

**CHOICE HOUSE**

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

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**Aap Kijiye Kamyabi Ki Tayaari,  
Baaki Hamari Zimmedari**

27th Annual Report 2019-20



# सर्वश्रेष्ठ

“To be the most preferred financial institution providing premium financial service world-wide and consistently delivering quality products and services to our Clients, business partners and society.”

# CREATING NEW BENCHMARKS IN SERVICE DELIVERY

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Welcome to  
**ANNUAL  
REPORT**  
— 2019-20 —



**Mr. Kamal Poddar**  
MANAGING DIRECTOR

”

## LETTER FROM MANAGING DIRECTOR

“

Dear Stakeholders,

At this very moment where the world is witnessing crisis, I hope each of my member holder is in good state of health & hereby urge the almighty to ponder his blessings on each one of us.

Before I put forward my views for the year passed by, I take this platform as an opportunity to thank all my employees for their remarkable support during the "Lockdown" by serving the company with their utmost will without halting the operational activities of the Company even for a day.

COVID - 19 has taught us the prominence of "Technology" & its necessity, your company has always believed in the significance of "Technology" and its role in the growth of an organisation. To oblige our client's proficiently & speedily the Company has designed its applications namely "Jiffy", "Investica" in the finest promising ways to cater our clients.

As far as numbers are concerned, the group has reasonably fared well in the Financial Year 2019-20. The Company is now focusing to fill the lags created on account of COVID - 19 & is majorly emphasising on crafting strategies to combat the shadow of COVID-19.

To complete its gamut of Financial Services, the group is keen on adding "Insurance Broking services" to its kitty, the details of which are enumerated in the "Management Discussion & Analysis Report".

The other Services provided by your Company is comprehensively detailed in the Management discussion and Analysis Report. The core business activities of the group includes Broking & Distribution, NBFC Lending, Mutual Fund Distribution, Portfolio Management Services, Merchant Banking, Debt Syndication, Management Consultancy including Government Consultancy, Retail Loans, IT Solutions.

Your Company truly believes in creating wealth for its clients. In the journey of creating value for our clients equal attention is given to the practises adopted to achieve our targets without compromising on the moral values.

I take this opportunity to thank all our stakeholders for their faith rested in our Company and hereby further appeal for their continued support in our voyage with the vision of being "Servashreth".

As mentioned above, I hereby request all our stakeholders to bestow their support.....

I hereby thank all our clients, for their association with the Company and giving us the opportunity to stand by our words:

**AAP KIIYE KAMYABI KITAYAARI,  
BAAKI HAMARI ZIMMEDARI**

With best wishes,  
Thanking You,



**KAMAL PODDAR**  
Managing Director  
DIN No: 01518700



## BOARD OF DIRECTORS

**CA Ajay Kejriwal**  
Executive Director



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



**Mr. Kanhaiyalal Berwal**  
Independent Director



**Mr. Ashok Kumar Thakur**  
Independent Director



**Mr. Bharatkumar Shah**  
Independent Director



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

**CA KAMAL PODDAR**  
Managing Director





**CS Karishma Shah**  
Company Secretary



**CA Manoj Singhania**  
Chief Financial Officer

## CORPORATE INFORMATION

### BANKERS

Axis | PNB | ICICI | HDFC | Indusind

### SUBSIDIARY COMPANIES

- Choice Equity Broking Private Limited
- Choice Capital Advisors Private Limited
- Choice Consultancy Services Private Limited
- Choice Wealth Management Private Limited
- Choice Portfolio Management Services Private Limited
- Choice Corporate Services Private Limited
- Choice Finserv Private Limited
- Choice Retail Solutions Private Limited
- Choice Tech Lab Solutions Private Limited



### Register And Share Transfer Agent

Sharex Dynamics (India) Private Limited  
Unit No -1, Luthara Industrial Premises, Andheri Kurla Road Safed Pool, Andheri (e), Mumbai - 400072  
Phone : 022-28515606 / 5644  
Website : [www.sharexindia.com](http://www.sharexindia.com)



### Registered Office

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



### Statutory Auditors

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

### SECRETARIAL AUDITORS

M/s. R.M.Mimani & Associates LLP



# BOARD REPORT

Dear Member's,

Your Director's are pleased to present the Twenty Seventh Annual Report detailing the Business & Operations of the Company together with the Audited Financial Statements both Standalone & Consolidated for the Year the Year ended March 31, 2020.

## CORPORATE OVERVIEW:

M/s. Choice International Limited or "CHOICE" one of the leading name in the Service Industry, has been catering its financial services since last two decades with the vision of assisting its Client's with all their Financial & ancillary services under one ridge.

## FINANCIAL SUMMARY & HIGHLIGHTS:

Synopsis of the Company's Financial Results for the Financial Year 2019-20 is as under:

Particulars	(' in Lakhs)			
	Standalone		Consolidated	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Revenue from Operations	875.88	1276.25	12,695.73	11660.28
Other Income	26.19	21.97	539.86	470.91
Total Income	902.07	1298.22	13235.59	12131.19
Less : Expenses				
a) Operating Expenses	-	-	2696.58	2182.56
b) Employee benefit expenses	78.37	121.36	4746.16	4390.88
c) Finance Cost	154.31	564.95	1729.76	2034.52
d) Depreciation & Amortisation Expenses	73.72	77.80	345.54	316.69
e) Other Expenses	299.45	513.08	1897.20	1980.64
<b>Total Expenses</b>	<b>605.85</b>	<b>1277.19</b>	<b>11415.24</b>	<b>10905.29</b>
Profit before Tax & Exceptional Items	296.22	21.03	1820.35	1225.90
Net Profit before Tax	296.22	21.03	1820.35	1225.90
<b>Net Profit After Tax</b>	<b>197.42</b>	<b>43.30</b>	<b>1243.10</b>	<b>880.82</b>
Share of Profit from Associate	-	-	-	(12.41)
Loss on Sale of Associate	-	-	-	279.05
Net Profit after Taxes and Share of Profit from Associates	197.42	43.30	1243.10	589.36
Paid Up Equity Share Capital	2000.48	2000.48	2000.48	2000.48
Reserves excluding Revaluation Reserves	10422.56	7699.98	15149.61	11182.99
Earing Per Share				
Basic	0.99	0.22	6.21	4.40
Diluted	0.93	0.22	5.86	4.40



## COMPANY PERFORMANCE OVERVIEW

During the Financial Year 2019-20, the turnover of the Company on consolidated basis has increased from Rs.12131.19 (Lakhs) to Rs.13235.59 Lakhs) with a growth of 9.10%.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

## IMPACT OF GLOBAL CRISIS - COVID 19

In March 2020, the Company witnessed lockdown on the outbreak of pandemic COVID 2019. The economic activities globally were confronting turbulent times. The commercial activities all over were enduring with a slow pace.

Your Company "Choice" catering in to financial services were efficacious in coping up with the on-going Pandemic by adhering to the stern "Work from Home Policy" as the safety of our employees was the prime focus & concern for the Company. The Company has made effective use of the technology to enable the employees to have innocuous working environment.

Your Company is glad to inform you that, during the on-going Pandemic the Company has not halted its Business Operations at any point of time.

Further the Management of the Company do not anticipate any medium to long term risk in the company's ability to continue as a going concern and meetings its liabilities as and when due. An elaborative narration on the impact of COVID - 19 is detailed in note to the Financial Statement.

## MATERIAL CHANGES AFFECTING THE COMPANY

1) As communicated earlier, the Company "Choice International Limited" has transferred its entire "NBFC" Business to its subsidiary M/s. Choice Finserv Private Limited. The Company is now awaiting the Cancellation of its "NBFC Status" from the "Reserve Bank of India". On cancellation of its NBFC status the Company shall stand as Holding Company to its subsidiaries.

2) During the Year under review the holding of the Company in the below mentioned Non Material Subsidiaries has been transferred to M/s. Choice Equity Broking Private Limited to serve our Retail Clients more efficiently:

- M/s. Choice Corporate Services Private Limited
- M/s. Choice Retail Solutions Private Limited
- M/s. Choice Wealth Management Private Limited
- M/s. Choice Tech Lab Solutions Private Limited

The said transfer of holding shall not lead to change in management of the above mentioned subsidiaries, as M/s. Choice Equity Broking Private Limited is the wholly owned subsidiary of the Company M/s. Choice International Limited.

3) During the Year under review, the Company on the approval of the Members of the Company at the Extra Ordinary General Meeting of the Company held on December 23, 2020 & on the receipt of in principal approval from the exchange "BSE Limited" has 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.

4) The Company "M/s. Choice International Limited" had applied to the Company "M/s. Paramone Concepts Limited" for reclassifying its status from "Promoter" to "Public" category as the Company does not hold any shares in the Company.

5) Post the Financial Year end, the Company on meetings its eligibility criteria & on approval of the Members of the Board of Directors, the Company has applied to the "National Stock

Exchange Of India Limited" for Listing of its existing securities on "NSE" main Board platform.

6) Post the Financial Year ended March 31, 2020, our subsidiary M/s. Choice Equity Broking Private Limited had applied to "Insurance Regulatory & Development Authority of India" (IRDA) for acquisition of an "IRDA" Registered Company to complete its entire package of Financial Services to cater its Retail Clients.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

## DIVIDEND

In order to conserve the resources of the Company considering the current economic scenario, your Director's do not recommend any Dividend for the year ended March 31, 2020.

## TRANSFER TO RESERVE

The Board of Directors has decided to retain the entire amount of Profits for FY 2019-20 in the Profit & Loss account.

## SHARE CAPITAL

### PAID UP CAPITAL:

The Paid up Equity Share Capital of the Company as on March 31, 2020 stood at Rs. 2000.48 Lakhs. During the year under review, on the approval of Members of the Board at their meeting held on November 29, 2019 & the approval of the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on December 23, 2020, the committee of the Board at their meeting held on January 02, 2019 had allotted 1,98,00,000 Warrants at a Price of Rs. 51/- per warrant including a premium of (Rs. 41/-) per warrant to be converted into Equivalent number of Equity shares within 18 Months of the issue of warrants.

### AUTHORISED CAPITAL:

During the year under pursuant to issue of warrants the Authorised Share Capital of the Company with effect from December 23, 2020 was increased from RS. 20,10,00,000/- (Rupees Twenty Crores Ten Lakh only) to Rs. 40,10,00,000/- (Rupees Forty Crores Ten Lakh only).

## DEBENTURES

As on March 31, 2019 & as on Year ended March 31, 2020 there are no outstanding Debentures to be redeemed by the Company. The Company has duly paid the Principal amount along with interest to the Debenture Holder, except Payment for Seven Debentures of Face Value of Rs. 100,000/- each bearing interest of 57 % on redemption to one of the Debenture Holder who has passed away & the Company is in process of transferring the Funds to the Legal Claimants of the deceased holder on due verification.

## PUBLIC DEPOSIT

Your Company being in Possession of its "NBFC" status as on March 31, 2020 has not accepted any Public Deposit during the Year under review.

## INVESTOR EDUCATION & 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, 2020 has been prepared in accordance with Provisions of the Sec 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, Profit and cash flow for the Year ended March 31, 2020.

## SUBSIDIARIES & ASSOCIATE COMPANIES

### Financial Performance:

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

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

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

The Financial Statements including the Consolidated Financial Statements, Separate Audited Financial statements along with other relevant documents required to be attached to this report have been uploaded on the website of the Company [www.choiceindia.com](http://www.choiceindia.com).

The company's policy for determining material subsidiaries may be accessed on the website of the company at [www.choiceindia.com](http://www.choiceindia.com)

The detail of Material Changes in the Operations/ Nature of the business of the Subsidiaries during the Financial Year 2019-20 have been highlighted down below. The impact of such changes, if any has been adequately disclosed in the Financial Statements. As on March 31, 2020 the Company has 9 Subsidiaries in its group out of which 4 are step down subsidiaries. Each of the subsidiary in the group provides diverse financial services each forming vital component of group "Choice".

Details of Services Offered by the Subsidiaries:

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

The Equity & Commodity Broking Business along with Distribution Business of the group is routed through our Wholly Owned Subsidiary M/s. Choice Equity Broking Private Limited "CEBPL" is a Member Broker with NSE, BSE, MSEI, ICEX, NCDEX, MCX and a Depository Participant with CDSL & NSDL.

"CEBPL" is one of the leading Securities Broking house in the Industry with the client base of 2.10 Lakhs. The subsidiary has 48 Branches & 1250 Number of Franchise across India.

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

The "NBFC" Business of the group is carried out through our subsidiary M/s. Choice Finserv Private Limited. M/s. Choice

Finserv Private Limited" had secured its Registration as an "Non- Deposit Taking Non- Banking Financial Company" with effect from January 12, 2018.

As on March 31, 2020 the Company holds, 88.12% stake in the "Choice Finserv" & the balance 11.88% stake is held by M/s. Choice Equity Broking Private Limited which is the wholly owned subsidiary of the Company.

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

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

The Company M/s. Choice International Limited holds 52.61 % stake in the Company M/s. Choice Portfolio Management Services Private Limited & the balance 47.39% stake is held by M/s. Choice Equity Broking Private Limited which is the wholly owned subsidiary of the Company.

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

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

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

The group operates its consultancy business through its wholly owned subsidiary Choice Consultancy Services Private Limited ("CCSPL"). The subsidiary is renowned 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, Management Consultancy etc.

The various Joint ventures initiated by the company and associates of the Company as on March 31, 2020 & as on date of the report are as follows:

- i) Thoughts Consultants Jaipur P L in JV with Choice Consultancy Services PL
- ii) VSC Consulting Private JV with Choice Consultancy Services Private Limited
- iii) Infra Dev Consultants in JV with Choice Consultancy Services Pvt Ltd
- iv) Samekit Learning Management Private Limited

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

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

The group provides its mutual fund distribution services through its subsidiary M/s. Choice Wealth Management Services Private Limited. The Company M/s. Choice Wealth Management Services 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.



During the Year under review, the entire holding of the Company in "Choice Wealth" was transferred to M/s. Choice Equity Broking Private Limited.

The said transfer of Stake of "Choice Wealth" does not in any instance constitute change in control or Management of "Choice Wealth" as M/s. Choice Equity Broking Private Limited itself is the Wholly owned subsidiary of the Company.

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

The group provides its "Retail Loan" Distribution services through its 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. Choice Retail loan services are always in forefront of assisting its clients in fulfilling their dreams.

During the Year under review, the entire holding of the Company in "Choice Corporate Services" was transferred to M/s. Choice Equity Broking Private Limited.

The said transfer of Stake of "Choice Corporate Services" does not in any instance constitute change in control or Management of "Choice Corporate Services" as M/s. Choice Equity Broking Private Limited itself is the Wholly owned subsidiary of the Company.

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

Choice Tech Lab Solutions Private Limited (Choice Tech Lab) is the Technology arm of the group "Choice". The Subsidiary offers a range of Technical aids such as Digital Services, Cloud Services, Database Services, IT Security Services, Mobile Application Development etc.

During the Year under review, the entire holding of the Company in "Choice Tech Lab" was transferred to M/s. Choice Equity Broking Private Limited.

The said transfer of Stake of "Choice Tech Lab" does not in any instance constitute change in control or Management of "Choice Tech Lab" as M/s. Choice Equity Broking Private Limited itself is the Wholly owned subsidiary of the Company.

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

To widen our network, the group has created an online platform where we shall on board Business Associates through our online platform named "CHOICE CONNECT" for Distribution of our group services.

Through our subsidiary M/s. Choice Retail Solutions Private Limited (Choice Retail Solutions) the efforts are made to connect our prospective client via our online platform "CHOICE CONNECT" through our Business Associates.

During the Year under review, the entire holding of the Company in "Choice Retail Solution" was transferred to M/s. Choice Equity Broking Private Limited.

The said transfer of Stake of "Choice Retail Solutions" does not in any instance constitute change in control or Management of "Choice Retail Solutions" as M/s. Choice Equity Broking Private Limited.

#### DISPOSITION OF SHAREHOLDING IN THE SUBSIDIARY

Not: During the Year under review Company's holding in M/s. Choice Peers International Private Limited the Non - Material wholly owned Subsidiary was disposed of on June 29, 2019.

## DIRECTOR & KEY MANAGERIAL PERSON

Brief Profile of the Board of Directors of the Company as on March 31, 2020 & as on the date of the Report:

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

Mr. Kamal Poddar, a Fellow Member of the Institute of Chartered Accountants of India is a visionary and is currently working on the vision of creating Country's first Nation level financial services hub. His vision has resulted in the rapid and multifold growth of Choice Group. He has been instrumental in converting a CA practice firm into full fledged financial service hub providing all the financial services to its clients.

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

With an experience of over two decades, our Executive Director Mr. Ajay Kejriwal has been very influential in steering the Technological advancement of the group "Choice". His distinguished knowledge & experience in the field of Finance, Taxation & Management has played a pivotal role in the progress of group "Choice". Mr. Kejriwal a SEBI Registered "Investment Adviser", is a Chartered Accountant by profession & also holds a degree of D.I.S.A. issued by I.C.A.I.

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

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

#### 4) 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.

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

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

#### 6) Mr. Bharat Shah - Independent Director

Mr. Shah has an apt over the Managerial aspects of the running the Business. His decades of experience in running the Business houses is beneficial in the company's Interest.



## 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, Mrs. Hemlata Poddar Non - Executive Director ( DIN No : 02931322) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offered herself for reappointment.

The Board recommends her 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 27th Annual General Meeting of the Company.

In accordance with the provisions of the Act read with the Rules issued thereunder, the Listing Regulations and the Articles of Association of the Company, Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

## CHANGES IN THE DIRECTORSHIP DURING THE YEAR 2019-20

On completion of tenure for serving as Independent Director of the Company, Mr. Deb Kumar Goswami ( DIN :02390068) ceased to be the Independent Director of the Company with effect from September 27, 2019.

## KEY MANAGERIAL PERSONNEL (KMP)

The following are named personnel are the KMP'S of the Company as on March 31, 2020 as per Sec 203 of the Companies Act, 2013

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

## DECLARATION FROM INDEPENDENT DIRECTOR

The Company has received declaration from all the Independent Director's confirming that they meet the criteria of independence as prescribed under the Provisions of the Companies Act, 2013 read with the Schedules & rules issued there under, as well as clause (b) of sub regulation (1) of Regulation 16 of the Listing Regulations.

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

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

Based on the confirmations / disclosures received from the Directors, the following Non - Executive Directors are independent as on March 31, 2020:

- i) Mr. Ashok Kumar Thakur
- ii) Mr. Kanhaiyalal Berwal
- iii) Mr. Bharat Shah

The Ministry of Corporate Affairs ('MCA') vide Notification No. G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Indian Institute of Corporate Affairs ('IICA'). All Independent Directors of your Company are registered with IICA. In the opinion of the Board, the independent directors possess the requisite integrity, experience, expertise, proficiency and qualifications.

## NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board of Directors were held during the Financial Year 2019-20. The details of the meetings of the Board of Directors of the Company during the Financial Year 2019-20 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, 2020:

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

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

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

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

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

## NOMINATION & REMUNERATION POLICY & COMMITTEE

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

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

The Company has a Nomination and Remuneration Committee (NRC), which is responsible for formulating the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company including their remuneration

and other matters as provided under Section 178 of the Companies Act, 2013 and the Listing Regulations. The role of the NRC Committee encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Directors appointment or re-appointment is required. The NRC Committee is also responsible for reviewing the Profiles of Potential candidates the required, competencies and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

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

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

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

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

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

## Evaluation Process:

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

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

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

## Key Evaluation Criteria:

- Attendance and contribution at Board and Committee meetings
- His/her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities,
- Sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and

constructively to implement the same to encourage more transparency.

- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making & understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

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

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