements of the Company for the financial year ended March 31, 2022 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of equity shares not

exceeding 4,97,56,000 (Rupees Four crore ninety seven lakh fifty six thousand only) equity shares of Rs. 10/- each as fully paid up bonus shares, to the eligible members of the Company holding equity shares of Rs. 10/- each, whose names appear in the Register of Members/Beneficial Owners' position of the Company on such date ("Record Date") fixed by the Company, in the proportion of 1:1 i.e. one (1) new equity share of Rs. 10/- each for every One (1) equity share(s) of Rs. 10/- each held as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase in the nominal amount of the equity share capital of the Company held by each of such member(s) and not as income.

**RESOLVED FURTHER THAT** the new bonus equity shares of Rs.10/- each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with the fully paid-up Equity Shares of the Company as existing on the Record Date, with a right to participate in full in the dividend declared, if any, after the allotment of such shares

**RESOLVED FURTHER THAT** the allotment of the new bonus equity shares to the extent that they relate to Non-Resident members, Foreign Portfolio Investors (FPIs), and other foreign investors of the Company, shall be subject to the approval, if any, of the RBI under the Foreign Exchange Management Act, 1999 and other applicable rules/regulations/guidelines issued/amended by RBI from time to time, in this regard.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued to the allottees of newly issued Bonus shares and the new equity shares shall be credited to the respective beneficiary demat account(s) of members holding equity shares in dematerialized form and in case of members holding equity shares in physical form, the share certificate(s) in respect of the new equity shares shall be issued/dispatched, within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT** in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to make suitable arrangements to deal with such fractions for the benefit of the eligible shareholders, including but not limited to, allotting the total number of new equity shares representing such fractions to a Committee/person(s) to be appointed by the Board of Directors who would hold them in trust for such shareholders and shall, as soon as possible, sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such shareholders who are entitled to such fractions in proportion of their respective fractional entitlements.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board or any authority as may be approved by the Board) be and is hereby authorized to fix the "Record Date" for the purpose and to allot the new bonus equity shares in accordance with the Articles of Association of the Company and as per provisions of the Companies Act, 2013 and the rules made thereunder.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolutions, the Board of Directors of the Company (including any Committee duly constituted by the Board or any authority as may be approved by the Board) be

and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolutions, including to settle any question or doubt or difficulty whatsoever that may arise with regard to issue, allotment and listing of the said bonus shares and its decision shall be final and binding."

**6. To Approve of 'Choice Employee Stock Option Plan 2022' for the employees of the Company.**

**To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014, read along with the provisions of the Securities & Exchange Board of India Share Based Employee Benefits and Sweat Equity Regulations 2021 ("SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, ("FEMA") (including any statutory amendment, modification(s) or re-enactment of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or governmental authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the Members be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted Committee thereof, including the Nomination and Remuneration Committee or any other Committee which the Board may constitute/designate to act as the 'Compensation Committee' under the SEBI SBEB Regulations or their delegated authority and to exercise its powers, including the powers, conferred by this resolution), to introduce and implement the Choice Employee Stock Option Plan 2022" (the "ESOP 2022") by way of issuance of employee stock options ("Options") the salient features of which are furnished in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** consent of the Members of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are permanent employees of the Company, or the employees of subsidiary companies, whether working in India or outside India, and/or to the Directors of the Company, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board) under the ESOP 2022 but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his relatives or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, such number of employee Stock Options ("Options") not exceeding 80,00,000 (Eighty Lakhs Only) convertible into equivalent number of equity shares (or such other number adjusted for change in capital structure or corporate actions in terms of ESOP 2022 as per applicable law), at such price and on such terms and conditions as may be fixed or determined by the

Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act, SEBI SBEB Regulations, Listing Regulations, FEMA (including any statutory amendment(s), modification(s) or re-enactment(s) of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA, for the time being in force) and other rules, regulations and guidelines, if any, Memorandum and Articles of Associations of the Company, consent of the Members be and is hereby accorded to create, offer, issue and allot at any time, 80,00,000 (Eighty Lakhs Only) equity shares of Rs. 10/- (Rupees Ten) each (the "Equity Shares") (or such other number adjusted for change in capital structure or corporate actions in terms of the ESOP 2022 as per applicable law), upon exercise of Options at such price, in one or more tranches and on such terms and conditions including vesting criteria, as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** the maximum number of Equity Shares granted to Eligible Employees under the ESOP 2022 shall not exceed 80,00,000 (Eighty Lakhs Only) at such price or prices as may be determined by the Nomination and Remuneration Committee in its sole and absolute discretion. This limit as prescribed above is combined limit under ESOP 2022 for employees of own company and subsidiary company(ies) if any.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee may grant Options to Employees of own company or subsidiary(ies) if any, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant of the option.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to formulate, evolve, decide upon and implement the ESOP 2022 on the terms and conditions contained therein and stated in the explanatory statement annexed hereto including instances where such Options shall lapse and to grant such number of Options, to such employees and Directors of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP 2022 and as the Board may in its absolute discretion think fit, subject to applicable laws and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the ESOP 2022 from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, withdraw or revive the ESOP 2022, as the Board may in its absolute discretion think fit, subject to applicable laws.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other re-organisation of capital structure of the Company, as the case may be, the number of Awards and/or the Shares to be allotted upon exercise of the Awards shall be reasonably adjusted and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted options under the ESOP 2022.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company upon the exercise of Options,

shall rank pari passu in all respect including dividend with then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2022.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make any variation, amendment, modification or alteration in the ESOP 2022, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the SEBI SBEB Regulations Listing Regulations and other applicable laws unless such variation, amendment, modification or alteration is not detrimental to the interest of the eligible employees who have been granted Options under the ESOP 2022.

**RESOLVED FURTHER THAT** the board be and is hereby authorised to take necessary steps for receipt of necessary approval(s) for listing, listing, lock in and trading of the Equity Shares to be allotted under the ESOP 2022 on the Stock Exchanges, where the Equity Shares are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of the ESOP 2022, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and/or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOP Plan and to take all such steps and do all such acts as may be incidental or ancillary thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any other committee of directors, to any Key Managerial Personnel, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

**7. To Grant employee stock Options to the employees of Subsidiary Company(ies), if any of the Company under Choice Employee Stock Option Plan 2022.**

**To consider and, if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014, read along with the provisions of the SEBI Share Based Employee Benefits and Sweat Equity Regulations 2021 ("SEBI SBEB Regulations"), the Securities and



Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, ("FEMA") (including any statutory amendment, modification(s) or re-enactment of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force), the Memorandum and Articles of Association of the Company, any other rules, regulations and guidelines issued by any other regulatory or governmental authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the Members be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted Committee thereof, including the Nomination and Remuneration Committee or any other Committee which the Board may constitute/designate to act as the 'Compensation Committee' under the SEBI SBEB Regulations or their delegated authority and to exercise its powers, including the powers, conferred by this resolution), to extend the benefit of the Choice Employee Stock Option Plan 2022" (the "ESOP 2022") to or for the benefit of such person(s) who are permanent employees of subsidiary company(ies), if any, of the Company, whether working in India or outside India, and the future subsidiary companies of the Company, if any, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board) under the ESOP 2022 but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company. The salient features of which are furnished in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** consent of the Members of the Company be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, to or for the benefit of, such persons who are permanent employees of subsidiary companies, if any, of the Company, whether working in India or outside India, and the future subsidiary companies of the Company, if any, whether whole-time or not but excluding Independent Director(s), (selected on the basis of criteria decided by the Board) under the ESOP 2022 but excluding employees who are promoters or persons belonging to the promoter group and director(s) who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company, such number of employee Stock Options ("Options") not exceeding 80,00,000 (Eighty Lakhs Only) convertible into equivalent number of equity shares (or such other number adjusted for change in capital structure or corporate actions in terms of ESOP 2022 as per applicable law), at such price and on such terms and conditions as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act, SEBI SBEB Regulations, Listing Regulations, FEMA (including any statutory amendment(s), modification(s) or re-enactment(s) of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA, for the time being in force) and other rules, regulations and guidelines, if any, Memorandum and Articles of Associations of the Company, consent of the Members be and is hereby accorded to create, offer, issue and

allot at any time 80,00,000 (Eighty Lakhs Only) equity shares of Rs.10/- (Rupees Ten) each (the "Equity Shares") (or such other number adjusted for change in capital structure or corporate actions in terms of the ESOP 2022 as per applicable law), upon exercise of Options at such price, in one or more tranches and on such terms and conditions including vesting criteria, as may be fixed or determined by the Board in its sole and exclusive discretion.

**RESOLVED FURTHER THAT** the maximum number of Equity Shares granted to Eligible Employees under the ESOP 2022 shall not exceed 80,00,000 (Eighty Lakhs Only) at such price or prices as may be determined by the Nomination and Remuneration Committee in its sole and absolute discretion. This limit as prescribed above is combined limit under ESOP 2022 for employees of own company and subsidiary company(ies) if any.

**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee may grant Options to Employees of own company or subsidiary(ies) if any, during any one year, equal to or exceeding 1% of the issued capital of the company at the time of grant of the option.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to formulate, evolve, decide upon and implement the ESOP 2022 on the terms and conditions contained therein and stated in the explanatory statement annexed hereto including instances where such Options shall lapse and to grant such number of Options, to such employees and Directors of the Subsidiary Company, at par or at such other price, at such time and on such terms and conditions as set out in the ESOP 2022 and as the Board may in its absolute discretion think fit, subject to applicable laws and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in terms and conditions of the ESOP 2022 from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule, vesting conditions, withdraw or revive the ESOP 2022, as the Board may in its absolute discretion think fit, subject to applicable laws.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other re-organisation of capital structure of the Company, as the case may be, the number of Awards and/or the Shares to be allotted upon exercise of the Awards shall be reasonably adjusted and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted options under the ESOP 2022.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company upon the exercise of Options, shall rank pari passu in all respect including dividend with then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2022.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make any variation, amendment, modification or alteration in the ESOP 2022, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the SEBI SBEB Regulations Listing Regulations and other applicable laws unless such variation, amendment, modification or alteration is not detrimental to the interest of the eligible employees who have been granted Options under the ESOP 2022.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take necessary steps for receipt of necessary approval(s) for listing, listing, lock in and trading of the Equity Shares to be allotted under the ESOP 2022 on the Stock Exchanges, where the Equity Shares are listed in compliance with the provisions of the Listing Regulations and other applicable laws, rules and regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things including the appointment of or authorizing or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, merchant bankers, valuers, consultants or representatives, being incidental to the effective implementation and administration of the ESOP 2022, as it may, in its absolute discretion deem fit, for the aforesaid purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and further to execute all such deeds, documents, writings and to give such directions and/or instructions as may be necessary, proper or expedient to give effect to any modification, alteration, amendment, suspension, withdrawal or termination of ESOP Plan and to take all such steps and do all such acts as may be incidental or ancillary thereto.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any other committee of directors, to any Key Managerial Personnel, with power to further delegate such powers to any executives/officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard."

**8. To Grant Employee Stock Options equal to or more than 1% of the issued capital of the Company to the identified employees under Choice Employee Stock Option Plan 2022.**

**To consider and, if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Share Capital and Debenture) Rules, 2014, read along with the provisions of the SEBI Share Based Employee Benefits and Sweat Equity Regulations 2021 ("SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), Foreign Exchange Management Act, 1999, ("FEMA") (including any statutory amendment, modification(s) or re-enactment of the Act or the SEBI SBEB Regulations or Listing Regulations or FEMA, as the case may be, for the time being in force), the Memorandum and Articles of Association of the Company,

any other rules, regulations and guidelines issued by any other regulatory or governmental authority and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms, conditions, modifications and amendments as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Company, consent of the Members be and is hereby accorded to Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any duly constituted Committee thereof, including the Nomination and Remuneration Committee or any other Committee which the Board may constitute/designate to act as the 'Compensation Committee' under the SEBI SBEB Regulations or their delegated authority and to exercise its powers, including the powers, conferred by this resolution), to create, grant, offer, issue and allot from time to time, in one or more tranches, such number of employee stock options ("Options") during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company or subsidiary (ies) if any, subject to approval of shareholders via Special resolution for such identified employees before Grant of such options. At present no identified employee in this category.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient or desirable and also to settle any question or difficulties that may arise in such manner and the Board / such authorised person in its/his absolute discretion may deem fit and take steps which are incidental and ancillary in this connection."

**9. To Approve the Revision in Remuneration of Mr. Suyash Sunil Patodia, Joint Managing Director of the Company.**

**To consider and, if thought fit, to pass, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188, 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 Resolutions passed through Postal Ballot on April 30, 2022 and subject to the Postal Ballot Notice dated July 20, 2022 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. Suyash Sunil Patodia (DIN: 09489670), Joint Managing Director of the Company from Rs. 60,00,000 /- p.a. to Rs. 72,00,000 /- p.a. with effect from October 1, 2022 for remaining duration of his tenure, 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 Joint 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 Joint 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 Joint 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, 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 04, 2022

By Order of the Board of Directors

sd/-  
(Karishma Shah)  
Company Secretary & Compliance Officer

Registered Office:  
Sunil Patodia Tower,  
Plot No. 156-158, J.B. Nagar,  
Andheri (East),  
Mumbai - 400 099.  
Email ID: [info@choiceindia.com](mailto:info@choiceindia.com) / [secretarial@choiceindia.com](mailto:secretarial@choiceindia.com)

**Notes:**

- The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (" the Act"), concerning the Special Business in the Notice is annexed hereto and forms part of the Notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF I HERSELF AND A PROXY NEED NOT BE A MEMBER.**
- A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS A PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
- A form of proxy is enclosed herewith. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than Forty Eight hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.
- Institutional/Corporate Members (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., together with attested specimen signature(s) of the duly authorised representative(s), to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution /Authorisation shall be sent by email through its registered email address to the scrutinizer at [mmimani11@gmail.com](mailto:mmimani11@gmail.com) with a copy marked to Registrar and Share Transfer Agent [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and to the Company at [info@choiceindia.com](mailto:info@choiceindia.com)/[secretarial@choiceindia.com](mailto:secretarial@choiceindia.com)
- Members/Proxies are requested to bring duly filled attendance slips, sent herewith, to attend the Meeting and proxy holder shall prove his identity at the time of attending the meeting;
- Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged with the Company at any time during the business hours of the Company during the period beginning twenty-four (24) hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than three (3) days in writing of the intention to inspect the proxies lodged shall be required to be provided to the Company;
- The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, September 09, 2022 to Thursday, September 15, 2022 (both days inclusive).
- In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules Regulation 36(1)(a) of LODR Regulations, the Copy of the Annual Report comprising of Financial Statements, Board's Report etc. and the Notice are being sent by electronic mode, to those members who have registered their email addresses with their respective depository participants or with the Registrar and Share Transfer Agents of the Company, unless any member has requested for a physical copy of the Annual Report , you may send your request to [info@choiceindia.com](mailto:info@choiceindia.com)/[secretarial@choiceindia.com](mailto:secretarial@choiceindia.com)

mentioning your Folio/ DP & Client ID . In cases, where any member has not registered his / her e-mail address with the Company or with any Depository, the service of documents, etc. will be effected by other modes of service as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules thereunder. Those members, who desire to receive notice / financial statement / other documents through e-mail, are requested to communicate their e-mail ID and changes thereto, from time to time, to his / her Depository Participant (in case of Shares held in dematerialised form) / RTA in Form ISR 1 (in case of Shares held in physical form).

- The Company has engaged the Central Depository Services (India) Limited (CDSL) for facilitating e voting in a secure manner:
  - Members may note that this AGM Notice will also be available on the Company's website, [www.choiceindia.com](http://www.choiceindia.com), websites of the Stock Exchanges where the equity shares of the Company are listed i.e. BSE Limited @ [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. @ [www.nseindia.com](http://www.nseindia.com) and on the website of CDSL @ [www.cdslindia.com](http://www.cdslindia.com).

**The Instruction Of Shareholders For Remote E-voting:**

- 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.
- The Company has appointed Mr. Manoj Mimani, Partner of R M Mimani & Associates LLP, and Company Secretaries in whole-time practice with Membership No. ACS 17083 and Certificate of Practice No.11601, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

- The voting period begins on Monday, September 12, 2022 at 9.00 A.M. (IST) and ends on Wednesday, September 14, 2022 at 5.00 P.M. (IST) 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 Thursday, September 08, 2022 may cast their vote electronically. The e- voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- 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.

- 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 above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page mode 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. 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 or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> 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>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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 redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your 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.

**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 <b>CDSL</b>	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 toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	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

- (vii) Login method for Remote e - Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - Click on "Shareholders" module.
  - Now enter your User ID
    - For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - Next enter the Image Verification as displayed and Click on Login.
  - 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.
  - If you are a first-time user follow the steps given below:

PAN	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b> 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 OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your 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.</li> </ul>

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant "Choice International Limited" on which you choose to vote.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 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.
- There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - 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 will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, 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 mandatory 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) / [Secretarial@choiceindia.com](mailto:Secretarial@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.

### Process For Those Shareholders Whose Email / mobile No. Are Not Registered With The Company / depositories.

- 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.
  - For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
  - For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.
- If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33

### Explanatory Statement

[Pursuant to Section 102(2) of the Companies Act, 2013]

#### Item No. 3

#### Appointment of Statutory Auditor of the Company & fix their Remuneration.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (Registration No. 117366W/W-100018), were appointed as Statutory Auditors of the Company at the 24th Annual General Meeting held on September 18, 2017 for a period of 5 years, up to the conclusion of this Annual General Meeting. Accordingly, the term of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai is coming to an end. Hence, based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s. MSK A & Associates having Registration No. 105047W, as the Statutory Auditors of the Company for the term of five consecutive years, who shall hold office for a term of five years starting from the conclusion of this Annual General Meeting to the conclusion of Annual General Meeting to be held in the year 2027.

Established in 1978, MSKA & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI), Member Firm of BDO International and the PCAOB (US Public Company Accountancy Oversight Board). MSKA & Associates offers a wide range of services in Audit Assurance, Tax and Advisory domain led by industry experts with deep knowledge pockets and driven by a commitment, to deliver –



quality services to all clients.

With over 1200+ professionals working across various cities in India (Ahmedabad, Bengaluru, Chennai, Goa, Gurugram, Hyderabad, Kolkata, Mumbai, Kochi, Pune), they help to improve performance and effectiveness of business through examining everything from core management and business processes to future directions and opportunities for growth.

M/s. M S K A & Associates (Registration No.: 105047W) have given their consent for their appointment as Statutory Auditors of the Company and has issued certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 (the Act) and the rules made thereunder. They have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

As confirmed to Audit Committee, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit.

The Remuneration for conducting the audit for the Financial Year 2022 -23 excluding applicable taxes, and reimbursement of out-of-pocket expenses on actuals shall be as may be decided by the Board in this regard. Further, the Board of Directors on the recommendation of the Audit Committee are authorized to finalize the aforesaid remuneration and decide the remuneration for the remaining part of their tenure.

The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

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 or their relatives are interested or concerned, financially or otherwise, in the resolution.

#### Item No. 4

##### **Increase in the Authorised Share Capital of the Company and amendment in the Capital Clause of the Memorandum of Association of the Company.**

The present 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 whereas the Issued, Subscribed and Paid-up Capital of the Company is Rs. 49,75,60,000/- (Rupees Forty Nine Crore Seventy Five Lakhs Sixty Thousand only) divided into 4,97,56,000 (Four Crore Ninety Seven Lakhs Fifty Six Thousand) Equity Shares of Rs.10/- (Rupees Ten) each.

It is proposed to issue Bonus Shares to the existing shareholders of the Company in ratio 1 (One) fully paid-up Equity Shares of Rs.10/- each for every 1 (One) Equity Share held and Grant of Employee Stock Options to the Employees of the Company and Subsidiaries Company(ies).

In view of the same and to meet the future requirements of the Company, it has been felt necessary to increase the authorized share capital of the Company to Rs. 1,08,00,00,000 /- (Rupees One Hundred Eight Crores Lakhs) divided into 10,80,00,000 (Ten Crore Eighty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each by creating additional 5,79,00,000 (Five Crore Seventy Nine Lakhs) Equity Shares of Rs.10/- (Rupees Ten Only) each.

As a consequence of the above, it would be necessary to alter the Capital Clause i.e., first paragraph of Clause No. V of the

Memorandum of Association of the Company. As per the provisions of Sections 61(1)(a) and 13 of the Companies Act, 2013, the increase in the Authorized Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company respectively require the consent of the shareholders by way of passing of resolution.

Copies of documents relevant to this Resolution including a copy of the amended Memorandum and Articles of Association of the Company shall be made available for inspection at the registered office of the Company during normal business hours of the Company on all working days (except Saturdays, Sundays and Holidays) up to the last date of remote e-voting.

The Board recommends the Resolution for approval of the Members as an **Ordinary Resolution** as set out in the item no. 4 of the notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are interested in any way concerned or interested in the resolution, except to the extent of their shareholding in the Company, if any

#### Item No. 5

##### **Approval of the Issue of Bonus Shares.**

Considering, inter alia the financial parameters and the position of reserves of the Company, the Board of Directors of the Company in its meeting held on Thursday, August 04, 2022, has approved subject to the approval of the shareholders, issuance of Bonus Shares to the holders of Equity Shares of the Company in the ratio of 1:1 (i.e. 1 (One) Bonus Equity Shares of Rs.10/- for every 1 (One) fully paid-up Equity Share of Rs.10/- each held) by increasing the Issued, Subscribed and Paid-up share capital of the Company to a sum not exceeding Rs. 49,75,60,000/- (Rupees forty nine crores seventy five lakhs sixty thousand only) after capitalizing a sum not exceeding Rs.49,75,60,000 (Rupees Forty nine crores seventy five lacs sixty thousand only) out of the total sum of Rs. 1,85,44,93,886 /- (Rupees One hundred Eighty Five crore Forty Four lakh Ninety Three thousand Eight hundred and Eighty Six only) from Securities Premium Account as per the audited Accounts of the Company for the financial year ended March 31, 2022.

The fully paid-up Bonus Shares shall be distributed to the Members of the Company, whose names shall appear in its Register of Members on the Record Date to be determined by the Board of Directors of your Company (which term shall be deemed to include any Committee thereof) for the purpose of issue of Bonus Shares, in the proportion of 1 (One) Bonus Shares of Rs.10/- for every 1 (One) Equity Share of Rs.10/- each held by them on the Record Date.

The Bonus Shares so allotted shall rank pari passu in all respect with the fully paid-up Equity Shares of the Company as existing on the Record Date.

Directors and their relatives may be deemed to be interested in the proposed resolution to the extent of their respective shareholding in the capital of the Company and they will be entitled to receive Bonus Shares.

The Board recommends the Resolution for approval of the Members as an **Ordinary Resolution** as set out in the item no. 5 of the notice.

None of the Directors or Key Managerial Personnel of the Company and their relatives are interested in any way concerned or interested in the resolution, except to the extent of their shareholding in the Company, if any.

#### Item No. 6 & 7

##### **Approval of "Choice Employee Stock Option Plan 2022" (the "ESOP 2022") for the employees of the company & Grant of**

##### **employee stock Options to the employees of Subsidiary Company(ies) of the Company under Choice Employee Stock Option Plan 2022**

In today's competitive world, the employees of a company are its most important resource and asset. Your Company fully recognizes the same and therefore, wants its employees to participate and share the fruits of growth and prosperity along with the Company.

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the subsidiary companies, if any, for their continuous hard work, dedication and support, which has led the Company and its subsidiary company(ies) on the growth path. To this end, the Company intends to grant its selected employees Employees' Stock Options ("Options"), with a view to attract and retain key talents working with the Company, its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

With the above objective, the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as the compensation Committee ("Nomination and Remuneration Committee ") under the SEBI Share Based Employee Benefits and Sweat Equity Regulations 2021 ("SEBI SBEB Regulations") has proposed "Choice Employee Stock Option Plan 2022" (the "ESOP 2022"). The ESOP 2022 has been formulated in accordance with the SEBI SBEB Regulations. The terms and broad framework of the ESOP 2022 have been approved by the Board of Directors of the Company through a resolution dated May 24, 2022 & August 04, 2022.

Under the ESOP 2022, the eligible employees shall be granted Options in the form of options which will be exercisable into equity shares of Rs. 10/- (Rupees Ten) each of the Company (the "Equity Shares"). The maximum number of Equity Shares to be issued and allotted under the ESOP 2022 shall be limited to 80,00,000 (Eighty Lakhs Only) Equity Shares of the Company.

In case agenda item No. 5 of this notice is not approved by the members at the 29th Annual General Meeting, the ESOP pool shall be read as 40,00,000 Lakhs shares instead of 80,00,000 shares in resolution No. 6 & 7 and its explanatory statement.

The ESOP 2022 will be administered by the Nomination and Remuneration Committee of the Board constituted pursuant to the provisions of Section 178 of the Companies Act, 2013 (the "Act").

The salient features, relevant disclosures and details of the ESOP 2022 are as follows:

##### **a) Brief description of the Choice Employee Stock Option Plan 2022**

This proposed plan called the " Choice Employee Stock Option Plan 2022" ("ESOP 2022") provides alternatives to the Company to grant incentives to eligible employees (as selected by the Nomination and Remuneration Committee/Compensation Committee) Options and subject to applicable law and terms and conditions of ESOP 2022, the eligible employees shall be entitled to receive Equity Shares upon fulfilment of those conditions as is determined by the Nomination and Remuneration Committee/Compensation Committee.

The objectives of the ESOP 2022 are to create a variable pay structure for the employees, incentivize them in line with Company's performance, and to retain and motivate senior and critical human resources and promote loyalty to the

Choice Group.

The key objectives of the ESOP Plan are:

- 1) create a sense of ownership and participation amongst the employees;
- 2) motivate the employees with incentives and reward opportunities;
- 3) drive entrepreneurship mindset of value creation for the organization;
- 4) provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; and
- 5) achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

##### **b) Total number of Options to be granted**

The total number of Options that may in the aggregate be granted shall be such number that would entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 80,00,000 (Eighty Lakhs Only) equity shares of Rs. 10/- each (Rupees Ten) (the "Equity Shares"). Upon exercise, each Option entitles the relevant grantee to one Equity Share.

In case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganisation of capital structure of the Company, as the case may be, the number of Options and/or the shares to be allotted upon exercise of Options shall be reasonably adjusted as per the provisions of the ESOP 2022 and in case of sub-division or consolidation of shares then the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the eligible employees who have been granted Options under the ESOP 2022.

Options not vested due to non-fulfilment of the vesting conditions, vested Options which the grantees expressly refuse to exercise, Options (vested and not exercised and unvested) which have been surrendered and any Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Options or the underlying Equity Shares will be available for grant under the present ESOP 2022 or under a new scheme, subject to compliance with applicable laws.

##### **c) Identification of classes of employees entitled to participate in the ESOP 2022**

Following classes of employees shall be eligible to participate in the ESOP Scheme, in line with SBEB regulation 2(i):

- 1) an employee of the Company working in India or out of India; or
- 2) a director of the company, whether a whole-time director or not, including a non-executive director who is not a member of the promoter group but excluding an independent director; or
- 3) an Employee as defined in sub-clauses (1) or (2) of a group company including a subsidiary or its associate company, in India or outside India, or of a holding company of the company, but excludes
  - l. an employee who is a Promoter or belongs to the Promoter Group; or

ii. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Shares of the Company.

The eligibility of an employee shall be determined by the Nomination and Remuneration Committee as per the eligibility criteria as may be determined by the Board/ Nomination and Remuneration Committee.

**d) Requirements of vesting, period of vesting**

The Board or the Nomination and Remuneration Committee may, at its discretion, lay down certain criteria including, but not limited to, the performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance based vesting, and the proportion in which Options granted can vest, and which may be specified in the respective grant letters/award agreement or the vesting letters to be issued in this regard. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Options granted would vest will be subject to the minimum and maximum vesting period as specified below.

Vesting period for Options: The Options would vest not earlier than 1 (one) year or such time period as may be prescribed under the Applicable Law including but not limited to SEBI (SBEB) Regulations. The options would vest not later than 5 (five) years from the date of grant of options.

The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Nomination and Remuneration Committee. The Options granted under the ESOP 2022 may vest in one or more tranches.

**e) Maximum period within which the Options shall be vested**

All the Options granted on any date shall vest not later than the maximum period of 5 (five) years from the date of grant of options, as may be determined by the Nomination and Remuneration Committee.

**f) Exercise price or pricing formula**

Subject to SEBI Regulations, the Nomination and Remuneration Committee, in its absolute discretion, shall determine the Exercise Price of the Options granted under the Plan, as it may deem appropriate in conformity with the applicable accounting policies, if any, provided that the Exercise Price shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the Company as on the Grant Date.

**g) Exercise period and the process of exercise**

Exercise period would commence from the vesting date and would expire not later than 7 (seven) years from the date of grant of Options or such other period as may be decided by the Nomination and Remuneration Committee. If the Options are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Option holder towards such lapsed Options.

The vested Option shall be exercisable by the Option grantees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. Exercise of Options shall be entertained only after payment of requisite exercise price and satisfaction of applicable taxes by the Option grantee and on execution of such other documents, as may be prescribed by the Nomination and Remuneration Committee from time to time.

**h) The appraisal process for determining the eligibility of employees**

The appraisal process for determining the eligibility of the employees will be specified by the Board or the Nomination and Remuneration Committee from time to time, and will be based on criteria, such as level, role/criticality of the employee, length of service with the Company, work performance, and such other criteria that may be determined by the Board or the Nomination and Remuneration Committee, as applicable, at its sole discretion. The Board or the Remuneration Committee may decide to extend the benefits of the ESOP 2022 to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

**i) Maximum number of Options to be issued per employee and in aggregate**

The maximum number of Options that may be granted to any specific employee of the Company under the ESOP 2022 in any financial year and in aggregate, shall not exceed 80,00,000 (Eighty Lakhs Only) Options, which shall be adjusted in lieu of corporate actions, adjustments/re-organisation of capital structure of the Company from time to time.

**j) Maximum quantum of benefits to be provided per employee under the ESOP 2022**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options. Apart from grant of Options as stated above, no monetary benefits are contemplated under the ESOP 2022.

**k) Route for ESOP 2022 implementation and administration**

The ESOP 2022 shall be implemented and administered directly by the Company.

**l) Source of acquisition of shares under ESOP 2022**

The ESOP 2022 contemplates issue of fresh/ primary shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.**

This is currently not contemplated under the present ESOP 2022.

**n) Maximum percentage of secondary acquisition**

This is not relevant under the present ESOP 2022.

**o) Accounting and Disclosure Policies**

The Company shall follow the Ind AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing guidance note, or accounting standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

**p) Method of Option valuation**

The Company shall adopt 'fair value method' for valuation of Options as prescribed under Ind AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time.

**q) Declaration**

In case, the Company opts for expensing of share-based employee benefits using the intrinsic value, the difference

between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Board's Report.

**r) Period of lock-in**

The Shares arising out of Exercise under ESOP 2022 shall be subject to a lock-in period as specified in a specific Grant Letter in a manner as the Nomination and Remuneration Committee may decide. The lock-in period will be up to a maximum period of 4 (four) years from the Grant Date.

**s) Terms & conditions for buyback, if any, of specified securities**

This is not relevant under the present ESOP 2022.

Consent of the members is being sought by way of special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESOP 2022 shall be open for inspection by the Members in electronic mode. Members can inspect the same by sending an email to [info@choiceindia.com](mailto:info@choiceindia.com) / [secretarial@choiceindia.com](mailto:secretarial@choiceindia.com) and the same is also available on the website of the Company i.e., [www.choiceindia.com](http://www.choiceindia.com).

The Board recommends the Resolution for approval of the Members as a **Special Resolution** as set out in the item no. 6 & 7 of the notice.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the ESOP 2022.

**Item No. 8**

**Grant of Employee Stock Options equal to or more than 1% of the issued capital of the Company to the identified employees under Choice Employee Stock Option Plan 2022.**

At present no identified employee in this category where employee stock options ("Options") to be granted to any identified employee which is in excess of 1% of the issued capital (excluding outstanding warrants and conversions) of the Company.

In future board may want to hire a leader with a record of strong entrepreneurial quality considering the 360 degree growth of Choice Group. However, given the popularity of employee stock options in industry and company, we may have to pay a market based compensation for this position.

a.	Period	Effective from October 01, 2022 till the remaining term.
b.	Basic Salary	Rs 68,28,000/-
c.	Commission	-
d.	Medical Expenditure	-
e.	Personal Accident Insurance	-
f.	Company's contribution to provident Fund	-
g.	Company's Contribution to pension/ superannuation Fund	-
h.	Company's Car	-
i.	Telephone, cell phone, fax, computer system with internet facilities and other communication equipment at residence	Rs. 12,000
j.	Leave Travel Allowance	Rs. 3,60,000

Such grant of Options in excess of 1% of this issued capital will be subject to approval of shareholders via Special resolution for such identified employees before Grant of such options. This resolution is proposed with a view to allow board to identify member for this category subject to specific approval by special resolution for identified employees.

The Board recommends the Resolution for approval of the Members as a **Special Resolution** as set out in the item no. 8 of the notice.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolutions, except to the extent they may be lawfully granted Options under the ESOP 2022.

**Item No. 9**

**Approve the Revision in Remuneration of Mr. Suyash Sunil Patodia, Joint Managing Director of the Company.**

With respect to the approval of Members dated April 30, 2022 through Postal Ballot regarding appointment of Mr. Suyash Sunil Patodia(DIN: 09489670) in the capacity of Executive Director for a Remuneration of Rs. 60,00,000/- p.a. with effect from February 08,2022 for a period of Three years and Subsequently, his re-designation as the Joint Managing Director, effective, May 24, 2022, the Board of Directors of the Company at their meeting held on August 04, 2022 approved the revision in remuneration of Mr. Suyash Sunil Patodia (DIN: 09489670) from Rs. 60,00,000 /- p.a. to Rs. 72,00,000/- p.a. with effect from October 01, 2022 for remaining term of his tenure, notwithstanding that such remuneration may exceed 5% (five percent) being the limit specified under Section 197 and Schedule V to the Companies Act, 2013.

With 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 for period of not exceeding 3 years by way of Special Resolution.

Therefore, the Board proposes to seek approval of the Members of the Company for approving the payment of remuneration of Rs. 72,00,000/- p.a. in all to be paid by the Company including its group Companies (restricted to the subsidiaries of the Company) to Mr. Suyash Sunil Patodia as detailed here under:

Additional Information in respect the provisions of section 197 and schedule V of the Companies Act, 2013 are detailed in Annexure B to the notice.

The Board recommends the Resolution for approval of the Members as a **Special Resolution** as set out in the item no. 9 of the notice.

Except Mr. Suyash Sunil Patodia, being the Interested Director & Mrs. Vinita Sunil Patodia, Mother of the Interested Director, 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 or KMP seeking appointment/ re appointment at the Annual General Meeting scheduled to be held on Thursday, September 15, 2022 at 10.30 AM (IST) (Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements), Regulation 2015)

Name of the Director	Mr. Ajay Rajendra Kejriwal
Date of Birth	11th February 1979
Age	43 Years
Date of first Appointment to Board	29th May, 2010
Brief Resume	CA Ajay Rajendra Kejriwal is a fellow member of the ICAI having experience of more than 2 decades in Financial markets. He is a SEBI Registered Investment Adviser and holds Diploma in Information System Audit which is due to his keen eye on financial products and technology. He has been instrumental in launching various products and fin-tech platforms of Choice Group.
Relationship with Directors & Key Managerial Personnel	Executive Director (Not Related to Promoter Group or any other Directors & Key Managerial Personnel)
Expertise in specific Functional area	Finance & Management Practices
Qualification	Chartered Accountant
Directorship held in other listed Companies	NIL
Listed entities from which the person has resigned in the past three years	NIL
Membership and Chairmanship in the Committees of the Board of the Company	2
a) Audit Committee	1 (Member)
b) Nomination & Remuneration Committee	NIL
c) Stakeholder Relationship Committee	1 (Member)
No. of Shares held in the Company	4,02,000
Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner	Not Applicable

**Note:**

- 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 2021-22 are provided in Corporate Governance Report.
- 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

A statement is attached herewith containing the following information, subject to the provisions of Section 197 and Schedule V of the Companies Act, 2013:-

**I. General information:**

**(1) Nature of industry:**

Choice International Limited is a conglomerate engaged in providing end to end Financial Services through its multiple subsidiaries; it offers financial services across all platforms catering to retail & institutional client, corporates, State & Central Government Authorities.

**(2) Date of commencement of commercial production:** March 13, 1993

**(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** N.A.

**(4) Financial performance based on given indicators:**

Particulars (Amount in Lakhs)	F.Y. 2021-22	F.Y. 2020-21
Total Revenue	1,128.13	866.74
Profit Before Tax	360.33	327.85
Net Profit After Tax	243.63	230.20
EPS	0.63	1.07

**(5) Foreign investments or collaborations, if any. :** 35,60,485 Shares are held by Foreign Portfolio investors, Non Resident Indians and Non-Resident (Non Repatriable) as on June 30, 2022.

**II. Information about the appointee:**

**(1) Background details:** The background details of Mr. Suyash Sunil Patodia :

Sr. No.	Particulars	Mr. Suyash Sunil Patodia
1	Past Remuneration	Rs. 60,00,000/- p.a.
2	Job profile and his suitability	CA Suyash Sunil Patodia is an Associate Member of the Institute of Chartered Accountants of India. He is building tie-ups with Insurance Companies and is working on on- boarding new clients and intermediaries for the Insurance distribution division of the group. He has played an active role in developing tech platforms and scaling up Insurance Division in line with the organization goal of being a fintech. He is also keenly involved in various employee engagement initiatives to bring in a young culture in the Company
3	Remuneration proposed	The remuneration proposed is detailed in the resolution.
4	Comparative remuneration profile with respect to Industry, Size of the Company, Profile of the position and person	Looking to the vast experience of Mr. Suyash Sunil Patodia, the proposed remuneration is in and consensus with remuneration paid person to the KMP's of other industries of similar size for similarly placed person.
5	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Suyash Sunil Patodia belongs to promoter group holds 4.62 % of total shareholding of the company. Further Mr. Suyash Sunil Patodia is son of Mrs. Vinita Sunil Patodia, Non-Executive Chairperson of the company.

Place: Mumbai  
Date: August 04, 2022

By Order of the Board of Directors  
Sd/-  
(Karishma Shah)  
Company Secretary & Compliance Officer

Registered Office:  
Sunil Patodia Tower,  
Plot No. 156-158, J.B. Nagar,  
Andheri (East), Mumbai - 400 099.  
Email ID: [info@choiceindia.com](mailto:info@choiceindia.com) / [secretarial@choiceindia.com](mailto:secretarial@choiceindia.com)

**CHOICE INTERNATIONAL LIMITED**  
Sunil Patodia Tower, Plot No 156- 158, J.B. Nagar,  
Andheri (East), Mumbai - 400099, Tel No.: + 91-22-6707 9999,  
Website: [www.choiceindia.com](http://www.choiceindia.com),  
Email Id: [info@choiceindia.com](mailto:info@choiceindia.com) / [secretarial@choiceindia.com](mailto:secretarial@choiceindia.com)  
CIN: L67190MH1993PLC07117

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]



CIN	L67190MH1993PLC071117
Name of the Company	Choice International Limited
Registered Office	Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar, Andheri (E), Mumbai – 400 099

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID	
DP ID :	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint

Name		
Address		
E-mail ID		Signature

OR FAILING HIM;

Name		
Address		
E-mail ID		Signature

OR FAILING HIM;

Name		
Address		
E-mail ID		Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the company, to be held on Thursday, September 15, 2022 at 10:30 A.M. at The Byke Delotel, Chandavarkar Rd, Sundar Nagar, Borivali, Mumbai - 400092 and at any adjournment thereof in respect of such resolutions as are indicated herein:

Item no.	Resolution	For	Against
	<b>ORDINARY BUSINESS</b>		
1.	To consider and adopt: a. Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 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, 2022 and the reports of the Auditors thereon.		
2.	To appoint a Director in place of Mr. Ajay Rajendra Kejriwal (DIN:03051841), who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To appoint of Statutory Auditor of the Company & fix their Remuneration		

Item no.	Resolution	For	Against
	<b>SPECIAL BUSINESS</b>		
4.	To increase the Authorised Share Capital of the Company and amendment in the Capital Clause of the Memorandum of Association of the Company		
5.	To Consider and Approve the Issue of Bonus Shares		
6.	To Approve of 'Choice Employee Stock Option Plan 2022' for the employees of the Company.		
7.	To Grant employee stock Options to the employees of Subsidiary Company(ies), if any of the Company under Choice Employee Stock Option Plan 2022.		
8.	To Grant Employee Stock Options equal to or more than 1% of the issued capital of the Company to the identified employees under Choice Employee Stock Option Plan 2022.		
9.	To Approve the Revision in Remuneration of Mr. Suyash Sunil Patodia, Joint Managing Director of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022



Signature of shareholder: \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

**Notes:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/depository participant.

A Proxy need not be a Member.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the company carrying voting rights.

A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

## ATTENDANCE SLIP

### CHOICE INTERNATIONAL LIMITED

Registered Office: Sunil Patodia Tower, Plot No. 156-158, J.B. Nagar, Andheri (East), Mumbai-400099

Tel No.: +91-22-6707 9999 , Website: www.choiceindia.com,

Email ID: info@choiceindia.com/secretarial@choiceindia.com

CIN: L67190MH1993PLC071117



Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

Folio No./DP ID-Client ID No.: \_\_\_\_\_

No. of Shares held: \_\_\_\_\_

Name of the Member/ Proxy (IN BLOCK LETTERS): \_\_\_\_\_

Address of the Member: \_\_\_\_\_

Email ID : \_\_\_\_\_

I/ We hereby record my/our presence at the **29th ANNUAL GENERAL MEETING** of Choice International Limited

At \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_  
Signature(s) of the Member or Proxy

### E-MAIL ID REGISTRATION REQUEST

In compliance with provisions of Rule 18(3) prescribed in Chapter 18 of the Companies Act, 2013, all the Members of the Company who have not registered their email id so far with the Company/RTA and those Members who have registered their email but wish to update their email-ids, are requested to fill the below details to register or update their email-ids.

Email ID : \_\_\_\_\_

\_\_\_\_\_  
Signature of the Member

## ROUTE MAP FOR THE 29TH ANNUAL GENERAL MEETING

