



CHOICE INTERNATIONAL LIMITED

Our Company was incorporated as “Choice Financial Services Limited” on March 12, 1993 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra. The name of our Company was changed to “Choice International Limited” and a fresh certificate of incorporation dated November 12, 1997 consequent to such name change was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The corporate identification number of our Company is L67190MH1993PLC071117.

Registered Office: Shree Shakambhari Corporate Park, 156, 158, Chakrovarty Ashok Society, J.B. Nagar, Andheri East, Mumbai - 400099, Maharashtra, India; **Telephone:** +91 22 6707 9999; **Facsimile:** N.A.

E-mail: karishma.shah@choiceindia.com; **Website:** www.choiceindia.com;

Contact Person: Karishma Shah, Company Secretary and Compliance Officer;

Corporate Identification Number: L67190MH1993PLC071117

OUR PROMOTERS- KAMAL PODDAR, ARUN KUMAR PODDAR, SONU PODDAR, VINITA SUNIL PATODIA, ARCHANA ANIL PATODIA, SUNIL KUMAR PATODIA, ANIL C PATODIA, HEMLATA KAMAL PODDAR, AASTHA ANIL PATODIA, AAYUSH ANIL PATODIA, ANIL CHOTHMAL PATODIA HUF, SUNIL CHOTHMAL PATODIA HUF, SUYASH SUNIL PATODIA, ARUN KUMAR PODDAR HUF, KAMAL PODDAR HUF, SHREYA PATODIA, SHREE SHAKAMBHARI EXIMS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CHOICE INTERNATIONAL LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 6,000 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON PAGE 39 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 179 OF THIS DRAFT LETTER OF OFFER.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 22 of this Draft Letter of Offer.

OUR COMPANY’S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed only on BSE Limited (“BSE”). Our Company has received ‘in-principle’ approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE

SAFFRON

energising ideas

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

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Andheri Kurla Road, J. B. Nagar,
Andheri (East), Mumbai - 400 059,
Maharashtra, India.

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Website: www.saffronadvisor.com

Investor grievance: investorgrievance@saffronadvisor.com

Contact Person: Amit Wagle / Gaurav Khandelwal

SEBI Registration Number: INM 000011211

Validity of Registration: Permanent

REGISTRAR TO THE ISSUE



CAMEO

CAMEO CORPORATE SERVICES LIMITED

Subramanian Building,
No. 01, Club House Road,
Chennai- 600 002,
Tamil Nadu, India.

Telephone: +91044 4002 0700/ 0710/ 2846 0390

Facsimile: N.A.

Email: cameo@cameoindia.com

Website: www.cameoindia.com

Investor grievance e-mail: investor@cameoindia.com

Contact Person: Sreepriya K.

SEBI Registration No.: INR000003753

Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUESTS FOR APPLICATION FORMS	ISSUE CLOSURES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Draft Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 58,19,74,54,167 and 39 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

Company Related Term

Term	Description
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2021 which comprises the consolidated balance sheet as at March 31, 2021, 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 notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
“Company”, “our Company”, “the Company”, “the Issuer” or “CIL”	Choice International Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at Choice House, Shree Shakambhari Corporate Park, 156 - 158, J. B. Nagar, Andheri (East), Mumbai, Maharashtra, 400099.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Manoj Singhania, the Chief Financial Officer of our Company.
“Company Secretary and Compliance Officer”	Karishma Shah, the Company Secretary and the Compliance Officer of our Company.
“Corporate Promoter”	Shree Shakambhari Exims Private Limited
“Director(s)”	The director(s) on the Board of our Company, unless otherwise specified.
“Equity Shareholder”	A holder of Equity Shares
“Equity Shares”	Equity shares of our Company of face value of ₹ 10 each.
“Executive Directors”	Executive Directors of our Company.
“Independent Director(s)”	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Individual Promoters”	Kamal Poddar, Arun Kumar Poddar, Sonu Poddar, Vinita Patodia, Archana Anil Patodia, Sunil Kumar Patodia, Anil C Patodia, Hemlata Kamal Poddar, Aastha Anil Patodia, Aayush Anil Patodia, Anil Chothmal Patodia HUF, Sunil Chothmal Patodia HUF, Suyash Sunil Patodia, Arun Kumar Poddar HUF, Kamal Poddar HUF and Shreya Patodia.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “Our Management – Key Managerial Personnel” on page 73 of this Draft Letter of Offer.

Term	Description
“Limited Reviewed Financial Information” or “Limited Reviewed Financial Statements” or “Limited Reviewed Financial Consolidated Statements” or “Limited Reviewed Consolidated Financial Information”	The limited reviewed unaudited consolidated financial statements for the three months’ periods ended June 30, 2021, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see “ <i>Financial Information</i> ” on page 74 of this Draft Letter of Offer.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
“Non-Executive and Independent Director”	Non-Executive and Independent Directors of our Company, unless otherwise specified.
“Non-executive Directors”	Non-executive Directors of our Company.
“Promoter Group”	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
“Promoter(s)”	Kamal Poddar, Arun Kumar Poddar, Sonu Poddar, Vinita Patodia, Archana Anil Patodia, Sunil Kumar Patodia, Anil C Patodia, Hemlata Kamal Poddar, Aastha Anil Patodia, Aayush Anil Patodia, Anil Chothmal Patodia HUF, Sunil Chothmal Patodia HUF, Suyash Sunil Patodia, Arun Kumar Poddar HUF, Kamal Poddar HUF, Shreya Patodia and Shree Shakambhari Exims Private Limited.
“Registered Office”	The Registered Office of our Company located at Choice House, Shree Shakambhari Corporate Park, 156 - 158, J. B. Nagar, Andheri (East), Mumbai, Maharashtra, 400099.
“Registrar of Companies”/ “RoC”	Registrar of Companies, Mumbai, Maharashtra having its office at 100, Everest, Marine Drive, Mumbai-400002, India
“Rights Issue Committee”	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
“Shareholders/ Equity Shareholders”	The Equity Shareholders of our Company, from time to time.
Subsidiaries	Choice Finserv Private Limited and Choice Portfolio Management Services Private Limited
Step down Subsidiaries	Choice Tech Lab Solutions Private Limited, Choice Wealth Private Limited, Choice Corporate Services Private Limited and Choice Retail Solutions Private Limited
“Wholly Owned Subsidiaries”	Choice Equity Broking Private Limited, Choice Consultancy Services Private Limited, Choice Capital Advisors Private Limited

Issue Related Term

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Allot/Allotment/Allotted	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment.

Term	Description
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application at R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing a SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 179.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Controlling Branches/ Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/ husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited.
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF/DLOF	This draft letter of offer dated October 01,2021 filed with SEBI and the Stock Exchanges.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page12.

Term	Description
Issue / Rights Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 6,000 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date.
Issue Agreement	Issue Agreement dated October 01, 2021 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	Gross proceeds of the Issue.
Issue Size	Amount aggregating up to ₹ 6,000 lakhs
Lead Manager/ LM	Saffron Capital Advisors Private Limited
Letter of Offer/LOF	The final letter of offer to be filed with the Stock Exchanges and SEBI.
Net Proceeds	Proceeds of the Issue less our Company's share of Issue related expenses. For further information about the Issue related expenses, see " <i>Objects of the Issue</i> " on page 51 of this Draft Letter of Offer.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
Non-Institutional Bidders or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●], [●].
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
R-WAP	Registrar's web-based application platform accessible at www.cameoindia.com, instituted as an optional mechanism in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, for accessing/submitting online Application Forms by resident Investors.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
"Registrar to the Issue" / "Registrar"	Cameo Corporate Services Limited.
Registrar Agreement	Agreement dated [●] entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period

Term	Description
	shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Bidders(s)/Retail Individual Investor(s)/ RII(s)/RIB(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement	<p>The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●].</p> <p>The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and link for the same will be available on the website of our Company.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.
Self-Certified Syndicate Banks” or “SCSBs	<p>The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time</p>
Stock Exchange	Stock Exchange where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

Business and Industry related Terms or Abbreviations

Term	Description
AEs	Advanced Economies
COVAX	COVID-19 Vaccines Global Access
COVID/ COVID-19	Coronavirus disease (2019)
EM	Emerging Markets
EMDEs	Emerging Markets and Developing Economies
EPS	Earnings Per Share
EU	European Union
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investors
FY	Fiscal Year
GDP	Gross Domestic Product
GSecs	Government Securities
GST	Goods and Services Tax
GVA	Gross Value Added
IMF	International Monetary Fund
MOU	Memorandum of Understanding
S&P	Standards & Poor
SOPs	Standard Operating Guidelines
UPI	Unified Payments Interface
US/USA	The United States of America
US\$	United States Dollar or US Dollar
WEO	World Economic Outlook
YoY	Year on Year

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA

Term	Description
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
Lac	Lakh
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
MSEI	Metropolitan Stock Exchange of India Limited
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NERL	National E-Repository Limited
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act

Term	Description
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

NOTICE TO INVESTOR

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come, are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, SEBI, the Stock Exchanges, and on R-WAP.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY

SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof (“**United States**”), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references to “India” contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements for the year ended March 31, 2021 and Unaudited Consolidated Financial Results for June 30, 2021. For further information, see the section entitled ‘Financial Information’ beginning on page 74. We have prepared our Audited Consolidated Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. The Audited Consolidated Financial Statements should be read along with the report issued thereon. There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company’s financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months’ period ending on March 31 of that particular calendar year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and
- “Euro” or “€” are to Euros, the official currency of the European Union.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Information.

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	Exchange rate as on		
	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	73.53	75.38	69.17
1 Euro	86.10	83.04	77.70

(Source: RBI reference rate)

*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 22, this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENT

This Draft Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Mumbai;
- Any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;

- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 22, 67 and 156 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the LM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigation and Material Developments” and “Terms of the Issue” on pages 22, 39, 45, 51, 67, 58, 167 and 179 respectively.

1. Summary of Primary Business

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

For further details, please refer to the chapter titled “Our Business” at page 67 of this Draft Letter of Offer.

2. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

		(₹ in lakhs)
Particulars		Amount
Investment in our material Subsidiary, Choice Finserv Private Limited for augn requirements for its business activities.		5,950
Total Net proceeds		5,950

For further details, please see chapter titled “Objects of the Issue” beginning on page 51 of this Draft Letter of Offer.

3. Intention and extent of participation by Promoter and Promoter Group

Mr. Kamal Poddar, our Promoter, on behalf of the Promoter and Promoter Group has, vide letter (the “Subscription Letter”) informed us that the Promoter and Promoter Group **shall not** subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than fifteen days from the closure of the Rights Issue.

4. Summary of Outstanding Litigation

A summary of the pending tax proceedings and other material litigations involving our Company and our Subsidiaries is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Tax Proceedings	2	42.07
Material civil litigations	Nil	Nil
Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	Nil	Nil

*To the extent quantifiable

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Civil and other Material Litigations	1	-

**To the extent quantifiable*

b) Litigations involving our Subsidiaries

i) Cases filed against our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Tax Proceedings	1	52.46
Material civil litigations	4	168.98
Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	5	1.26

**To the extent quantifiable*

ii) Cases filed by our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Civil and other Material Litigations	2	54.09

**To the extent quantifiable*

For further details, please refer the chapter titled “*Outstanding Litigation and Material Developments*” on page 167 of this Draft Letter of Offer.

5. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 22 of this Draft Letter of Offer.

6. Summary of Contingent Liabilities

Following are the details as per the Audited Consolidated Financial Information as at and for the Financial Years ended on March 31, 2019, 2020 and 2021:

Particulars	(₹ in lakhs)		
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Contingent liabilities:			
Income tax demand contested by the company*	88.03	110.25	19.34
Corporate Guarantees issued to Banks & Financial Institutions on behalf of subsidiaries#	6,286.74	8,323.14	1,938.06
ii) Commitments:	NIL	NIL	NIL

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

#The above represents corporate guarantee utilized for Choice Equity Broking Private Limited is Rs. 5230.74 lakhs (March 31, 2020, Rs. 7229.68 lakhs), for Choice Capital Advisors Private Limited is Rs. 94.32 lakhs (March 31, 2020: Rs. 98.07 lakhs) and for Choice Consultancy Services Private Limited is Rs. 961.68 lakhs (March 31, 2020; Rs. 995.39 lakhs). However, the overall sanction amount is Rs. 9220.00 lakhs (March 31, 2020: Rs. 10720.00 lakhs).

For further details, please see the section titled “*Financial Information*” at page 74 of this Draft Letter of Offer.

7. Summary of Related Party Transactions

For further details, please see the section titled “*Financial Information*” at page 74 of this Draft Letter of Offer.

8. Issue of equity shares made in last one year for consideration other than cash

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

9. Split or consolidation of Equity Shares in the last one year

There has been no split or consolidation of Equity Shares in the last one year.

10. Our Promoters

The Promoters of our Company are Kamal Poddar, Arun Kumar Poddar, Sonu Poddar, Vinita Sunil Patodia, Archana Anil Patodia, Sunil Kumar Patodia, Anil C Patodia, Hemlata Kamal Poddar, Aastha Anil Patodia, Aayush Anil Patodia, Anil Chothmal Patodia HUF, Sunil Chothmal Patodia HUF, Suyash Sunil Patodia, Arun Kumar Poddar HUF, Kamal Poddar HUF, Shreya Patodia, Shree Shakambhari Exims Private Limited.

SECTION II- RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the sections “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 67 and, 156 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the information in the industry report or other publicly available information cited in this section.

This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 17 of this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Consolidated Financial Information, prepared in accordance with Ind AS, the Companies Act and SEBI ICDR Regulations. In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to our Company together with our Subsidiaries, on Consolidated basis. The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

Business Related Risks

- 1. The outbreak of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines and shutdowns. These measures may have an impact on workforce and operations and the operations of our customers. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may further cause significant economic disruption across India. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and

profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak. The extent to which COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. The degree to which COVID-19 may impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or the ability to treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our people.

Further, if the outbreak of any of these epidemics or other severe epidemics, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, and could materially and adversely affect our business, cash flows, financial condition and results of operations. Similarly, any other future public health epidemics or outbreak of avian or swine influenza or other contagious disease in India could also materially and adversely affect our business, cash flows, results of operations and financial condition.

2. ***Our Company is a holding company and all our business operations are conducted through our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries and the performance of our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries may adversely affect our results of operations.***

We are a holding company and all our business operations are conducted through our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries. For the financial year 2021, our total income on standalone and consolidated basis was ₹866.74 lakhs and ₹17,581.58 lakhs respectively. Similarly, for the financial year 2021, our profit after tax on standalone and consolidated basis was ₹230.20 lakhs and ₹1671.00 lakhs respectively. The financial condition and results of operations of our Company are thus dependent upon the performance of our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries and their operations.

Our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries be diluted or in the event they cease to be our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries. The ability of our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries to make dividend payments is subject to applicable laws and regulations in India relating to payment of dividends. In addition, loans obtained by these Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries may contain restrictions on the payment of dividends, including, among others, financial covenants being met and certain debt service accounts being adequately funded prior to the declaration or payment of dividends by these Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries. Further, in the event of a bankruptcy, liquidation or reorganization of a Subsidiary, Wholly Owned Subsidiary and Step Down Subsidiary, our Company's claim in the assets of such Subsidiary, Wholly Owned Subsidiary and Step Down Subsidiary as a shareholder remains subordinated to the claims of lenders and other creditors of such Subsidiary, Wholly Owned Subsidiary and Step Down Subsidiary.

3. ***Our Company and one of our Wholly Owned Subsidiaries, Choice Equity Broking Private Limited are involved in legal and other proceedings.***

Our Company and Wholly Owned Subsidiary i.e. Choice Equity Broking Private Limited are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable. The summary of pending litigation in relation to criminal proceedings, tax proceedings, arbitration matters and actions by regulatory or statutory authorities and other material pending litigation involving our Company and our Wholly Owned Subsidiary as on the date of this Draft Letter of Offer has been set out below in the section entitled "Outstanding Litigation and Material

Developments” on page 167.

Litigation involving our Company

i) Cases filed against our Company:

Nature of cases	No. of outstanding cases	Amount involved (in ₹ lakhs)
Criminal Proceedings	Nil	Nil
Actions taken by Statutory/Regulatory Authorities	Nil	Nil
Tax Proceedings	2	42.07
Other Material Litigations	Nil	Nil
Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	Nil	Nil

**To the extent quantifiable*

ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Civil and other Material Litigations	1	-

**To the extent quantifiable*

Litigation involving our Subsidiaries

i) Cases filed against our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Tax Proceedings	1	52.46
Material civil litigations	4	168.98
Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals	5	1.26

**To the extent quantifiable*

ii) Cases filed by our Subsidiaries:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Civil and other Material Litigations	2	54.09

**To the extent quantifiable*

Any adverse decisions passed by the courts or tribunals against our Company or our Wholly Owned Subsidiary could have an adverse effect on the business, future financial position and results of operations.

4. *Few of our Subsidiaries are subject to extensive statutory and regulatory requirements and supervision, which have material influence and consequences for their business operations.*

Business activities of few of our Subsidiaries are subject to extensive supervision and regulation by the Government and various regulatory authorities, such as SEBI, RBI, CCRL, NERL, AMFI, CDSL and the Stock Exchanges. To undertake the business activities, they need to obtain registrations and approvals under, and comply with, regulations issued by various regulatory authorities, including, SEBI, RBI, CCRL, AMFI, CDSL and exchanges, including, NSE, BSE, MCX, NCDEX, ICEX from time to time. Additionally, they need to ensure compliance with various statutes, such as the SCRA read with the SCRR, the SEBI Act, and various rules, regulations, notifications and circulars issued under such statutes. Further, the business activities of our Subsidiaries are also subject to periodic inspection by various regulatory authorities, such as SEBI, RBI, CDSL

and the exchanges. Any negative findings against us during such inspections may materially and adversely affect our business and results of operations.

Additionally, the laws applicable to the business of our Subsidiaries continue to evolve and may be amended, revised, or replaced in the future by the Government or regulatory authorities, or due to judicial decisions. Further, the Government and regulatory authorities also issue instructions or directions regarding conduct of our business activities. We cannot assure you that any of the foregoing will not impose onerous conditions on our business activities, or require us to change the systems, policies and procedures established by us for the purposes of compliance with the applicable laws. Any onerous conditions imposed by, or material changes required to our systems, policies and procedures may increase our compliance cost and adversely affect our business operations.

Our attempts to comply with applicable legal requirements may not be successful, and may also lead to increased costs for compliance, which may materially and adversely affect our business, financial condition, cash flows, results of operations and prospects. We could be adversely affected if legislations or regulations are expanded or amended to require changes in our business practices, or if such legislations or regulations are interpreted or implemented in a way that negatively affect our business, financial condition, cash flows, results of operations and prospects.

5. ***Our Company, few of our Subsidiaries have availed loan facilities as borrower and also acted as guarantor / co-borrowers along with our Promoters for such loan facilities. Any failure or default to repay such loan could trigger repayment obligations on our Company along with our Promoters.***

Our Company along with few of our subsidiaries have availed loan facilities in which our Company, few of our subsidiaries and our Promoters i.e. Anil Patodia, Vinita Patodia, Archana Patodia, Kamal Poddar and Sunil Patodia have acted as guarantor/ co-borrowers. Any default or failure by our Company, few of our Subsidiaries to repay their loans in a timely manner or at all, could trigger repayment obligations on the part of our Company or few of our Subsidiaries and Promoters in respect of such loan. This, in turn, could have an adverse effect on the business, results of operation and financial condition of our Company and few of our Subsidiaries, and the inability on part of the aforementioned Promoters to fulfill their liabilities would also adversely affect their ability to effectively service their obligations as a Promoters of our Company. The assets charged on these loan as collateral includes property where our registered office is located. Hence, in case the charge is invoked, it can have material impact on the working of our Company.

6. ***Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.***

We have experienced negative cash flows from our operations, investing and financing activities in some past years which can be seen in the below table.

(₹ in lakhs)

Particulars	Financial Years		
	2018-19	2019-20	2020-2021
Net cash flows from operating activities	(4,474.95)	2,621.29	(3,624.56)
Net cash flows from investing activities	1,503.55	1,258.64	5,403.88
Net cash flows from financing activities	2,263.26	(1,508.07)	(2,847.12)

We may incur negative cash flows in the future which may have a material adverse effect on our business, prospects, results of operations and financial condition.

7. ***General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Our business and business of our Subsidiaries is highly dependent on economic and political conditions in India and other countries. In the past, global economic and political conditions have resulted in volatility in, and negative investor sentiment about, the Indian securities markets. Any adverse change in global economic and political conditions may impact, amongst others, the volume of financial assets traded, the number of listed securities and liquidity of the listed securities.

General economic and political conditions in India and globally that affect the Indian securities markets may have a material adverse effect on our business. Global economic and political conditions that may affect the Indian securities markets include macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, and availability of short-term and long-term market funding sources and cost of funding. Moreover, market conditions may change rapidly due to any adverse economic and political conditions and we may not be able to respond to such changes in a timely manner, or at all. Any adverse impact of general economic or political conditions could materially adversely affect our business, financial condition, cash flows, results of operations and prospects.

In addition, we are highly susceptible to downturns in general economic conditions and adverse market conditions as they could materially and adversely affect most aspects of our business. Such downturns and adverse market conditions affect our business, results of operations, financial condition, cash flows and prospects in various ways, including but not limited to the following:

- the volume of trading in securities that we offer in our brokerage business may be adversely affected by market movements and volatility, thereby reducing our brokerage income;
- the demand for third-party products that we distribute may be adversely affected by market movements and volatility, thereby reducing our commission income;
- we may face higher risk of defaults by clients or counterparties on their contractual obligations;
- we may face increased competition in all our businesses, leading to lower fee and commissions and lower income;
- our treasury operations may be affected by volatility in interest rates;
- our financing costs may increase due to the limited access to liquidity and the capital markets or volatility in interest rates, thereby restricting our ability to raise funding to develop our business; and
- we may not be able to effectively execute our business plans and strategies.

We have grown significantly in the recent past, with our total income increasing from ₹ 13140.91 lakhs in Financial Year 2019 to ₹ 13235.61 lakhs in Financial Year 2020 and ₹ 17581.58 lakhs in Financial Year 2021. Our total income was ₹ 6156.06 lakhs for the period ended June 30, 2021.

Any adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

8. *We, together with our Promoters and few Subsidiaries, are required to comply with certain restrictive covenants in relation to certain loan agreements.*

We, together with our Promoters and few Subsidiaries are required to comply with certain restrictive covenants in relation to certain loan agreements whereby we are required to maintain minimum turnover and post disbursement requirement. Any failure to comply with the financial covenants or post disbursement requirement under our loan arrangements. In the event we breach any financial or other covenants contained in any of our loan arrangements, we may be required under the terms of such loan arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact us and the results of operations and cash flows of our few Subsidiaries.

9. *The operation of our businesses is highly dependent on information technology and we are subject to risks arising from any failure of, or inadequacies in, our IT systems.*

Our operations rely heavily on the effectiveness of our IT systems and their ability to record and process accurately a large number of transactions on a daily basis and in a timely manner to provide a seamless digital experience to our clients. A prolonged disruption of, or failure of, our information processing or communications systems would limit our ability to process transactions. Any failure of, or inadequacies in our

IT systems would impair our ability to service our clients and execute trades on behalf of clients, which could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations.

10. *There are operational risks associated with the financial services industry which, if realized, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.*

Our business income is predominantly derived from our Subsidiaries. Our Subsidiaries operate in financial services industry and offer various business services. There are various operational risks related to the business operations in the financial services industry, such as:

- human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions;
- inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes;
- delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants;
- failure to establish and maintain an effective controls and compliance oversight by our authorised persons network;
- failure of technology in our processes, including risk management and settlement processes, causing errors or disrupting our operations;
- inadequate technology infrastructure or inappropriate systems architecture;
- inadequate due diligence, including client verification, non-adherence to anti-money laundering guidelines, KYC processes and client needs analysis, in the sales process; etc

If any of the foregoing occurs anytime in future, it could have a material adverse effect on the business, financial condition, cash flows, results of operations and prospects of our Subsidiaries and our Company.

11. *Cyber-attacks or any failure, inadequacy and security breach in our information technology systems may adversely affect our business.*

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our business is particularly susceptible to such disruptions because of our reliance on technology platforms and tools and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products

Our operations also rely on the secure processing, storage transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our business.

12. *We face significant competition in our businesses, which may limit our growth and prospects.*

The securities industry/ market in India is fragmented and characterized by low barriers to entry. Accordingly, we face significant competition from companies seeking to attract our clients' financial assets. We compete with, amongst other, Indian and Foreign brokerage houses. Our competitors have a broader range of products and services, greater financial and marketing resources, larger customer bases, greater name recognition, more

experienced and senior professionals and more established clients as compared to our Company. These competitors may serve all the range of products at one place and may lure more clientele's. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience.

Further, many of our product and service offerings in the brokerage and distribution businesses are easy to replicate. This increases the risk of competition from commercial banks, service providers and distribution platforms to enter the market. Further, any consolidation in the Indian securities industry would also expose us to competitive pressures. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets. In addition, competitive pressures and regulatory changes may also lead to downward pressures on our brokerage commission rates, which could also affect our financial condition and results of operations.

Further, we are comprehensively dependent on technology in almost every aspect of our business, including sales, risk management, fraud detection, client service and settlement. The Indian securities industry/ market is undergoing rapid and significant technological and other changes. Our competitors could utilise technology, big data and innovation to simplify and improve the client experience, increase efficiencies, redesign products, improve client targeting, alter business models more effectively than or to effect disruptive changes in the Indian financial services industry. If we do not anticipate, innovate, keep pace with, and adapt to, technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to clients and materially and adversely affect our business, financial condition and results of operations.

13. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as, information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behavior and as a result these studies may not predict the future risks exposures. Our risk management policies therefore may not adequately address unidentified or unanticipated risks in all cases. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and results of operations.

14. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.

Dividends that we have paid in the past may not be reflective of the dividends that we may pay in a future period. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will be able to pay dividends in the future.

15. Compliance with data privacy norms may require us to incur expenditure, which may adversely impact its financial condition and cash flows.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur expense and devote considerable time to compliance efforts. The existing data privacy regulations limit the extent to which we can use personal identifiable information and limit our ability to use third-party firms in connection with customer data. Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. For instance, the Personal Data Protection Bill, 2018 ("PDP Bill"), applies to processing of personal data, which has been collected, disclosed, shared or processed within India. It imposes restrictions and obligations on data fiduciaries, resulting from dealing with personal data and further, provides for levy of penalties for breach of obligations prescribed under the PDP Bill. Changes or further restrictions in data privacy laws, rules and regulations could have an adverse effect on our business, results of operations and financial performance. The cost and operational consequences of implementing further data protection measures could be significant and this may have an adverse effect on our business,

results of operations and financial performance.

16. *Our Promoters, certain of our Directors hold Equity Shares in our Company and are therefore interested in the Company's performance other than remuneration and reimbursement of expenses.*

Our Promoters, certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Directors including our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with the best interests of the Company or that of minority shareholders.

17. *If we are unable to maintain and enhance the 'Choice' brand equity, the sales of our products and services may suffer which would have a material adverse effect on our financial condition and results of operations*

We believe that the brand we have developed, has over the years, significantly contributed to the success of our business. We also believe that maintaining and enhancing the 'Choice' brand, is critical to maintaining and expanding our client base. Maintaining and enhancing our 'Choice' brand may require us to make substantial investments in various areas, such as product development, marketing and brand building activities, and these investments may not be successful. Further, in the event that we are not able to maintain the quality of our service or our goodwill is affected for any reason, our business and results of operations may be adversely affected. There can be no assurance that consumers will continue to be receptive to our brand.

In particular, as we expand into new market segments, there can be no assurance that consumers in these market segments will accept our brand. Further, our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Maintaining and enhancing our brand will depend largely on our ability to anticipate, gauge and respond in a timely manner to changing trends and consumer demands and preferences, and to continue to provide high quality products and services, which we may not do successfully. If we are unable to maintain or enhance our brand image, our results of operations and our business may be affected.

18. *Our Subsidiaries' financial performance is subject to interest rate risk, and an inability to manage our interest rate risk may have a material adverse effect on our business prospects, financial condition and results of operation.*

Interest rates in India have been volatile in the past. They are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic as well as international economic and political conditions, inflation and other factors.

Our Subsidiaries' results of operations, including their interest income from margin funding are dependent on their ability to manage our interest rate risk. Any volatility in interest rates may adversely affect our Subsidiaries' business due to, amongst others, reducing profitability margin on their financing products, or their financing products becoming commercially unattractive. Our Subsidiaries' net interest income from financing activities and net interest margin would be adversely impacted in case of any increase in interest rates, if the yield on their interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds. In the event of a declining interest rate environment, if our Subsidiaries' cost of funds does not decline simultaneously or to the same extent as the yield on their interest-earning assets, it could adversely impact their interest income from financing activities and net interest margin. Additional risks arising from increasing interest rates, among others, include:

- increase in the rates of interest charged on certain financing products in our Subsidiaries' product portfolio, which may require them to extend repayment period for their clients or result in higher rates of default by their clients;
- increase in defaults resulting from extension of loan maturities and higher instalments due from borrowers;
- reduction in the volume of loan disbursements as a result of a client's inability to service high interest rate payments; and
- inability to raise low cost funds as compared to some of our competitors.

Further, interest rates may also affect our Subsidiaries' clients' investment profile and high interest rates may reduce the attractiveness of equity or equity-linked investments of our clients.

There can be no assurance that we will be able to adequately manage our Subsidiaries' interest rate risk. If we are unable to effectively manage our Subsidiaries' interest rate risks, it could have an adverse effect on our business prospects, financial condition and results of operations.

19. If research disseminated or advice provided by our Subsidiaries contains errors, this could have a material adverse effect on our Subsidiaries business, financial condition or results of operations and in turn impact the financial condition of our Company too.

Our Subsidiaries' retail research team provides their retail clients with research covering recommendations on various quantitative and qualitative research requirements relating to the stock market such as equity fundamentals, technical, derivatives, commodities currencies and mutual funds, in addition to macroeconomic or industry-related research. Although due care and caution is taken by our Subsidiaries' in issuing research recommendations, the accuracy, adequacy or completeness of such information, which is based on information obtained from sources that they consider reliable, is not guaranteed. Errors or omissions in the information or for the results obtained from the use of such information may cause their research findings to be incorrect. Further, certain industry and market data may be subject to assumptions, and methodologies for assumptions vary widely among different data sources. Additionally, such assumptions may change due to various factors which are beyond our Subsidiaries' control. Accordingly, there is no assurance that their assumptions, or those relied upon by them, will be accurate or not change, which may affect the accuracy of their research findings. Incorrect research findings may expose our Subsidiaries' to client complaints, have a materially adverse effect on our Subsidiaries' brokerage and distribution businesses, and may subject them to regulatory action which may harm their reputation, which could subsequently have a material adverse effect on our business, financial condition or results of operations.

20. Our Subsidiaries could be subject to claims by clients or actions by regulators or both for alleged mis-selling.

Our Subsidiaries' sell their third-party distribution products through employees as well as intermediaries including authorized persons, personnel at their dealer helpdesks and DRAs, as the case may be. Our Subsidiaries' employees and intermediaries aid their clients in choosing the correct product, explaining the benefits of such product, disclosing product features and advising clients on whether to continue with a particular product or change products.

Under certain circumstances, the above processes may be considered inadequate or there may be misconduct on part of their employees or intermediaries or both. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products or fund management strategies. Any case of mis-selling, or recurring cases of mis-selling, could result in claims and fines against our Subsidiaries' and could have a material adverse effect on our business, financial condition, cash flows, results of operations and reputation.

It is also possible that a third party aggregates a number of individual complaints against us with the intention of obtaining increased negotiating power. Further, persons have misrepresented, and in the future may misrepresent, themselves as our authorised intermediaries to defraud clients. Such aggrieved clients have filed and, in the future, may file complaints against us. This could result in significant financial losses as well as loss of our reputation.

21. Some of the trademarks applied by us are currently not registered in the name of our Company. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.

As on the date of this Draft Letter of Offer we have 9 trademarks registered under the provisions of Trademark Act, 1999. Some of our trademark are not registered under the provisions of Trademark Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Thus, we cannot guarantee that the application for registration of some of our trademarks made by us will be allowed. In case we are unable to obtain the registration for the said trademarks in our name, we may suffer reputation loss, loss of customers etc. as we do not enjoy any statutory protection under the Trade Marks Act, 1999 for the aforesaid trademark which is important to retain our brand image. Further even if our trademarks are registered, we cannot assure

that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill.

22. *We have entered into certain related-party transactions, and we may continue to do so in the future.*

We have entered into certain transactions with related parties, including with our Promoters and Subsidiaries, for office rent and support service charge and other expenses incurred in the ordinary course of our business. For details of the related-party transactions during the last five Financial Years and the period ended June 30, 2021, as per the requirements under Accounting Standard—18— Related Party Disclosures or Ind AS 24 — related party disclosures, as applicable, please see the section entitled “*Related Party Transactions*” on page 20.

Certain related-party transactions also require the approval of our Shareholders in accordance with applicable laws. There can be no assurance that such transactions will be approved. There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favourable to us. While we believe that all of our related-party transactions have been conducted on an arms’ length basis and all such transactions are adequately disclosed in the section entitled “*Related Party Transactions*” on page 20 and are also approved by the Audit Committee of our Board (including whether such transactions are on an arms’ length basis), we cannot assure you that in all such transactions, we could not have achieved more favourable terms than the existing ones.

It is also likely that we will enter into related-party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

23. *Major fraud, lapses of internal control or failures on part of the employees and could adversely impact the company’s business.*

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company’s operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

24. *Our inability to maintain and/or procure adequate insurance coverage in connection with our business may adversely affect us.*

Operations of our Company are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of software, fire, third party liability claims, loss-in-transit for our designs, accidents and natural disasters. We have obtained insurance coverage in respect of certain risks. These policies generally insure our assets against standard fire and special perils. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like housebreaking, terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject- matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

25. *Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial*

Success of our Company is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. Our Company’s future performance will depend upon the continued services of these persons. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team

and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations

26. ***We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.***

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “Industry Overview” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

ISSUE SPECIFIC RISK

27. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 179.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

28. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circulars dated May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at www.linkintime.co.in), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Eligible Shareholders can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see “Terms of the Issue” on page 179. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology;
- in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users’ data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

29. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.*

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “Terms of the Issue” on page 179.

30. *The entitlement of Rights Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.*

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form will not be available after a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., May 10, 2019. Since, the Rights Equity Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

31. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholder”) may lapse in case they fail to furnish the details of their demat account to the Registrar.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “Terms of the Issue” on page 179. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

32. *Investor may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be

partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

33. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

34. ***There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

35. ***Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

36. Our funding requirements and proposed deployment of the Net Proceeds are based on our internal management estimates and have not been appraised by any bank or financial institution or other external agency and may be subject to change based on various factors, some of which are beyond our control

Our Company proposes to utilize the Net Proceeds for repayment of identified unsecured loans and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

EXTERNAL RISK FACTORS

37. ***Financial difficulty and other problems relating to financial institutions in India could have a material adverse effect on our business, results of operations and financial condition***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business.

In Financial Year 2011, Indian government agencies initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations and financial condition.

In addition, we deal with various financial institutions in our business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional counterparties or intermediaries suffers economic difficulty, this could have a material adverse effect on our business, results of operations and financial condition.

38. *Our business may be affected by certain factors beyond our control*

Our business may be affected by various factors that are beyond our control. Such factors may affect our business as they may have an effect on the Indian economy and consequently, may affect our Subsidiaries companies in term of the investment pattern of investors, borrowing patterns of borrowers and decrease in the consumer disposable income. Such factors include changes in investment patterns, budget announcements, policy announcements, political changes, changes in interest rates, inadequate monsoons, health pandemics, terrorist attacks, natural calamities and other acts of violence or war, which may adversely affect worldwide financial and Indian markets. These could potentially lead to an economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India’s economy.

39. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business

40. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-based and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows, results of operations and prospects.

- 41. *If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, any unexpected or onerous requirements or regulations resulting from any change in the existing GST regime or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST.

We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial conditions and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

- 42. *Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.***

India's sovereign rating is BBB-/ A-3 with a "negative" outlook (S&P). Going forward, the sovereign ratings outlook will remain dependent on whether the Government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

- 43. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for

securities of Indian companies, including our Equity Shares.

44. *Instability in financial markets could materially and adversely affect our results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

45. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction in which the Bidders are located in, do not permit them to exercise their pre-emptive rights without filing of an offering document or registration statement by our Company with the applicable authority in such jurisdiction, Bidders will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that Bidders are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

46. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Service Industry contained in this Issue.*

While facts and other statistics in this Issue is relating to India, the Indian economy and the Service industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

47. *The bankruptcy code in India may affect our rights to recover loans from our customers.*

The Insolvency and Bankruptcy Code, 2016 ("IBC") was notified on August 5, 2016. The IBC offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The IBC creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company or a debtor files for voluntary insolvency, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any

decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be delay in recovery of amounts from such borrowers.

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC.

48. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.*

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our Subsidiaries' business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our operating expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

SECTION III- INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on June 25, 2021 pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 179 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Upto [●] Equity Shares
Rights Entitlement	Upto [●] Equity Share for every [●] fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	[●]
Face value per Equity Shares	₹ 10/-
Issue Price per Rights Equity Shares	₹ [●]/-
Issue Size	Upto ₹ [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 6,000 lakhs.
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	3,98,04,800 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto [●] Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●]
Money payable at the time of Application	₹ [●]
Scrip Details	ISIN: INE102B01014 BSE: 531358
Use of Issue Proceeds	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 51 of this Draft Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 179 of this Draft Letter of Offer.

Please refer to the chapter titled “*Terms of the Issue*” on page 179 of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

*The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.

General Information

Our Company was incorporated as “Choice Financial Services Limited” on March 12, 1993 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra and consequently a certificate of commencement of business dated March 13, 1993 was issued to our Company. Subsequently, the name of our Company was changed to “Choice International Limited”, and a fresh certificate of incorporation dated November 12, 1997, consequent to such name change was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The corporate identification number of our Company is L67190MH1993PLC071117.

Registered Office of our Company

Shree Shakambhari Corporate Park,
156 - 158 Chakravorty Ashok Society,
J.B. Nagar, Andheri (E)
Mumbai-400099 India
Telephone: +91 22 67079999
Website: www.choiceindia.com
CIN: L67190MH1993PLC071117
Company Registration Number: 071117

Changes in the Registered Office

<i>From</i>	<i>To</i>	<i>With Effect from</i>	<i>Reason for change</i>
624, Corporate Park, Nirmal Life Styles, L.B.S Marg, Mulund (W), Mumbai	Office No 305, A P Market, Dr. C H Street, Behind Parsi Diary, Marine Lines, Mumbai.	March 05, 2007	Greater Operational Efficiency
Office No 305, A P Market, Dr. C H Street, Behind Parsi Diary, Marine Lines, Mumbai	A-8, Narayan Plaza, 1st Floor, 26-A, Chandivali Road, Opp Saki Vihar Road Andheri (E) Mumbai- 400 072	September 23, 2008	Greater Operational Efficiency
A-8, Narayan Plaza, 1st Floor, 26-A, Chandivali Road, Opp Saki Vihar Road Andheri (E) Mumbai- 400 072	202, Chartered House, Dr. C.H. Street Dhobi Talao Mumbai-400002 Maharashtra, India	May 30, 2009	Greater Operational Efficiency
202, Chartered House, Dr. C.H. Street Dhobi Talao Mumbai-400002 Maharashtra, India	Shree Shakambhari Corporate Park, 156 1 Chakravorty Ashok Society, J.B. Nagar, Andheri (E) Mumbai-400099 Maharashtra, India	October 16, 2011	Greater Operational Efficiency

Address of the RoC: Our Company is registered with the RoC, Mumbai, Maharashtra which is situated at the following Address:

Registrar of Companies, Maharashtra Mumbai

100, Everest,
Marine Drive,
Mumbai-400002, India

Company Secretary and Compliance Officer

Karishma Shah

Choice International Limited

Shree Shakambhari Corporate Park,
156 -158 Chakravorty Ashok Society,
J.B. Nagar, Andheri (E)
Mumbai-400057 India
Telephone: +91 22 67079999/ +91 9819106487
Email: Karishma.shah@choiceindia.com

Lead Manager to the Issue

Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, J.B. Nagar,
Andheri (East), Mumbai - 400 059, India

Telephone: 022 4082 0912

Fax: 022 4082 0999

E-mail: rights.issue@saffronadvisor.com

Contact Person: Amit Wagle/Gaurav Khandelwal

Website: www.saffronadvisor.com

SEBI Registration No.: INM000011211

Registrar to the Issue

Cameo Corporate Services Limited

Subramanian Building, No.1 Club House Road,
Chennai 600002

Telephone: 91-44-40020700 / 91-44-28460390

E-mail: priya@cameoindia.com

Investor Grievance E-mail: investor@cameoindia.com

Contact Person: Ms.Sreepriya K

Website: www.cameoindia.com

RWAP : <https://rights.cameoindia.com/Choice>

SEBI Registration No.: INR000003753

Legal Counsel to the Issue

Mindspright Legal

712-714, C-Wing, Trade World,
Kamla City, Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400013

Telephone: +91-22-42197000

E-mail: richa@mindspright.co.in

Contact Person: Richa Bhansali

Website: www.mindspright.com

Statutory Auditors of the Company

Deloitte Haskins & Sells LLP

Chartered Accountants

One International Center

Tower 3, 32nd Floor,

Senapati Bapat Marg,

Elphinstone Road (West)

Mumbai - 400013

Telephone: (022) 61854000

Firm Registration No.: 117366W/W100018

Email: sgk@deloitte.com

Peer Review No.:013179

Investors may contact the Registrar or our Secretary and Compliance Officer for any Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs for grievances related to the ASBA process, giving full details such as name, address of the applicant, contact number(s), e-mail ID of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process), and copy of the e -acknowledgement (in case of R-WAP process). For further details on the ASBA and R-WAP process, please refer to the section titled “Terms of the Issue” beginning on page 179.

Bankers to the Issue

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Experts

Our Company has received a written consent from its Statutory Auditors, M/s Deloitte Haskins & Sells LLP, Chartered Accountants through its letter dated October 01, 2021 to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an Independent Statutory Auditor and in respect of its reports issued by it included in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. However, the term “expert” and consent thereof shall not be construed to mean an “expert” as defined under the Securities Act, 1933.

Further, our Company has received a written consent from its M/s ASBS & Co., Chartered Accountants through its letter dated September 20, 2021 to include their name as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an Independent Chartered Accountant in its report dated September 20, 2021 on the statement of special tax benefits in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. However, the term “expert” and consent thereof shall not be construed to mean an “expert” as defined under the Securities Act, 1933.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process or R-WAP.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation#	[●]
Issue Closing Date*	[●]
Finalisation of Basis of Allotment(on or about)	[●]
Date of Allotment(on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounces on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, [●]. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “Terms of the Issue” on page 179.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see “Terms of the Issue” on page 179.

The detail of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar [●] after keying in their respective details along with other security control measures implemented thereat. For details, see “Terms of the Issue” on 179.

Statement of Responsibilities

Saffron Capital Advisors Private Limited is the sole Lead Manager to the Issue, and accordingly, there is no inter seal location of responsibilities in the Issue. The details of responsibilities of the Lead Manager, are as follows:

Sr. No.	Activity
1	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.
2	Coordination for drafting and design of the Draft Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchange and SEBI
3	Assist in drafting, design of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc.
4	Selection of various agencies connected with Issue, such as Registrar to the Issue, printers, advertising agencies, Monitoring Agency, etc., as may be applicable and finalisation of the respective agreements
5	Liasoning with the Stock Exchange for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6	Assist in drafting and approval of all statutory advertisements
7	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.
8	Formulating and Coordination of International marketing strategy
9	Formulation and coordination of Domestic Institutional marketing strategy
10	Co-ordination with Stock Exchange and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit
11	Non-Institutional and Retail Marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Formulating marketing strategies; • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including application form, Draft letter of offer
12	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or

	demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc. and coordination of underwriting arrangement, if any
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Credit Rating

As the Issue is of Rights Equity Shares, credit rating is not applicable.

Debenture Trustee

As the Issue is of Rights Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Since the Issue size does not exceed ₹6,000 Lakhs, the appointment of a monitoring agency as per Regulation 82(1) of the SEBI Regulations is not required.

Minimum Subscription

Mr. Kamal Poddar, our Promoter, on behalf of the Promoter and Promoter Group has, vide letter (the “**Subscription Letter**”) informed us that the Promoter and Promoter Group **shall not** subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than fifteen days from the closure of the Rights Issue.

Changes in Auditors during the last three years

There has not been any change in the Statutory Auditor of our Company in last three years.

Underwriting

This Issue shall not be underwritten.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously as per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
A.	Authorised Share Capital		
	5,01,00,000 Equity Shares of face value of ₹ 10 each	5,010.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	3,98,04,800 Equity Shares of face value of ₹ 10 each	3980.48	
C.	Present Issue in terms of this Draft Letter of Offer		
	Up to [●] Equity Shares of face value of ₹ 10 each	[●]	[●]
D.	Issued, Subscribed and Paid-Up Share Capital after the Issue		
	[●] Equity Shares of face value of ₹ 10 each	[●]	
E.	Securities Premium Account		
	Before the Issue	(²) 9,903.19	
	After the Issue		[●]

⁽¹⁾ The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated June 25, 2021.

⁽²⁾ As on March 31, 2021 consolidated financials.

NOTES TO CAPITAL STRUCTURE

1. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Mr. Kamal Poddar, our Promoter, on behalf of the Promoter and Promoter Group has, vide letter (the “**Subscription Letter**”) informed us that the Promoter and Promoter Group **shall not** subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than fifteen days from the closure of the Rights Issue

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is [●]/- per equity share.
3. No convertible instruments or options have been issued or allotted by our Company which are outstanding as on date of this Draft Letter of Offer.
4. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges:

(i) The summary statement of the shareholding pattern of our Company as on June 30, 2021 is as follows:

The table below represents the summary statement of the shareholding pattern of our Company as on June 30, 2021:

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying deposit receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ ++VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrant s)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoter and Promoter Group	17	2,56,00,000	-	-	2,56,00,000	64.31	2,56,00,000	2,56,00,000	64.31	-	-	21151000	82.62	-	-	2,56,00,000
(B)	Public	1930	14204800	-	-	14204800	35.69	14204800	14204800	35.69	-	-	9138538	64.33	-	-	14138698
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		1947	39804800	-	-	39804800	100	39804800	39804800	100	-	-	30289538	76.10	-	-	39738698

(ii) The statement of the shareholding pattern of our Company as on June 30, 2021 is as follows:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
(A) Promoter & Promoter Group	17	25600000	25600000	64.31	25600000	64.31	25600000
(B) Public	1930	14204800	14204800	35.69	14204800	35.69	14138698
Grand Total	1947	39804800	39804800	100	39804800	100	39738698

(iii) Statement showing holding securities of persons belonging to the category “Promoters and Promoter Group” as at June 30, 2021:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
A1) Indian							
a. Individuals/ Hindu undivided family	16	25000000	25000000	62.81	25000000	62.81	25000000
Kamal Poddar		4000000	4000000	10.05	4000000	10.05	4000000
Arun Kumar Poddar		4050000	4050000	10.17	4050000	10.17	4050000
Sonu Poddar		2000000	2000000	5.02	2000000	5.02	2000000
Vinita Patodia		3612500	3612500	9.08	3612500	9.08	3612500
Archana Anil Patodia		1575000	1575000	3.96	1575000	3.96	1575000
Sunil Kumar Patodia		2588500	2588500	6.50	2588500	6.50	2588500
Anil C Patodia		1100000	1100000	2.76	1100000	2.76	1100000
Hemlata Kamal Poddar		2000000	2000000	5.02	2000000	5.02	2000000
Aastha Anil Patodia		300000	300000	0.75	300000	0.75	300000
Aayush Anil Patodia		300000	300000	0.75	300000	0.75	300000
Anil Chothmal Patodia HUF		300000	300000	0.75	300000	0.75	300000
Sunil Chothmal Patodia HUF		300000	300000	0.75	300000	0.75	300000
Suyash Sunil Patodia		2300000	2300000	5.78	2300000	5.78	2300000

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a% of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
Arun Kumar Poddar HUF		225000	225000	0.57	225000	0.57	225000
Kamal Poddar HUF		225000	225000	0.57	225000	0.57	225000
Shreya Patodia		124000	124000	0.31	124000	0.31	124000
b. Body corporates		600000	600000	1.51	600000	1.51	600000
Shree Shakambhari Exims Private Limited		600000	600000	1.51	600000	1.51	600000
Sub- total of A1	17	25600000	25600000	64.31	25600000	64.31	25600000
A2) Foreign							
Sub-total of A2	-	-	-	-	-	-	-
A= A1+ A2	17	25600000	25600000	64.31	25600000	64.31	25600000

(iv) Statement showing holding of securities of persons belonging to the “Public” category as on June 30, 2021:

Category of Shareholder	Nos. of Shareholders	No. of fully paid up Equity Shares held	Total no of Equity Shares held	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C 2)	No. of Voting Rights	Total as a % of Total Voting right	Number of Equity Shares held in dematerialized form
B1) Institutions							
Foreign Venture Capital Investors	1	2000000	2000000	5.02	2000000	5.02	2000000
B2) Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-
Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-
Sub Total B2	-	-	-	-	-	-	-
B3) Non-Institutions							
Individual share capital upto Rs. 2 Lacs	1754	1139571	1139571	2.86	1139571	2.86	1085469
Individual share capital in excess of Rs. 2 Lacs	29	8106435	8106435	20.37	8106435	20.37	8106435
Any Other	146	2958794	2958794	7.43	2958794	7.43	2958794
IEPF	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-
Non-Resident Indian (NRI)	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-
Sub-total B3	1929	12204800	12204800	30.66	12204800	30.66	12204800
B= B1+B2+B3	1930	14204800	14204800	35.69	14204800	35.69	14204800

(v) Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges as on June 30, 2021

Sr. No.	Name of the Shareholders	No. of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Genesis Grand General Trading LLC	2000000	5.02
2.	Mr. Ravi Agrawal	1000000	2.51
3.	Mr. Suresh Kumar Jajoo	600000	1.51
4.	Ms. Vimla Suresh Jajoo	600000	1.51
5.	Mr. Ankit Suresh Jajoo	600000	1.51
6.	Ms. Seepa Kabra	600000	1.51
7.	Mr. Yogesh Jadhav	550000	1.38
8.	Mr. Jitendra Kumar Bhagat	500000	1.26
9.	Mr. Nand kishore Agrawal	500000	1.26
10.	Ms. Lily Agarwal	500000	1.26
11.	Ms. Chaitali Jadhav	500000	1.26
12.	Azura Projects Private Limited	1285026	3.23
13.	Florence Securities Private Limited	785684	1.97
14.	Chartered Capital Research Private Limited	414212	1.04

(vi) Details of shares locked-in, pledged, encumbrance by promoters and promoter group:

As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoters or the members of our Promoter Group are pledged or otherwise encumbered.

The details of Equity Shares locked-in which are held by our Promoters or the members of our Promoter Group as on the date of this Draft Letter of Offer.

Sr. No.	Name of Promoters	Total no. of shares held	Lock-in shares	% of total shareholding
1.	Mrs. Vinita Sunil Patodia	3612500	3612500	9.08
2.	Mrs. Sonu Poddar	2000000	2000000	5.02
3.	Mr. Kamal Poddar	4000000	4000000	10.05
4.	Mrs. Hemlata Kamal Poddar	2000000	2000000	5.02
5.	Mr. Sunil Kumar Patodia	2588500	2588500	6.50
6.	Mr. Arun Kumar Poddar	4050000	4050000	10.17
7.	Mr. Suyash Sunil Patodia	2300000	2300000	5.78
8.	M/s. Shree Shakambhari Exims Private Limited	600000	600000	1.51

(vii) Details of shares acquired by promoters and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:

Sr. No.	Name of the Promoter and Promoter Group	Number of shares acquired	Date of acquisition
1.	Ms. Sonu Poddar	750000	December 14, 2020
2.	Shree Shakambhari Exims Private Limited	213473	December 14, 2020
3.	Mr. Sunil Kumar Patodia	1350000	January 14, 2021
4.	Mrs. Hemlata Poddar	1150000	March 17, 2021
5.	Mr. Kamal Poddar	1499989	April 17, 2021
6.	Mr. Arun Poddar	1950000	April 17, 2021
7.	Mr. Suyash Patodia	2000000	June 17, 2021
8.	Ms. Vinita Patodia	2000000	June 25, 2021

OBJECT OF THE ISSUE

The objects of the Issue are:

- Investment in our material Subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities.

(referred to hereinafter as the “**Objects**”)

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

The objects set out in the Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue and the activities for which the borrowings proposed to be prepaid in full or part from the Net Proceeds.

Details of objects of the Issue

The details of objects of the Issue are set forth in the following table:

(₹ in lakhs)	
Particulars	Amount
Gross Proceeds from the Issue	6,000
Less: Issue related expenses	(50)
Net Proceeds from the Issue	5,950

Requirement of Funds

The details of the Net Proceeds are set forth in the following table:

(₹ in lakhs)	
Particulars	Amount
Investment in our material Subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities.	5,950
Issue related expenses	50
Gross proceeds from the Issue	6,000

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

			(₹ in lakhs)
			Estimated Amount to be Utilised
1.	Investment in our material Subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities.		5,950
	TOTAL		5,950

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2021-22.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Details of the Objects of the Issue

Investment in our material Subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities.

Our Company proposes to utilise ₹ 5,950 lakhs from the Net Proceeds towards making an investment in our material subsidiary, CFPL for augmentation of funding requirements for its business activities. On January 12, 2018 CFPL secured the registration as a Non Deposit accepting Non- Banking Financial Company with RBI bearing Registration Number: N-13.02216. CFPL is a Non Deposit Taking Non Systematically Important Non- Banking Financial Company. The major services provided by CFPL is loan against shares.

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilise ₹ 5,950 lakhs from the Net Proceeds towards making an investment in our material subsidiary for augmentation of funding requirements for its business activities. We will determine the form of investment for the abovementioned investment in CFPL, i.e., whether they will involve equity, debt or any other instrument or combination thereof. At this stage, our Company cannot determine whether the form of investment will be equity, debt or any other instrument or combination thereof. CFPL does not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain invested in CFPL, and will derive benefits from it, to the extent of our direct or indirect shareholding in it, or as a lender if funds are deployed in the form of debt. For details, see “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on our internal management estimates and have not been appraised by any bank or financial institution or other external agency and may be subject to change based on various factors, some of which are beyond our control” on page 22.

Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

**Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Appraisal and Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee.

The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Issue proceeds will be paid by our Company to our Promoters, our Promoter Group or our Directors.

STATEMENTS OF TAX BENEFITS

Statement of possible special tax benefits available to the Company, its Material Subsidiary and its Shareholders

To
The Board of Directors
Choice International Limited

Choice House, Shree Shakambhari Corporate Park, 156 - 158, J. B. Nagar, Andheri (East), , Mumbai, Maharashtra, 400099

Dear Sirs,

Subject: Statement of Possible Special Tax Benefits available to Choice International Limited (“the Company”), its Material Subsidiary (Namely:-[Choice Equity Broking Pvt. Ltd., Choice Finserv Pvt. Ltd. and Choice Consultancy Services Pvt. Ltd.]) and shareholders of the Company under the direct& indirect tax laws.

We have been requested by the Company to issue a report on the special tax benefits available to the Company, its certain material subsidiaries (as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended) namely [**Choice Equity Broking Pvt. Ltd., Choice Finserv Pvt. Ltd. and Choice Consultancy Services Pvt. Ltd.] (“Material Subsidiary”)** and its shareholders attached for inclusion in this Draft Letter of Offer in connection with the proposed rights issue of equity shares of the Company (the “**Issue**”). The Statement has been prepared by the management of the Company and stamped by us for identification purpose only.

The statement showing the current position of special tax benefits available to the Company, its Material Subsidiary and the shareholders of the Company as per the provisions of Income- tax Act, 1961 (“**the IT Act**”) and the Central Goods And Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act (“**SGST**”) read with rules, circulars, and notifications (“**GST law**”), the Customs Act, 1962, Customs Tariff Act, 1975 (“**Customs law**”) and Foreign Trade Policy 2015-2020 (“**FTP**”) (herein collectively referred as “**Indirect Tax Laws**”) as amended by Finance Act, 2020, i.e. applicable for the assessment year AY 2021-22 relevant to the financial year 2020-21 for inclusion in the Draft Letter of Offer (“**DLOF**”) & Letter of Offer (“**LOF**”) for the issue of rights shares is annexed herewith.

These possible special tax benefits are dependent on the Company, its Material Subsidiary and the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the corresponding Tax laws. Hence, the ability of the Company, its Material Subsidiaries and the shareholders of the Company to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives, the Company and its Material Subsidiary may face in the future and accordingly, the Company, its Material Subsidiary and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or its Material Subsidiary or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and its Material Subsidiary. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- i. The Company or its Material Subsidiary or the shareholders of the Company will continue to obtain these benefits in future;
- ii. The conditions prescribed for availing the benefits have been/would be met;
- iii. The revenue authorities/courts will concur with the views expressed herein

The statement is intended solely for information and the inclusion in the Draft Letter of Offer in connection with the rights issue of equity shares of the Company and is not be used, referred to or distributed for any other purpose, without our prior consent, provided the below statement of limitation is included in the Offer Letter.

Limitation:

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to

such changes. We shall not be liable to the Company and/or its certain material subsidiaries for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company, its Certain Material Subsidiaries and any other person in respect of this Statement, except as per applicable law.

For ASBS & Co.

Chartered Accountants

Firm Registration No. 135952W

Sushil Goyal

Partner

Membership no. 154193

UDIN- 21154193AAAADR6692

Date- September 20th 2021, Mumbai

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CHOICE INTERNATIONAL LIMITED (“THE COMPANY”), ITS MATERIAL SUBSIDIARIES AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax & indirect tax benefits available to the Company, its material subsidiaries and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, its Material Subsidiaries and the shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or its Material Subsidiaries may face in the future and accordingly, the Company, its Material Subsidiaries and the shareholders of the Company may or may not choose to fulfill. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or its certain material subsidiaries or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

The tax benefits stated below are as per the Income tax Act, 1961 (“**IT Act**”) as amended from time to time and applicable for financial year 2020-21 relevant to assessment year 2021- 22 (AY 2021-22) and Indirect Tax Laws as amended from time to time and applicable for financial year 2020-21

I. Under the IT Act

1. Special tax benefits available to the Company and its Subsidiary under the Act

a) Lower Corporate Tax Rate under section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act 2019”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (i.e. deduction under section 10AA, 32(1)(ia), 33ABA, 35 (2AB), 80-IA etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under section 115JB. The CBDT has further issued Circular 29/2019 dated Oct 02, 2019 clarifying that since the MAT provisions under section 115JB itself would not apply where a domestic company exercises option of lower tax rate under section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under section 115JAA dealing with MAT credit.

The Company is eligible to exercise the above option, but not yet exercised the option for lower corporate tax rate due to availability of MAT credit as on the date of this report. Further, the material Subsidiary. I.e. Choice Consultancy Services Pvt. Ltd. and Choice Finserv Pvt. Ltd. have opted for this lower corporate tax for the FY 2019-20. However Choice Equity Broking Pvt. Ltd. has not yet exercised the option for lower corporate tax rate.

B. Deductions from Gross Total Income

Section 80 JJAA- Deduction in respect of Employment of new employees

Subject to fulfillment of prescribed conditions, the company and the Material Subsidiaries are entitled to claim deduction, under the provision of Section 80JJAA of the Act, of an amount equal to thirty percent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

Section 80M-Deduction in respect of inter-corporate dividends

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 01, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company or Material Subsidiaries received any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial year, it shall be entitled to the deduction under Section 80M of the Act.

2. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the company.

With respect to a resident corporate shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The Section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:-

- a) The above statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b) The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
- c) The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2021-22. Several of these benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant provision of the Tax Laws.
- d) In respect of non-residents, the tax rate and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
- e) In respect of lower Corporate Tax rate under section 115BAA, it may be noted that such option for Financial Year 2020-21 is yet to be exercised by the Company which could be done prior to furnishing the tax return of the Company for Financial Year 2020-21. Similarly, two Material Subsidiary Company (CCSPL and CFL) has chosen the option for the lower Corporate Tax under section 115BAA for the FY 2019-20 while filing the return of income but one Material Subsidiary (CEBPL) has not chosen the option for the lower Corporate Tax. The option once exercised cannot be subsequently withdrawn for the same or any other Financial Year.
- f) If the company opts for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:-
 - Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
 - Deduction under clause (iia) of sub –section (1) of section 32 (Additional Depreciation)
 - Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas , Investment deposit account, site restoration fund)
 - Deduction under sub-clause (ii) or sub-clause (iia) or sub clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
 - Deduction under section 35AD or section 35CCC (deduction for specified business, agricultural extension project)
 - Deduction under section 35CCD (Expenditure on skill development)
 - Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M

- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
 - No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
- g) This statement is intended only to provide general information to the investors and is neither designed nor intended to be substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

1. Special indirect tax benefits available to the Company and Material Subsidiary

The Company and its Material Subsidiaries are not entitled to any special tax benefits under indirect tax laws.

2. Special indirect tax benefits available to Shareholders

The Shareholders of the company are not entitled to any special tax benefit under indirect tax laws.

NOTES:

1. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GOLBAL ECONOMY AT LARGE

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook (WEO) forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

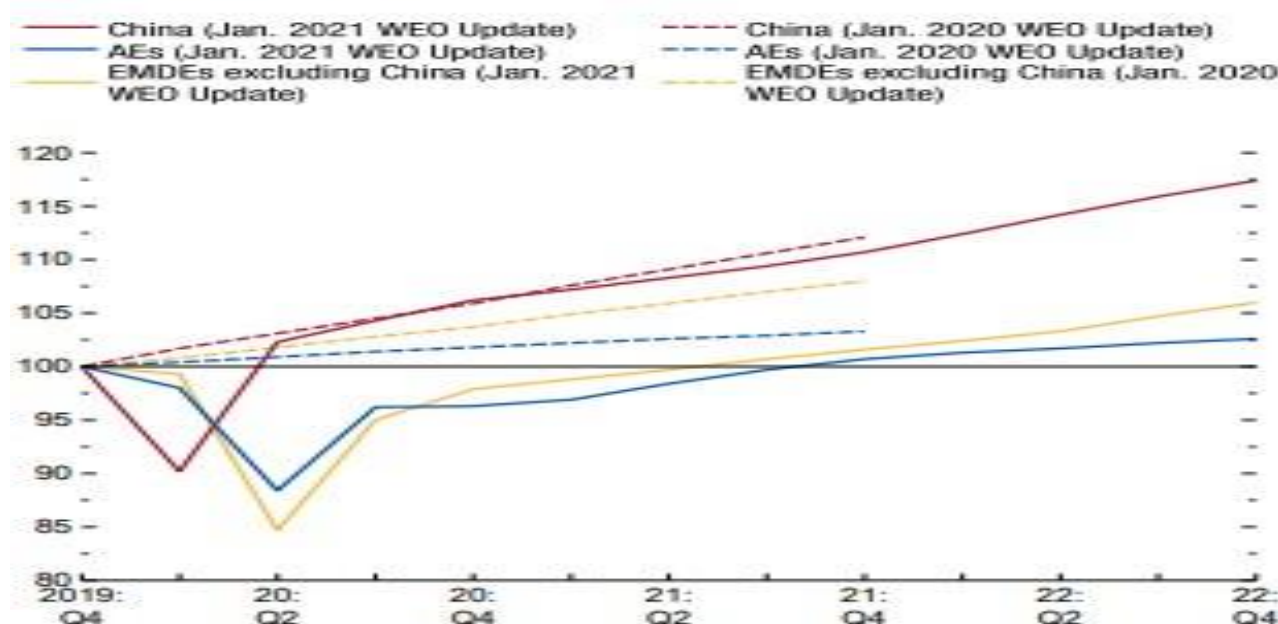
Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. Strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at

affordable prices for all. Many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic. The global community will need to continue working closely to ensure adequate access to international liquidity for these countries. Where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20. A stronger starting point for the 2021–22 forecast. Multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. Moreover, economic data released after the October 2020 WEO forecast suggest stronger-than-projected momentum on average across regions in the second half of 2020. Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Finally, additional policy measures announced at the end of 2020—notably in the United States and Japan—are expected to provide further support in 2021–22 to the global economy. These developments indicate a stronger starting point for the 2021–22 global outlook than envisaged in the previous forecast. Lingering concerns. However, surging infections in late 2020 (including from new variants of the virus), renewed lockdowns, logistical problems with vaccine distribution, and uncertainty about take-up are important counterpoints to the favorable news. Much remains to be done on the health and economic policy fronts to limit persistent damage from the severe contraction of 2020 and ensure a sustained recovery. These developments raise three interrelated questions for the global outlook. First, how will restrictions needed to curb transmission affect activity in the near term before vaccines begin delivering effective society-wide protection? Second, how will vaccine-rollout expectations and policy support affect activity? Third, how will financial conditions and commodity prices evolve? The baseline forecast requires forming a view on these unknowns. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillover, and structural characteristics entering the crisis (Figure 1).

Figure 1. Divergent Recoveries: WEO Forecast for Advanced Economies and Emerging Market and Developing Economies (Index, 2019:Q4 = 100)



Source: IMF staff estimates.

Note: AEs = advanced economies; EMDEs = emerging market and developing economies; WEO = World Economic Outlook.

Infections and restrictions will soften momentum in early 2021. Third quarter GDP outturns mostly surprised on the upside (Australia, euro area, India, Japan, Korea, New Zealand, Turkey, United States) or were in line with expectations elsewhere (China, Mexico). Among components, private consumption rebounded the most. Investment picked up relatively slowly, except in China (Figure 2). The expenditure decompositions suggest a release of pent-up demand and adjustments to telework. Given the largely one-off nature of such spending, it is likely to dissipate once the adjustments are made. High-frequency data suggest some tapering into the fourth quarter of 2020—for example, in new orders, industrial production, and global trade (Figure 3). The US December employment report also showed the first net decline in nonfarm payrolls since April 2020. Moreover, services output remains subdued and is likely to soften further in the coming months with renewed restrictions to combat rising infections. The softening in early 2021 is expected to give way to rising momentum in the second quarter as vaccines and therapies become more readily available, allowing contact-intensive activity to strengthen. Vaccines, therapies and containment efforts. The baseline assumes broad vaccine availability in advanced economies and some emerging market economies in summer 2021 and across most countries by the second half of 2022—an accelerated timeline relative to expectations at the time of the previous forecast. Vaccine rollout speed is assumed to vary across economies based on country-specific factors. Moreover, therapies are expected

to gradually become more effective and more accessible worldwide over the course of 2021–22. The baseline also assumes the possibility of lockdowns, including to contain transmission of new variants, before vaccines become widely available. Additional fiscal policy support set to boost activity in some countries, but most are expected to experience lower deficits in 2021. The sizable fiscal support announced for 2021 in some countries, including most recently in the United States and Japan, together with the unlocking of Next Generation EU funds, will help lift economic activity among advanced economies with favourable spill overs to trading partners. However, as noted in the January 2021 Fiscal Monitor Update, fiscal deficits in most countries are projected to decline in 2021 as revenues rise and expenditures decline automatically with the recovery. Supportive financial conditions. Major central banks are assumed to maintain their current policy rate settings throughout the forecast horizon to the end of 2022. As a result, financial conditions are expected to remain broadly at current levels for advanced economies while gradually improving for emerging market and developing economies. Within this latter group, differentiation between investment-grade sovereigns (who have been able to issue external debt in large amounts in 2020) and high-yield borrowers (many of whom are constrained in their ability to take on additional debt and until recently have not accessed international markets during the pandemic) is expected to subside as the recovery takes hold. As noted in the January 2021 Global Financial Stability Report Update, markets remain upbeat about prospects for 2021, banking on continued policy support. Rising commodity prices. Reflecting the projected global recovery, oil prices are expected to rise in 2021 just over 20 percent from the low base for 2020, but will still remain well below their average for 2019. Non-oil commodity prices are also expected to increase with those of metals, in particular, projected to accelerate strongly in 2021.

Global growth. After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022 (Table 1). The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support—mostly in the United States and Japan—together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group. Global trade. Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere. Global activity will remain well below the pre-COVID, January 2020 WEO projections through the forecast horizon (Figure 4). The strength of the projected recovery varies across countries, depending on the severity of the health crisis, the extent of domestic disruptions to activity (related to the structure of the economy and its reliance on contact-intensive sectors), the exposure to cross-border spill overs, and—importantly—the effectiveness of policy support to limit persistent damage. Advanced economies, in general, have been able to provide expansive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans, and guarantees), and central banks have reinforced this with expanded asset purchase programs, funding-for-lending facilities, and, for some, interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries. Recovery paths vary within the group, with the US and Japan projected to regain end-2019 activity levels in the second half of 2021, while in the euro area and the United Kingdom activity is expected to remain below end-2019 levels into 2022. The wide divergence reflects to an important extent differences across countries in behavioural and public health responses to infections, flexibility and adaptability of economic activity to low mobility, pre-existing trends, and structural rigidities entering the crisis. The 2021 forecast for the United States is revised up 2 percentage points relative to the October 2020 WEO projection, reflecting carryover from the strong momentum in the second half of 2020 and additional support from the December 2020 fiscal package. Similarly, the 0.8 percentage point upward revision to Japan’s 2021 forecast is largely because of the additional boost from the fiscal measures introduced at the end of 2020. These upgrades are partially offset by downward revisions to the 2021 forecast for the euro area reflecting an observed softening of activity toward the end of 2020, which is anticipated to continue into early 2021 amid rising infections and renewed lockdowns. Emerging market and developing economies are also projected to trace diverging recovery paths. Considerable differentiation is expected between China—where effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong recovery—and other economies. Oil exporters and tourism-based economies within the group face particularly difficult prospects considering the expected slow normalization of cross-border travel and the subdued outlook for oil prices. As noted in the October 2020 WEO, the pandemic is expected to reverse the progress made in poverty reduction across the past two decades. Close to 90 million people are likely to fall below the extreme poverty threshold during 2020–21. Across regions, vulnerabilities, economic structure, and pre-crisis growth trends, together with the severity of the pandemic and the size of the policy response to combat the fallout, shape recovery profiles. Notable revisions to the forecast include the one for India (2.7 percentage points for 2021), reflecting carryover from a stronger-than-expected recovery in 2020 after lockdowns were eased. (<https://www.imf.org/en/Publications/WEO/Issues/2021/07/27/world-economic-outlook-update-july-2021>)

INDIAN ECONOMY AT LARGE

Introduction

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

Market size

India's real gross domestic product (GDP) at current prices stood at Rs. 135.13 lakh crore (US\$ 1.82 trillion) in FY21, as per the provisional estimates of annual national income for 2020-21. India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'. India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030's, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. According to data from the RBI, as of the week ended on June 04, 2021, the foreign exchange reserves in India increased by US\$ 6.842 billion to reach US\$ 605 billion.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. In 2020, the total deal value in India stood at ~US\$ 80 billion across 1,268 transactions. Of this, M&A activity contributed ~50% to the total transaction value. Private Equity - Venture Capital (PE-VC) sector recorded investments worth US\$ 47.6 billion across 921 deals in 2020. Some of the important recent developments in Indian economy are as follows:

- Merchandise exports stood at US\$ 62.89 billion between April 2021 and May 2021, while imports touched US\$ 84.27 billion. The estimated value of service exports and imports between April 2021 and May 2021 stood at US\$ 35.39 billion and US\$ 19.86 billion, respectively.
- In May 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 50.8.
- Gross GST collections stood at Rs. 141,384 crore (US\$ 19.41 billion) in April 2021.
- Cumulative FDI equity inflows in India stood at US\$ 763.58 billion between April 2000 and March 2021. Foreign Direct Investment (FDI) inflows in India stood at US\$ 6.24 billion in April 2021, registering an increase of 38% YoY.
- India's Index of Industrial Production (IIP) for April 2021 stood at 126.6 against 143.4 for March 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 5.01 in May 2021 against 1.96 in April 2021.
- Consumer Price Index (CPI) – Combined inflation was 6.30 in May 2021 against 4.23 in April 2021.
- In June 2021, foreign portfolio investors (FPIs) turned net buyers by investing Rs. 12,714 crore (US\$ 1.71 billion) into the Indian markets. According to depositories data, between June 1, 2021 and June 25, 2021, FPIs invested Rs. 15,282 crore (US\$ 2.06 billion) in equities.

Government Initiatives

The first Union Budget of the third decade of 21st century was presented by Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman in the Parliament on February 1, 2020. The budget aimed at energising the Indian economy through a combination of short-term, medium-term and long-term measures. In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy. Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy.

In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion). The Union Cabinet approved the production linked incentive (PLI) scheme for white goods (air conditioners and LED lights) with a budgetary outlay of Rs. 6,238 crore (US\$ 848.96 million) and the 'National Programme on High Efficiency Solar PV (Photo Voltic) Modules' with an outlay of Rs. 4,500 crore US\$ 612.43 million).

In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22. To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms. In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for development of the horticulture sector in 2021-22.

In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing.

Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched Make in India initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

Some of the recent initiatives and developments undertaken by the Government are listed below:

- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of June 2021, 29 companies including global electronics manufacturing organisations, such as companies Foxconn, Sanmina SCI, Flex, Jabil Circuit, have registered under the Rs. 12,195 crore (US\$ 1.64 billion) production linked incentive scheme for the telecom sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.
- For implementation of Agriculture Export Policy, Government approved an outlay Rs. 2.068 billion (US\$ 29.59 million) for 2019, aimed at doubling farmers income by 2022.

Road Ahead

As indicated by provisional estimates released by the National Statistical Office (NSO), India posted a V-shaped recovery in the second half of FY21. As per these estimates, India registered an increase of 1.1% in the second half of FY21; this was driven by the gradual and phased unlocking of industrial activities, increased investments and growth in government expenditure.

As per the Reserve Bank of India's (RBI) estimates, India's real GDP growth is projected at 9.5% in FY22; this includes 18.5% increase in the first quarter of FY22; 7.9% growth in the second quarter of FY22; 7.2% rise in the third quarter of FY22 and 6.6% growth in the fourth quarter of FY22.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

Source: <https://www.ibef.org/economy/indian-economy-overview>

Note: Conversion rate used for June 2021 is Rs. 1 = US\$ 0.013

HIGHLIGHTS OF UNION BUDGET 2021-22

Key highlights of the Union Budget 2021-22 are as follows:

The government announced several measures to boost economic growth under the following six pillars:

1. Health and Wellbeing

Rs. 35,000 crore (US\$ 4.80 billion) for COVID-19 vaccine was announced in BE for FY22; Made-in-India Pneumococcal Vaccine was announced across the country; a new centrally sponsored scheme—PM Aatmanirbhar Swasth Bharat Yojana—was launched; announcement of the National Health Mission and Mission Poshan 2.0 and other plans were made including Universal Coverage of Water Supply, Urban Swachh Bharat Mission 2.0 and Vehicle Scrapping Policy.

2. Physical & Financial Capital and Infrastructure

Primary initiatives include the Production-linked Incentive Scheme (PLI) in 13 sectors; the Mega Investment Textiles Parks (MITRA) scheme for seven textile parks in three years; expansion of the National Infrastructure Pipeline (NIP) to 7,400 projects; establishment of institutional infrastructure financing structure; the National Monetization Pipeline; the National Rail Plan for India (2030); and increase in FDI limit in the insurance sector from 49% to 74%.

3. Inclusive Development for Aspirational India

Key steps include ensuring that MSPs are at least 1.5x the cost of production across all commodities; expanding the SWAMITVA scheme to all states/UTs; strengthening funds for agricultural credit and infrastructure; investing in the construction of modern fishing ports and fish landing centres; encouraging adoption of One Nation One Ration Card; and allocating Rs. 15,700 crores (US\$ 2.16 billion) to the MSME sector.

4. Reinvigorating Human Capital

Primary initiatives include qualitative reinforcement of 15,000 schools under the National Education Policy; creation of 100 new Sainik Schools; India's Higher Education Commission; Leh Central University; and 750 tribal-area Eklavya model residential schools.

5. Innovation and R&D

An outlay of Rs. 50,000 crores (US\$ 6.89 billion) under the National Research Foundation (NRF), financial incentives worth Rs. 1,500 crore (US\$ 206.76 million) to encourage digital payment methods, launch of the PSLV-CS51, Gaganyaan mission operations and launch of the Deep Ocean Mission.

6. Minimum Government and Maximum Governance

Key initiatives include the National Commission for Allied Healthcare Professionals Bill in the parliament to ensure transparent and effective regulation of 56 allied healthcare professions; establishment of a contractual dispute resolution mechanism; allocation of funds worth Rs. 3,768 crore (US\$ 519.37 million) for the first digital census in India; and Rs. 1,000 crores (US\$ 137.84 million) for the welfare of tea workers in Assam and West Bengal.

Under the Aatmanirbhar Bharat (self-reliant India) Mission, structural reforms and policy push, along with a series of steps announced in the Union Budget 2021-22 to achieve broad-based inclusive development, are likely to reinforce the economy and put it back on a strong and sustainable growth path in the coming year. India's real GDP growth for FY22 is projected at 11% by the Economic Survey 2020-21. The January 2021 WEO update forecasts 11.5% growth in FY22 and 6.8% in FY23, closer to the potential growth rate for the economy. According to the IMF, in the next two years, India is also expected to emerge as the fastest-growing economy. In February 2021, the MPC projected GDP growth to be 10.5% in FY22.

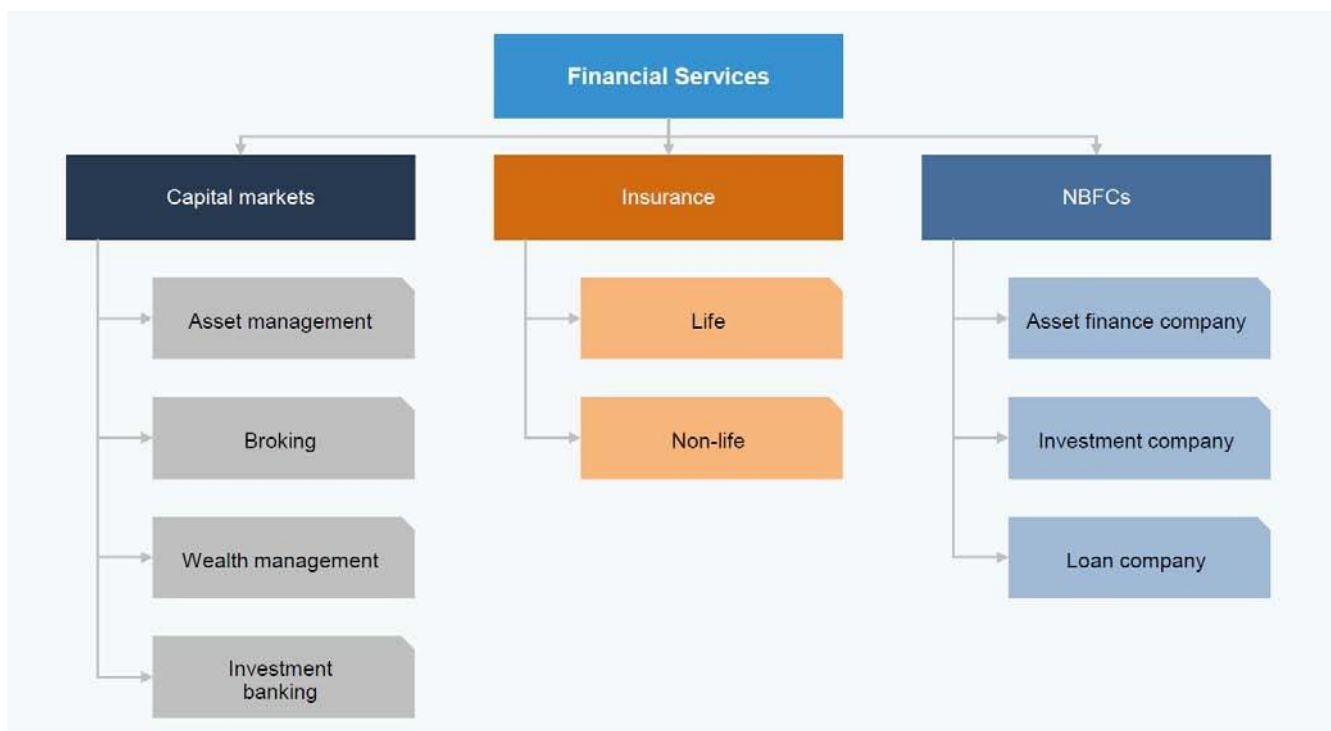
Note: Conversion rate used for February 2021 is Rs. 1 = US\$ 0.014

(Source: <https://www.ibef.org/economy/monthly-economic-report>)

INDIAN FINANCIAL SERVICES INDUSTRY

INTRODUCTION

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector. However, financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.



The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

MARKET SIZE

As of June 2021, AUM managed by the mutual funds industry stood at Rs. 33.67 trillion (US\$ 449.29 billion). In June 2021, the total number of accounts stood at 102.6 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) were Rs. 96,080 crore (US\$ 13.12 billion) in FY21. Equity mutual funds registered a net inflow of Rs. 8.04 trillion (US\$ 114.06 billion) by end of December 2019.

Another crucial component of India's financial industry is the insurance industry. Insurance industry has been expanding at a fast pace. The total first year premium of life insurance companies reached Rs. 2.59 lakh crore (US\$ 36.73 billion) in FY20. Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY21, US\$ 4.25 billion was raised across 55 initial public offerings (IPOs). In FY21, the number of listed companies on the NSE and BSE were 1,920 and 5,542, respectively.

Investments/Developments

- In May 2021, the Reserve Bank of India (RBI) granted authorisation to Eroute Technologies to operate as a prepaid payment instruments (PPI) company.
- In February 2021, the Reserve Bank of India (RBI) cleared the Rs. 34,250 crore (US\$ 4.7 billion) acquisition of Dewan Housing Finance Corporation (DHFL) by the Piramal Group.
- In January 2021, Sundaram Asset Management Company announced the acquisition of Principal Asset Management for Rs. 338.53 crore (US\$ 46.78 million).
- In January 2021, the National Stock Exchange (NSE) launched derivatives on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors more flexibility to manage their finances.
- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application –

ANANDA.

- In November 2020, Paytm reported 2x growth in digital gold transactions in the last six months. New customers have increased 50% since the beginning of this financial year and the average order value has increased by 60%.
- In November 2020, the Reserve Bank of India (RBI) announced establishment of its Innovation Hub. In order to encourage access to financial services and goods and foster financial inclusion, this initiative would create an ecosystem. The Innovation Hub of the Reserve Bank (RBIH) is intended to promote innovation across the financial sector by leveraging technology and creating a conducive environment for innovation.
- VC investments grew to US\$ 3.6 billion in July-September 2020 from US\$ 1.5 billion in the previous quarter, powered by the mega deals, which included the US\$ 1.3 billion raised by the online retailer—Flipkart.
- On November 6, 2020, WhatsApp started its UPI payment services in India on receiving the National Payments Corporation of India (NPCI) approval to 'Go Live' on UPI in a graded manner.
- In June 2021, Unified Payments Interface (UPI) recorded 2.80 billion transactions worth Rs. 5.47 lakh crore (US\$ 73.42 billion).
- The number of transactions through immediate payment service (IMPS) increased to 279.81 million (by volume) and amounted to Rs. 2.66 trillion (US\$ 40.85 billion) by value in May 2021.

Government Initiatives

- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22.
- In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assets and register complaints against 'Benami' properties.
- 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 November 2020, the Union Cabinet approved the government's equity infusion plan for Rs. 6,000 crores (US\$ 814.54 million) in the NIIF Debt Platform funded by the National Investment and Infrastructure Fund (NIIF) consisting of Aseem Infrastructure Finance Limited (AIFL) and NIIF Infrastructure Finance Limited (NIIF) (NIIF-IFL).
- In November 2020, two MoUs were signed—one between India International Exchange (India INX) and Luxembourg Stock Exchange and another between State Bank of India and Luxembourg Stock Exchange for cooperation in financial services, ESG (environmental, social and governance) and green finance in the local market.
- On November 11, 2020, The Cabinet Committee on Economic Affairs approved continuation and revamping of the scheme for financial support to public-private partnerships (PPPs) in 'Infrastructure Viability Gap Funding (VGF) Scheme' until 2024-25 with a total outlay of Rs. 8,100 crore (US\$ 1.08 billion).

Road Ahead

- India is expected to be the fourth largest private wealth market globally by 2028.
- 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\$ 1.47 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.
- The Indian equity market is expanding in terms of listed companies and market capitalization, widening the playing

field for brokerage firms. Sophisticated products segment is growing rapidly, reflected in the steep rise in growth of derivatives trading.

- With the increasing retail penetration, there is an immense potential to tap the untapped market. Growing financial awareness is expected to increase the fraction of population participating in this market. Total wealth held by individuals in unlisted equities is projected to grow at a CAGR of 19.54% to reach Rs. 17.64 lakh crore (US\$ 273.69 billion) by FY22.
- Total value of Private Equity (PE)/ Venture Capital (VC) investment grew 44% over the past three years in value terms to reach US\$ 48 billion in 2019. VC investments grew to US\$ 3.6 billion in July-September 2020 from US\$ 1.5 billion in the previous quarter, powered by the mega deals, which included the US\$ 1.3 billion raised by the online retailer—Flipkart.
- Turnover from derivatives segment reached Rs. 3,453.9 lakh crore (US\$ 49.41 trillion) in FY20 and stood at Rs. 5,316.4 lakh crore (US\$ 72.32 trillion) in FY21 (until February 2021).

(Source: <https://www.ibef.org/industry/financial-services-india.aspx>)

OUR BUSINESS

Our Company was incorporated as “Choice Financial Services Limited” on March 12, 1993 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra and consequently a certificate of commencement of business dated March 13, 1993 was issued to our Company. Subsequently, the name of our Company was changed to “Choice International Limited”, and a fresh certificate of incorporation dated November 12, 1997, consequent to such name change was issued to our Company by the Registrar of Companies, Mumbai, Maharashtra. The corporate identification number of our Company is L67190MH1993PLC071117. Registered office of our Company is located at Shree Shakambhari Corporate Park, 156-158 Chakravorty Ashok Society, J.B. Nagar, Andheri (East), Mumbai-400099, India.

Corporate Structure

We are a holding company and operate our business through a web of our Subsidiaries, Wholly Owned Subsidiaries and Step Down Subsidiaries. Details of the services provided are as follows:

Sr. No	Name of the Subsidiaries	Activity	Relation
1	Choice Equity Broking Private Limited	Equity , Currency & Commodity Broking	Wholly owned Subsidiary
2	Choice Consultancy Services Private Limited	Infrastructure Consultancy & Government Advisory	Wholly owned Subsidiary
3	Choice Capital Advisors Private Limited	Management Consulting & Investment Banking	Wholly owned Subsidiary
4	Choice Finserv Private Limited	NBFC activities	Subsidiary
5	Choice Portfolio Management Services Private Limited	Portfolio Management Services	Subsidiary
6	Choice Tech Lab Solutions Private Limited	IT Solutions	Step Down Subsidiary
7	Choice Wealth Private Limited	Mutual Fund Distribution	Step Down Subsidiary
8	Choice Corporate Services Private Limited	Retail Loan Distribution	Step Down Subsidiary
9	Choice Retail Solutions Private Limited	Network Platform to enhance the Number of Business associates	Step Down Subsidiary

We were registered as a Non – Deposit taking Non – Banking Financial Company (NBFC) registered with the RBI. We voluntarily surrendered our NBFC license in the year 2019 and the same was cancelled by RBI with effect from October 23, 2020. On cancellation of our NBFC license, we stand only as a ‘holding company’ to our subsidiaries & provide business support services to our group companies and subsidiaries. Our Company, through its multiple subsidiaries, offers financial services across all platforms catering to retail and institutional clients, corporates and state and central governments. The services are bifurcated into Retail services (B2C) and Institutional Services (B2B & B2G). The B2C services include Equity & commodity broking, Wealth Services and NBFC Services. The B2B services comprise of Management consulting, Investment Banking and government services like Infrastructure Consulting and Government Advisory.

We work under the guidance of our Managing Director, Kamal Poddar, who has an experience of more than 15 Years in the Financial Service Industry and been associated with our Company since 2008 and is one of our founding members. He has been instrumental in evolving our business operations, growth and future prospects.

Our consolidated revenues from operations for Fiscals 2021, 2020 and 2019 were ₹ 16,874.35 lacs, ₹ 12,882.00 lacs and ₹ 11,660.30 lacs, respectively. Our consolidated EBITDA for the Fiscals 2021, 2020 and 2019 were ₹ 4,136.04 lacs, ₹ 3,895.66 lacs and ₹ 3,577.14 lacs, respectively. Our consolidated profit after tax for Fiscals 2021, 2020 and 2019 were ₹ 1,671.00 lacs, ₹ 1,243.11 lacs and ₹ 880.85 lacs, respectively.

Our Business Strategy

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Augmentation of funding requirements for our subsidiary

We are a holding company and generate business predominantly through our subsidiaries. There are continuous efforts taken by us to ensure necessary augmentation of funding requirements for our subsidiaries. For instance, we propose to invest Rs. 59.50 Crores from the Net Proceeds in our subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities. We believe that this will help our subsidiaries grow organically in much better and faster manner and in turn also benefit our Company.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

Continue to focus on cost efficiency and improving productivity

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our focus is to develop and adopt efficient technologies to further improve the quality of our products and optimize our production costs. We believe our focus on developing cost -reduction strategies and implementing more sustainable methods in our operations will enable us to achieve cost leadership position.

DETAILS OF OUR MAJOR BUSINESS ACTIVITIES

a) Our Retail Services

<i>Wealth Services</i>	<i>Equity & Commodity Services</i>	<i>NBFC Activities</i>
- Mutual Fund Distribution	- Online trading via website & mobile application	- Loan against property
- Fund Research	- Research both Fundamental & Technical	- Loan against securities
		- Business loans etc

b) Our Institutional Services

<i>Management consulting & Investment Banking</i>	<i>Infrastructure consulting & Government Advisory</i>
- IPO	- Infrastructure consultancy
- FPO	- Urban development consultancy
- Rights Issue	- Solid waste management
- Private Placement	
- Debt Syndication	

Our Retail Services

a) Wealth Services

We offer Wealth services such as mutual fund distribution and fund research through our step down subsidiary, Choice Wealth Private Limited ("CWPL"). CWPL is registered as a Mutual Funds Distributor with AMFI and the AMFI Registration Number (ARN) is 78908. CWPL majorly focuses on Mutual Fund Distribution.

b) Equity & Commodity Broking

The equity & commodity broking business is provided through our wholly owned subsidiary, Choice Equity Broking Private Limited ("CEBPL"). CEBPL is a member of NSE, BSE, , MCX, NCDEX, ICEX and depository Participant with CDSL & NSDL. CEBPL provides services like online trading via website and mobile application and equity research reports.

c) NBFC Activity

We provide non- banking financial services through our subsidiary, Choice Finserv Private Limited (“**CFPL**”). CFPL is registered with Reserve Bank of India as non- deposit accepting non- banking finance company bearing registration number **N-13.02216**. CFPL offers services like loan against property, loan against shares etc.

Our Institutional Services

a) Management Consulting & Investment Banking

Capital Market services such as IPO, FPO, Rights Issues, Private Placement and Debt Syndication services are provided through our wholly owned subsidiary Choice Capital Advisors Private Limited (“**CCAPL**”). CCAPL is registered with SEBI as a category I Merchant Banker with permanent registration. The registration number of CCAPL is **INM000011872**.

b) Infrastructure Consulting & Government Advisory

The Infrastructure Consulting & Government Advisory is catered to the institutional clients through our wholly owned subsidiary Choice Consultancy Services Private Limited (“**CCSPL**”). CCSPL offers services like infrastructure consultancy, urban development consultancy, Solid Waste Management etc.

Marketing

We are a holding company and earn major business through our subsidiaries. Each of our subsidiaries have dedicated marketing teams who cater to the demands of the customers and ensure that tailor made solutions are offered to the attract and retain the customers

Competition

We face competition from organized as well as unorganized players in the domestic market. This industry is highly competitive. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing variety of quality services.

Customers

Through our wholly owned subsidiaries and step down subsidiaries, we cater to retail as well as institutional clients & Government Authorities

OUR MANAGEMENT

Board of Directors

Our Board of Directors presently consists of 9 Directors including our Managing Director, one executive Director, five Non – Executive Independent Directors and two Non – Executive Non Independent Directors. The Articles of Association provide that our Company shall not have less than three Directors and not more than 15 Director’s as provided in the Companies Act, 2013.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any re-appointment of Independent Directors shall, *inter alia*, be by way of special resolution and such other compliances as may be required in this regards.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Letter of Offer:

Sr. No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (years)	Other Directorships
1.	<p>Sunil Kumar Patodia Designation: Non-Executive – Non Independent Chairman Address: B-903 Vallencia, Hiranadani Garden, powai, Mumbai, Mumbai, Maharashtra - 400076. DIN: 00751941 Date of Birth: May 01, 1968 Current Term: 5 Years with effect from August 13, 2021 Period of Directorship: Since August 13, 2021 Occupation: Professional</p>	53	<ul style="list-style-type: none"> • Hotel Relax Private Limited • Mumbai Vaish Seva Sansthan • Farmer’s Evolvment Foundation • Lions Mumbai Choice Foundation
2.	<p>Kamal Poddar Designation: Managing Director, Executive Director Address: Flat No. 1902, IVY, Nahars Amrit Shakti, Chandiwali, Sakinaka, Mumbai, Maharashtra – 400072. DIN: 01518700 Date of Birth: January 25, 1979 Current Term: Permanent Director as per AoA Period of Directorship: Since September 23, 2008 Occupation: Service</p>	42	<ul style="list-style-type: none"> • Lions Mumbai Choice Foundation • Farmers Evolvment Foundation • Choice Finserv Private Limited • Samank Apparels Private Limited • Rupang Properties Private Limited • Choice Insurance Broking India Private Limited • Samnak Consumer Products Private Limited • Choice Corporate Services Private Limited • Choice Peers International Private Limited • Maruti Nandan Colonizers Private Limited • Choice Consultancy Services Private Limited • Choice Wealth Private Limited • Choice Equity Broking Private Limited • Choice Capital Advisors Private Limited • Choice Portfolio Management Services Private Limited

3.	Hemlata Poddar <i>Designation:</i> Non-Executive Non Independent Director <i>Address:</i> Flat No. 1902, IVY, Nahars Amrit Shakti, Chandiwali, Sakinaka, Mumbai, Maharashtra – 400072. <i>DIN:</i> 02931322 <i>Date of Birth:</i> March 08, 1982 <i>Current Term:</i> Liable to retire by rotation <i>Period of Directorship:</i> Since January 30, 2010 <i>Occupation:</i> Service	39	<ul style="list-style-type: none"> • Kanaiya Properties Private Limited
4.	Ajay Rajendra Kejriwal <i>Designation:</i> Executive Director <i>Address:</i> 3301, Tower A, Oberoi Esquire, Goregaon East, Mumbai – 400063 <i>DIN:</i> 03051841 <i>Date of Birth:</i> Feb 11, 1979 <i>Current Term:</i> Liable to retire by rotation <i>Period of Directorship:</i> Since May 29, 2010 <i>Occupation:</i> Service	42	<ul style="list-style-type: none"> • Maruti Nandan Colonizers Private Limited • Choice Portfolio Management Services Private Limited • Choice Equity Broking Private Limited • Choice Wealth Private Limited • Choice Corporate Services Private Limited • Choice Retail Solutions Private Limited • Choice Finserv Private Limited • Optimo Investment Adviser Private Limited
5.	Kanhaiya Lal Berwal <i>Designation:</i> Non-Executive Independent Director <i>Address:</i> 10/51, Malviya Nagar, Jaipur, Rajasthan - 302017 <i>DIN:</i> 07535424 <i>Date of Birth:</i> October 02, 1954 <i>Current Term:</i> 5 Years with effect from July 14, 2021 <i>Period of Directorship:</i> Since July 14, 2016 <i>Occupation:</i> Service	66	<ul style="list-style-type: none"> • Choice Consultancy Services Private Limited
6.	Ashok Kumar Thakur <i>Designation:</i> Non-Executive Independent Director <i>Address:</i> A-901. A Nandan Spectra Mitcon Road Opp. -Ram Nagar Bus Stop, Balwadi Pune - 411045 <i>DIN:</i> 07573726 <i>Date of Birth:</i> August 10, 1954 <i>Current Term:</i> 5 years with effect from July 14, 2021 <i>Period of Directorship:</i> Since July 14, 2016 <i>Occupation:</i> Service	67	<ul style="list-style-type: none"> • H.G Infra Engineering Limited (Part IX) • Navkar Corporation Limited • Choice Equity Broking Private Limited • Navkar Terminals Limited
7.	Subodh Kumar Agrawal <i>Designation:</i> Non-Executive Independent Director <i>Address:</i> 198, Laketown , B Block, Kolkata-700089 <i>DIN:</i> 00553916 <i>Date of Birth:</i> March 02, 1962 <i>Current Term:</i> 5 years with effect from November 10, 2020 <i>Period of Directorship:</i> Since November 10, 2020 <i>Occupation:</i> Business	59	<ul style="list-style-type: none"> • Richfield Financial Services Limited • SKJN Management Professional Private Limited

8.	Sudha Bhushan <i>Designation:</i> Non-Executive Independent Director <i>Address:</i> 701, B wing, Julian Alps, Bhakti Park, Wadala, Mumbai <i>DIN:</i> 01749008 <i>Date of Birth:</i> January 12, 1979 <i>Current Term:</i> 5 Years with effect from February 12, 2021 <i>Period of Directorship:</i> Since February 12, 2021 <i>Occupation:</i> Professional	42	<ul style="list-style-type: none"> • Digiam Limited • Aurionpro Solutions Limited • Matrix Fertilizers and Chemicals Limited • Finquest Financials Solutions Private Limited
9.	Sandeep Singh Kumar <i>Designation:</i> Non-Executive Independent Director <i>Address:</i> 107-B, Nirman Apartment, 373, Pump House, Rajmata Jijabai Marg, Andheri East, Mumbai 400093 <i>DIN:</i> 02814440 <i>Date of Birth:</i> July 01, 1971 <i>Current Term:</i> 5 Years with effect from February 12, 2021 <i>Period of Directorship:</i> Since February 12, 2021 <i>Occupation:</i> Service	50	<ul style="list-style-type: none"> • Solid Containers Limited • Navkar Corporation Limited

Confirmations

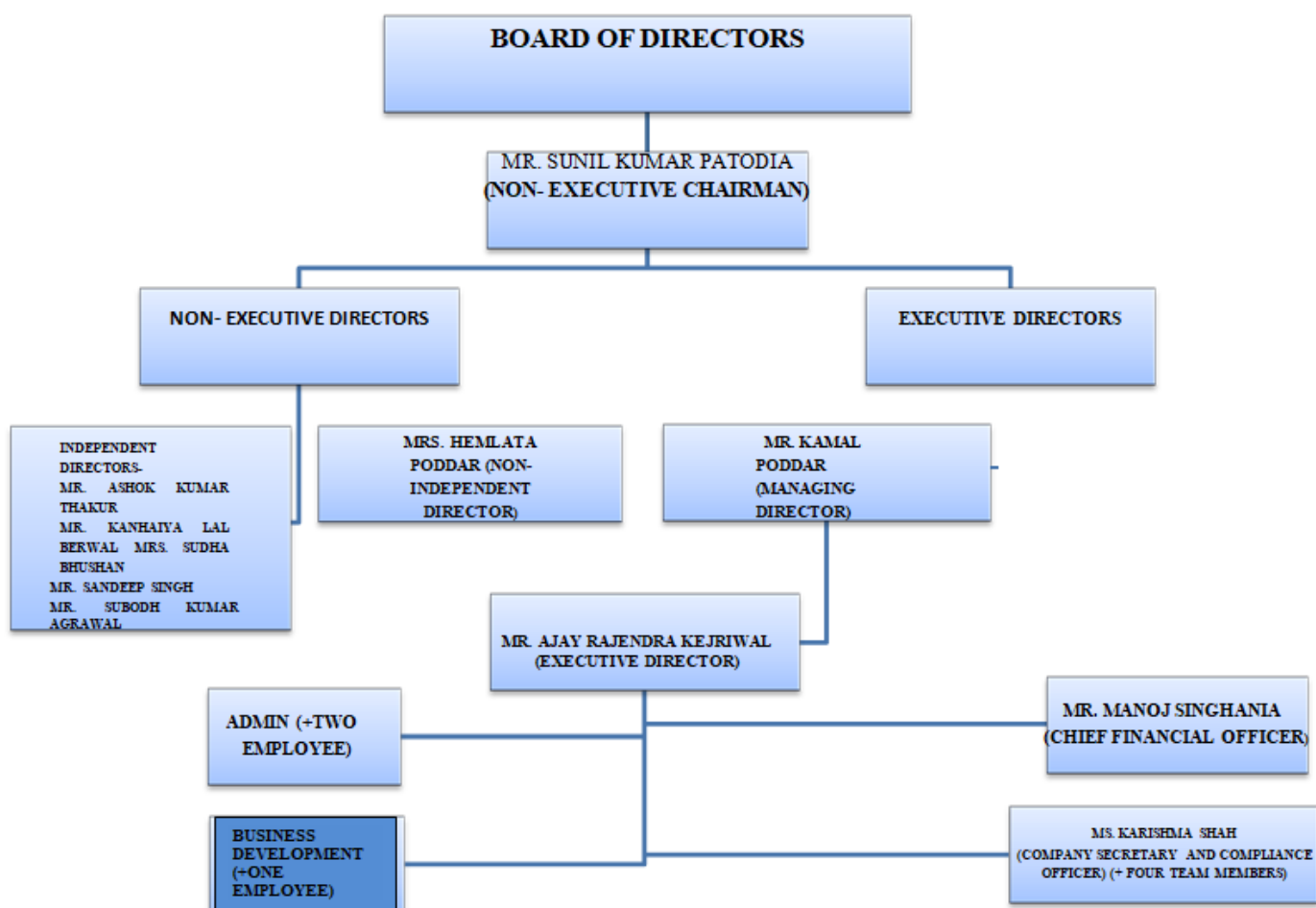
1. None of our Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
2. Further, none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

DETAILS OF KEY MANAGEMENT PERSONNEL

Other than our Managing Director and Executive Director, following are the key management personnel:

Sr. No.	Name, designation, date of appointment	Age
a.	Karishma Shah <i>Designation:</i> Company Secretary and Compliance Officer <i>Date of Appointment:</i> July 14, 2016	31
b.	Manoj Singhania <i>Designation:</i> Chief Financial Officer <i>Date of Appointment:</i> February 03, 2015	46

CURRENT ORGANIZATIONAL STRUCTURE



SECTION V- FINANCIAL INFORMATION

FINANCIAL STATEMENT

S. No.	Details	Page Number
1.	Independent Auditors' Report on the audit of the Consolidated Financial Statements for financial year ended March 31, 2021.	75
2.	Independent Auditors' Review Report on review of Interim Consolidated Financial Results for quarter ended June 30, 2021.	146

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INDEPENDENT AUDITORS' REPORT

To The Members of Choice International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Choice International Limited** (the "Holding Company") and its subsidiaries, (Holding Company and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which includes jointly controlled operations of the Group accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements jointly controlled operations, subsidiaries, and associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated



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financial statements.

Emphasis of Matter

We draw attention to Note 56 to the consolidated financial statements, in which the Group describes the continuing uncertainties arising from COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortized cost (refer note 50 to the consolidated financial statements)

Key Audit Matter Description

As at the year end, the Group has reported financial assets carried at amortised cost in the form of loans granted by subsidiaries aggregating Rs. 24,597.53 lakhs net of provision for expected credit loss of Rs. 123.61 lakhs.

This is considered as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements includes:

- Timely identification and classification of the impaired loans which also include considering the impact of recent RBI's COVID-19 regulatory circulars.
- Determining the probability of defaults based on historical credit loss and estimation of loss given defaults based on the value of collaterals and relevant factors.
- Inputs and Judgements used in determination of management overlay at various asset stages considering the current uncertain economic environment arising out of the COVID 19 Pandemic.

How the Key Audit Matter was addressed in the Audit

The principle audit procedures performed included the following:

- Evaluation of the Group's internal control system in adhering to the policy for identification of and provisioning for Expected credit Loss ("ECL") on loans;
- Identification and testing of the design and implementation as well as operational effectiveness of key control pertaining to identification, classification and staging of loans in correct buckets, key assumptions used for the purpose of determination of impairment provision, completeness and accuracy of the data inputs used and monitoring of overdue positions by business and finance team;
- Test check loans to examine the approval process, validity of the recorded amounts, loan documentation, examination of the statement of accounts, indicators of impairment, expected credit loss provision, additional provisions made on loans considering the current uncertain economic environment arising



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out of COVID 19 pandemic and compliance with identification of and provisioning for ECL on loans;

- Evaluation of management judgment, governance process and review controls; and discussion on the process and assumptions for identification of and provisioning for ECL on loans with senior management.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the preparation of other information. The other information comprises the Directors' Report including annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the standalone financial statements and consolidated financial statements and our auditors' report thereon, which is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the jointly controlled operations, subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the jointly controlled operations, subsidiaries and associate, is traced from their financial statements audited by the other auditors.
- When we read the Director's Report including annexures to Director's report, Management Discussion and Analysis Report and Report on Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the



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purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based



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on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other branches or entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matters

- (a) We did not audit the financial statements of two jointly controlled operations included in the standalone financial statements of the company included in the Group whose financial statements reflect total assets of Rs.189.62 lakhs as at 31st March 2021 and total revenue of Rs. 108.12 lakhs for the year ended on that date,

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as considered in the respective standalone financial statements of the companies included in the Group. The financial statements of the jointly controlled operations have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the jointly controlled operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled operations, is based solely on the report of such other auditors.

- (b) We did not audit the financial statements of six subsidiaries, whose financial statements reflect total assets of Rs. 2,128.98 lakhs as at 31st March, 2021, total revenues of Rs. 1,597.33 lakhs and net cash outflows amounting to Rs. 5.68 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (c) The consolidated financial statements include the Group's share of net profit of Rs. Nil for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of an associate whose financial information have not been audited by us. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and associate, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the jointly controlled operations, subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable that:
- 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 Cash Flow Statement



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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 Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company, subsidiary companies and associate company incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations as at the year-end on the consolidated financial position of the Group and its associate.
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts as at the year-end.



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- iii) There has been no delay in transferring amounts, required to be transferred to Investor education and protection fund (IEPF) by the Holding Company, and its subsidiary companies and associate company incorporated in India Company except for the following:

Particular	Nature of dues	Amount	Due date	Actually paid
Holding Company	Unclaimed Dividend	2,37,688	30-10-2020	08-04-2021

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



G.K. Subramaniam

(Partner)

(Membership No. 109839)

UDIN: 21109839AAAAIJ4913

Place: Mumbai

Date: 25th June, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the **Choice International Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate company, which are companies incorporated in India to whom internal financial controls over financial reporting is applicable, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and associate company which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit



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opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India and where such reporting under Section 143(3) of the Act is applicable.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and its associate company which are companies incorporated in India, and where such reporting under Section 143(3) is applicable, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to six subsidiary companies, which are companies incorporated in India, and where such reporting under Section 143(3) is applicable, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Two jointly controlled operations of the subsidiary company which is not a Company incorporated in India, to whom reporting on internal financial controls system over



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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)



G.K. Subramaniam
(Partner)

(Membership No. 109839)
UDIN: 21109839AAAAIJ4913

Place: Mumbai
Date: 25th June, 2021

CHOICE INTERNATIONAL LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

		(Rs. in Lakhs)	
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non Current Assets:			
(a) Property, Plant and Equipment	3	7,124.23	7,221.82
(b) Investment Property	4	120.00	120.00
(c) Goodwill	5	825.00	825.00
(d) Other Intangible Assets	5	483.66	583.62
(e) Intangible Assets Under Development	5	16.99	14.36
(f) Financial Assets			
(i) Investments	6	661.64	1,958.97
(ii) Loans	7	6.56	74.63
(iii) Other Financial Assets	8	488.87	394.67
(g) Income Tax Assets	9	291.42	361.73
(h) Deferred Tax Assets	10	100.82	81.98
(i) Other Non-Current Assets	11	2.18	3.51
Current Assets:			
(a) Securities held for Trade	12	872.30	3,060.91
(b) Financial Assets			
(i) Trade Receivables	13	7,613.07	9,104.28
(ii) Cash and Cash Equivalents	14	3,025.09	3,733.23
(iii) Bank balances other than above	15	1,792.49	1,364.98
(iv) Loans	16	24,653.46	11,779.83
(v) Other Financial Assets	17	17,027.57	9,056.96
(c) Other Current Assets	18	453.42	540.00
Total Assets		65,558.77	50,280.48
LIABILITIES AND EQUITY			
Liabilities			
Equity			
(a) Equity Share Capital	19	2,856.83	2,000.48
(b) Other Equity	20	23,446.41	19,319.86
		26,303.24	21,320.34
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	2,621.85	380.96
(ii) Other Financial Liabilities	22	0.15	-
(b) Provisions	23	224.22	185.11
(c) Deferred Tax Liabilities	24	458.69	787.04
(d) Other non-current liabilities	25	241.13	219.01
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	26		
Total outstanding dues of micro enterprises and small enterprises		342.14	4.91
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,036.09	717.88
(ii) Borrowings	27	12,151.66	13,859.06
(iii) Other Financial Liabilities	28	20,189.41	11,107.03
(b) Other Current Liabilities	29	1,184.40	1,558.25
(c) Provisions	30	805.79	140.89
Total Liabilities		39,255.53	28,960.14
Total Liabilities and Equities		65,558.77	50,280.48

Summary of Significant Accounting Policies

1-2

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

This is the Balance Sheet referred to in our report of the even date.

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

G. K. Subramaniam
Partner
Membership Number : 109839

Place : Mumbai
Date : June 25, 2021

For and on behalf of the Board of Directors

Kamraj Poddar
Managing Director
DIN : 01518700

Manoj Singhania
Chief Financial Officer

Place : Mumbai
Date : June 25, 2021

Ajay Kejriwal
Director
DIN : 03051841

Karishma Shah
Company Secretary

Place : Mumbai
Date : June 25, 2021



CHOICE INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	(Rs. in Lakhs)	
		For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from Operations	31	16,874.35	12,882.00
Total Revenue from Operations		16,874.35	12,882.00
Other Income	32	707.23	539.88
Total Income		17,581.58	13,421.88
II Expenses			
Operating Expenses	33	7,648.43	2,882.86
Employee Benefits Expense	34	4,193.80	4,746.16
Finance Costs	35	1,545.75	1,729.76
Depreciation and Amortization Expense	36	308.74	345.54
Other Expenses	37	1,603.31	1,897.20
Total Expenses		15,300.03	11,601.52
III Profit before exceptional items and tax (I- II)		2,281.55	1,820.36
IV Exceptional items		-	-
V Profit before tax (III-IV)		2,281.55	1,820.36
VI Tax Expense:			
Current Tax		1,002.22	480.50
Earlier Years Tax Expense		12.84	(18.31)
Deferred Tax		(404.51)	115.06
Total Tax Expense		610.55	577.25
VII Profit for the year from continuing operations(V-VI)		1,671.00	1,243.11
VIII Other Comprehensive Income			
<u>Items that will not be reclassified to profit or loss</u>			
Re-measurement gains/ (losses) on defined benefit obligations		46.74	13.29
Fair Valuation Gain/ (Loss) on Investment		-	169.50
Tax Effect on above		(10.36)	(48.19)
Other Comprehensive Income for the year, net of tax		36.38	134.60
IX Total Comprehensive Income for the year (VII+VIII) (Comprising Profit and Other Comprehensive Income for the year)		1,707.38	1,377.71
VIII Earnings Per Equity Share (Face Value Rs. 10 Per Share):	38		
Basic (Rs.)		7.78	6.21
Diluted (Rs.)		5.11	5.86
Summary of Significant Accounting Policies	1-2		

The Notes referred are an integral part of these consolidated financial statements.

This is the Statement of Profit and Loss referred to in our report of the even date.

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

G. K. Subramaniam
Partner
Membership Number : 109839

Place : Mumbai
Date : June 25, 2021

For and on behalf of the Board of Directors

Kamal Poddar
Managing Director
DIN: 01518700

Manoj Singhania
Chief Financial Officer

Place : Mumbai
Date : June 25, 2021

Ajay Kejriwal
Director
DIN : 03051841

Kanchana Shah
Company Secretary

Place : Mumbai
Date : June 25, 2021

CHOICE INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities		
Net profit before tax	2,281.55	1,820.36
Adjustments:		
Depreciation and amortisation	308.74	345.54
Finance costs	1,545.75	1,729.76
Interest Income	(618.53)	(492.30)
Balance written off	200.00	(0.45)
Allowance of credit loss	17.84	52.24
Fair Value Gain on Investment	(2.14)	(111.54)
(Gain)/loss on sale of Assets	4.11	2.27
Provision for Standard loan assets, Bad & Doubtful Debts, Bad debts written off	63.17	116.77
(Gain)/ Loss on sale of Investment	(62.92)	134.51
Operating profit before working capital changes	3,737.57	3,597.16
Movements in assets and liabilities :		
Decrease in Securities held for trade	2,188.61	576.32
Decrease/(Increase) in Trade receivables	1,273.37	(2,378.11)
Increase / (Decrease) in Trade Payables	655.44	(198.61)
Increase / (Decrease) in Other Non-Current Financial Liabilities	0.15	(30.00)
Increase / (Decrease) in Other Non-Current Liabilities	22.11	(0.45)
Increase in Other Current Financial Liabilities	9,082.38	18.45
(Decrease) /Increase in Other Current Liabilities	(373.85)	1,109.43
(Increase) /Decrease in Other Non Current Financial Assets	(94.19)	47.54
Decrease in Other Non Current Assets	1.33	2.55
(Increase) /Decrease in Other Current Financial Assets	(7,970.62)	3,407.99
Decrease in Other Current Assets	86.59	186.26
Increase in Long Term Provisions	85.86	9.43
Increase in Current Provisions	200.13	9.51
(Increase) in Financial assets - loans	(12,936.81)	(3,343.52)
Cash Generated From Operations	(4,041.93)	3,013.95
Income taxes paid	(433.02)	(392.66)
Net cash flow (used in) / from operating activities (A)	(4,474.95)	2,621.29
B. Cash Flow from Investing Activities		
Purchase or construction of Fixed Assets (including capital work-in-progress and capital advances)	(125.39)	(88.18)
Proceeds from Sale of Fixed Assets	10.08	1,011.94
Purchase of Intangible Assets	(2.63)	(155.26)
Sale of Investment	1,362.39	301.10
Movement in Other Bank Balance	(427.51)	(303.26)
Movement in Loans	68.08	-
Interest Received	618.53	492.30
Net Cash flow from Investing Activities (B)	1,503.55	1,258.64
C. Cash Flow from Financing Activities		
Securities Premium on Equity Shares	4,367.36	-
Proceeds from Share Application Money	(1,091.85)	2,524.50
Repayment of Current and Non Current Borrowings	533.50	(2,302.81)
Finance costs	(1,545.75)	(1,729.76)
Net Cash from/ (used in) Financing Activities (C)	2,263.26	(1,508.07)
Net cash (decrease)/Increase in cash and cash equivalents (A+B+C)	(708.14)	2,371.86



CHOICE INTERNATIONAL LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Cash and cash equivalents at the beginning of the year	3,733.23	1,361.37
Cash and cash equivalents at the end of the year	3,025.09	3,733.23
Net cash (decrease)/Increase in cash and cash equivalent	(708.14)	2,371.86

Note:

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

This is the Cash Flow Statement referred to in our report of the even date.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm Registration Number : 117366W/W-100018

G. K. Subramaniam

G. K. Subramaniam

Partner

Membership Number : 109839

For and on behalf of the Board of Directors

Kamal Poddar
CHOICE INTERNATIONAL LIMITED
MUMBAI

Kamal Poddar

Managing Director

DIN: 01518700

Ajay Kejriwal

Ajay Kejriwal

Director

DIN : 03051841

Manoj Singhania

Manoj Singhania

Chief Financial Officer

Karishma Shah

Karishma Shah

Company Secretary

Place : Mumbai

Date : June 25, 2021

Place : Mumbai

Date : June 25, 2021

Place : Mumbai

Date : June 25, 2021

CHOICE INTERNATIONAL LIMITED

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

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

Particulars	Numbers of Shares (Rs. In Lakhs)	Amount (Rs. In lakhs)
Balance as at the April 1, 2019	200.05	2,000.48
Changes in equity share capital during the year 2019-2020	-	-
Balance as at March 31, 2020	200.05	2,000.48
Changes in equity share capital during the year 2020-2021	85.63	856.35
Balance as at the March 31, 2021	285.68	2,856.83

B : Other Equity

Particulars	Share Application Money Pending Allotment	Reserve and Surplus						Other Comprehensive Income	Total Other Equity
		Statutory Reserve	General Reserves	Capital Reserve	Securities Premium	Revaluation Reserve	Retained Earnings		
Balance as at the April 01, 2019	-	391.67	9.52	8.70	6,392.17	4,170.33	6,523.44	(141.48)	15,353.34
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,243.11	-	1,243.11
Other Comprehensive Income	-	-	-	-	-	-	-	134.60	134.60
Transferred to Statutory Reserve	-	26.90	-	-	-	-	(26.90)	-	-
Additions	2,524.50	-	-	-	-	-	-	-	2,524.50
Reversal of Loss on cessation of Subsidiary	-	-	-	-	-	-	64.41	-	64.41
Deletions	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	2,524.50	418.57	9.52	8.70	6,392.17	4,170.33	5,803.06	(6.88)	19,319.86
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	1,671.00	-	1,671.00
Other Comprehensive Income	-	-	-	-	-	-	-	36.38	36.38
Transferred to Statutory Reserve	-	-	-	-	-	-	(164.34)	-	(164.34)
Additions	3,275.52	164.34	-	-	3,511.02	-	-	-	6,950.88
(4,367.37)	-	-	-	-	-	-	-	-	(4,367.37)
Deletions	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	1,432.65	582.91	9.52	8.70	9,903.19	4,170.33	7,309.72	29.50	23,446.41

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number : 117366W/W-100018
G. K. Subramaniam
Partner
Membership Number : 109839

Place : Mumbai
Date : June 25, 2021

For and on behalf of the Board of Directors

Kamlesh Vardar
Managing Director
DIN: 01518700

Manoj Subramaniam
Chief Financial Officer

Place : Mumbai
Date : June 25, 2021



Ajay Kejriwal
Director
DIN: 03051841

Karishma Shah
Company Secretary

Place : Mumbai
Date : June 25, 2021

Choice International Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

1. Corporate Information

Choice International Limited (hereinafter referred to as "the Holding Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act 1956. The registered office of the Company is located at Shree Shakambhari Corporate Park, 156-158 Chakravorty Ashok Society, J.B. Nagar, Andheri (E) Mumbai -400099, Maharashtra, India.

The Holding Company's shares are listed on the Bombay Stock Exchange (BSE).

The Holding Company along with its subsidiaries (collectively referred to as "the Group") and an associate is an integrated and diversified financial services group. They 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.

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.



Choice International Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

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



Choice International Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

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



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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



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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.



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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.



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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.



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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



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Notes to the consolidated financial statements for the year ended March 31, 2021

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.



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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



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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.



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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



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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.



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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



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Notes to the consolidated financial statements for the year ended March 31, 2021

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



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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



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Notes to the consolidated financial statements for the year ended March 31, 2021

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

Defined benefit costs are categorised as follows:

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

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The 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



Choice International Limited

Notes to the consolidated financial statements for the year ended March 31, 2021

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.



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3 : Property, Plant and Equipment

(Rs. in Lakhs)

Particulars	Freehold Land	Office Premises	Water Pumps & Borewell	Computer Hardwares	Server & Networks	Electric Installation	Furniture & Fixtures	Solar Plant	Motor Car	Motor Cycle	Office Equipments	Total
Gross Carrying Amount as at April 01, 2019	4,330.00	3,776.90	1.75	738.35	231.77	38.35	428.86	14.04	237.09	1.25	402.66	10,201.03
Additions / Transfer	-	-	-	27.90	45.80	-	0.26	-	-	-	14.22	88.18
Disposals	-	953.11	-	-	-	-	0.01	-	16.97	-	-	970.09
Less: on account of sale of Subsidiary	-	-	-	2.24	-	-	-	-	15.85	-	-	18.09
As at March 31, 2020	4,330.00	2,823.79	1.75	764.01	277.57	38.35	429.11	14.04	204.27	1.25	416.88	9,361.03
Additions / Transfer	-	-	-	18.98	98.76	-	-	-	-	-	7.63	125.39
Disposals	-	-	-	-	-	-	-	-	62.14	-	0.19	62.33
As at March 31, 2021	4,330.00	2,823.79	1.75	782.99	376.33	38.35	429.11	14.04	142.13	1.25	424.34	9,364.09
Accumulated depreciation as at April 01, 2019	-	348.16	1.02	645.17	94.45	26.26	329.92	1.03	112.55	0.53	290.56	1,849.65
Depreciation charge during the year	-	42.91	0.33	70.79	43.47	4.04	21.69	0.53	25.47	0.12	38.00	247.35
Accumulated depreciation on deletions	-	-	-	(0.85)	-	-	0.79	-	8.12	-	-	8.06
Less: on account of sale of Subsidiary	-	-	-	1.68	-	-	-	-	8.05	-	-	9.73
As at March 31, 2020	-	391.07	1.38	715.13	137.92	30.30	350.82	1.56	111.85	0.65	328.56	2,079.21
Depreciation charge during the year	-	44.65	0.33	31.16	48.59	4.04	21.24	0.53	23.11	0.12	35.01	208.78
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	48.03	-	0.10	48.12
As at March 31, 2021	-	435.72	1.68	746.29	186.51	34.34	372.06	2.09	96.93	0.77	363.47	2,339.87
Net carrying amount as at March 31, 2021	4,330.00	2,388.06	0.07	36.69	189.82	4.01	57.05	11.96	45.21	0.48	60.87	7,124.23
Net carrying amount as at March 31, 2020	4,330.00	2,432.73	0.40	48.88	139.66	8.06	78.29	12.48	82.43	0.60	88.32	7,221.82

Property, Plant and Equipments pledged/ mortgaged as security

Office Building of the Group of Rs. 2147.77 lakhs is under the process of charge creation against loan taken from Aditya Birla Finance Limited by Choice International Limited. Office Premises worth Rs. 406.16 lakhs is mortgaged against loan taken for it from Axis Bank and Office Premised worth Rs. 269.84 lakhs is mortgaged against loan taken for it from ICICI Bank.



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4 : Investment Property

(Rs. in Lakhs)

Particulars	Investment in Land	Total
Gross Carrying Amount as at April 01, 2019	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2020	120.00	120.00
Additions	-	-
Disposals	-	-
As at March 31, 2021	120.00	120.00
Accumulated amortisation and impairment		
As at April 01, 2019	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2020	-	-
Amortisation charge during the year	-	-
Disposals	-	-
As at March 31, 2021	-	-
Net carrying amount as at March 31, 2021	120.00	120.00
Net carrying amount as at March 31, 2020	120.00	120.00



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5 : Intangible Assets

(Rs in Lakhs)

Particulars	Computer Software	Trademark	Intangible assets under development	Goodwill	Total
Gross Carrying Amount as at April 01, 2019	1,613.32	0.26	45.66	825.00	2,484.24
Additions	151.97	-	3.29	-	155.26
Disposals	6.76	-	34.34	-	41.30
As at March 31, 2020	1,754.34	0.26	14.36	825.00	2,593.95
Additions	-	-	2.63	-	2.63
Disposals	-	-	-	-	-
As at March 31, 2021	1,754.34	0.26	16.99	825.00	2,596.59
Accumulated amortisation and impairment					
As at April 01, 2019	1,074.47	0.03	-	-	1,074.50
Amortisation charge during the year	98.16	0.03	-	-	98.19
Disposals	1.71	-	-	-	1.71
As at March 31, 2020	1,170.92	0.06	-	-	1,170.98
Amortisation charge during the year	99.93	0.03	-	-	99.96
Disposals	-	-	-	-	-
As at March 31, 2021	1,270.85	0.09	-	-	1,270.94
Net carrying amount as at March 31, 2021	483.49	0.17	16.99	825.00	1,325.65
Net carrying amount as at March 31, 2020	583.42	0.20	14.36	825.00	1,422.97



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6 : Investments

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Investment carried at cost - In Associates		
2,600 Equity shares (March 31, 2020: 2600) Samekit Learning Management Private Limited (Formerly known as Gravotix Technologies Private Limited) @ Rs. 10 each	0.26	0.26
Other Investments - Unquoted Equity Instruments		
Nil (March 31, 2020: 5,23,980) shares of Rs.10/- each Jaatvedas Construction Company Limited	-	1,299.47
400,000 Equity Shares of Gini & Jony Limited of Rs.10/- each fully paid (March 31, 2020: 400,000)*	205.60	205.60
Quoted		
Investment carried at Fair Value through Other Comprehensive Income (FVTOCI)		
1,000,000 Equity Shares of The Byke Hospitality Limited of Rs. 10/- each fully paid (March 31, 2020: 1,000,000)	450.00	450.00
980 Equity Shares of GSL Securities Limited of Rs. 10/- each fully paid (March 31, 2020: 980)	0.04	0.03
22,023 Equity shares of Lawreshwar Polymers Limited of Rs.10/- each fully paid (March 31, 2020: 22,023)	5.74	3.61
Total	661.64	1,958.97

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

Note 7 : Loans

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Security Deposits	6.56	74.46
Loans & advances to others	-	0.17
Total	6.56	74.63

Note 8 : Other Financial Assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Fixed Deposits*	25.00	25.00
Security deposits to stock exchange	264.25	272.26
Other Security deposits	192.86	92.95
Prepaid Rentals	0.89	-
Interest Accrued on Deposits	5.87	4.46
Total	488.87	394.67

* The above fixed deposit receipt is under lien with ICICI Bank Limited for the purpose of Bank Guarantee.



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9 : Income Tax Assets (Net)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance taxes (net of provisions)	291.42	361.73
Total	291.42	361.73

Note 10 : Deferred Tax Assets - (Net)

The major components of deferred tax Assets as recognized in the financial statements are as follows:		
Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets arising on account of timing differences in:		
MAT Credit Entitlement	16.36	13.10
Property, Plant and Equipment - Depreciation	(11.43)	(11.73)
Provision for employee benefit expenses	9.78	6.14
Provision for Standard Loan Assets	31.11	16.81
Impairment loss on Investment	47.57	41.73
Deferred Tax on Fair value of Employee benefit expenses through Other comprehensive income	(1.86)	(1.61)
Deferred Tax on Fair Valuation of Investments	-	13.25
Amortisation of loan as per EIR	(0.63)	(0.40)
Allowance for Expected Credit Loss	7.19	1.96
Brought Forward Losses	2.73	2.73
Deferred Tax Assets (net)	100.82	81.98
Deferred Tax Assets routed through Profit & Loss	19.09	55.40
Deferred Tax Assets routed through Other Comprehensive Income	(0.25)	(45.72)

Note 11 : Other Non-Current Assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Prepaid Rent	2.18	3.51
Total	2.18	3.51

Note 12 : Securities held for trade

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Securities held for trade		
Shares and Securities *	872.30	3,060.91
Total	872.30	3,060.91

* Fair value has taken as Nil for securities which are suspended for trading at the stock exchange.



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 : Trade Receivables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured		
Considered Good	6,464.68	7,341.39
Unsecured		
Considered Good	1,148.39	1,762.89
Considered Doubtful	126.71	148.42
Less: Allowances for impairment losses	(126.71)	(148.42)
Total	7,613.07	9,104.28

Note 14 : Cash and Cash Equivalents

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- In Current Accounts	3,022.15	3,731.30
Cash on Hand	1.52	1.93
Prepaid Card	1.42	-
Total	3,025.09	3,733.23

Note 15 : Bank Balances Other than (Note 14) Above

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with Banks :		
- In Earmarked Accounts	7.44	7.51
Fixed Deposits (Lien)	1,785.05	1,357.47
Total	1,792.49	1,364.98

* Fixed Deposits are under Lien with Banks for Bank Guarantees (with maturity of more than of 3 Months but less than equal to 12 Months)

Note 16 : Loans

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured, considered good		
Loan against shares & Securities	729.47	872.69
Loan against property	2,484.91	2,574.19
Loans to related parties against property	576.06	-
Unsecured, considered good		
Advances to Employees	54.55	47.65
Loans to related parties	293.21	490.87
Loan Given to Others-		
- Business	9,814.09	-
- MSME	2,325.17	-
- Personal	2,940.69	-
- Others	5,558.92	7,854.86
Allowance for Credit Loss	(123.61)	(60.43)
Total	24,653.46	11,779.83



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 17 : Other Financial Assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Carried at amortised cost		
Security Deposits	85.47	33.07
Accrued Income	260.03	145.75
Receivable from Exchange	1,248.12	180.83
Unbilled Revenue	193.22	162.07
Margin Money	15,230.50	8,525.00
Retention money receivable	10.23	10.24
Total	17,027.57	9,056.96

Note 18 : Other Current Assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance with government authorities:		
- Goods & Service Tax Receivable	69.67	74.08
Advance to Vendors	99.17	64.38
Prepaid Expenses	178.49	186.41
Other Advances	106.09	215.13
Total	453.42	540.00

Note 19 : Equity Share Capital

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Authorised :		
4,01,00,000 (March 31, 2020: 4,01,00,000) Equity shares of Rs. 10 each	4,010.00	4,010.00
	4,010.00	4,010.00
Issued, Subscribed and Paid-up		
2,85,68,273 (March 31, 2020: 2,00,04,800) Equity shares of Rs. 10 each fully paid up	2,856.83	2,000.48
Total	2,856.83	2,000.48

(a) Terms / rights attached to Equity Shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

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

Equity Shares

Particulars	As at March 31, 2021	As at March 31, 2020
	Number of shares	Number of shares
Balance as at the Beginning of the year	200.05	200.05
Add: Shares issued during the year	85.63	-
Balance as at the end of the year	285.68	200.05



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	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	%	Number of Shares	%
Shares held by				
Kamal Poddar	25.00	8.75%	25.00	12.50%
Arun Kumar Poddar	21.00	7.35%	21.00	10.50%
Vinita Sunil Patodia	16.13	5.64%	16.13	8.06%
Archana Anil Patodia	15.75	5.51%	15.75	7.87%
Sonu Poddar	20.00	7.00%	12.50	6.25%
Sunil Kumar Patodia	25.89	9.06%	12.39	6.19%
Anil C Patodia	11.00	3.85%	11.00	5.50%
Hemlata Poddar	20.00	7.00%	-	0.00%
Azura Projects Private Limited	12.85	4.50%	12.85	6.42%

Note 20 : Other Equity

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Share Application Money Pending Allotment	1,432.65	2,524.50
Statutory Reserve	582.91	418.57
Capital Reserve	8.70	8.70
Security Premium Reserve	9,903.19	6,392.17
Revaluation Reserve	4,170.22	4,170.22
Retained Earnings	7,309.72	5,803.06
Other Comprehensive Income	29.50	(6.88)
General Reserve	9.52	9.52
Total	23,446.41	19,319.86

(i) Share Application Money Pending Allotment:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	2,524.50	-
Add : Additions during the year	3,275.52	2,524.50
Less- Warrents converted during the year	(4,367.37)	-
Balance as at the end of the year	1,432.65	2,524.50

(ii) Statutory Reserve

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	418.57	391.67
Add : Additions during the year	164.34	26.90
Balance as at the end of the year	582.91	418.57

It is created as per the terms of Section 45 IC (1) of Reserve Bank of India, 1934 as Statutory Reservers.



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Capital Reserve

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	8.70	8.70
Add : Additions during the year	-	-
Balance as at the end of the year	8.70	8.70

It is made out of Capital profit earned. The same is not available for profit distribution.

(iv) Securities Premium Reserve:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	6,392.17	6,392.17
Add : Additions during the year	3,511.02	-
Balance as at the end of the year	9,903.19	6,392.17

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	4,170.22	4,170.22
Add : Additions during the year	-	-
Balance as at the end of the year	4,170.22	4,170.22

* It has been created on revaluation of freehold land at fair market value. The same is not available for profit distribution.

(vi) Retained Earnings:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	5,803.06	4,522.44
Add/ (Less): Profit/ (Loss) for the year	1,671.00	1,243.11
(Less): Transferred to Statutory Reserve	(164.34)	(26.90)
Add: Reversal of Loss due to cessation of subsidiary	-	64.41
Balance as at the end of the year	7,309.72	5,803.06

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

(vii) General Reserve

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	9.52	9.52
Add : Additions during the year	-	-
Balance as at the end of the year	9.52	9.52

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(6.88)	(141.48)
Add : Additions during the year	36.38	134.60
Add : On account of merger	-	-
Balance as at the end of the year	29.50	(6.88)

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

Note 21 : Borrowings

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured loans		
Term loan from Bank *	2,982.62	437.35
Less: Current maturity of long term borrowings	(360.77)	(56.39)
Total	2,621.85	380.96

*The outstanding amount loan of Rs.2000.00 lakhs (March 31, 2020 - Nil) (Sanction amount is 3000.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai, however the charge creation is under process. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly installments ("EMI") ending in May 2029.

*The outstanding amount loan of Rs.500.00 lakhs (March 31, 2020 - Nil) (Sanction amount is 1000.00 lakhs) was taken from Aditya Birla Finance Limited and is secured by way of first charge on office premises at Mumbai, however the charge creation is under process. The said loan carries interest at 10.50%. The loan is repayable in Equated monthly installments ("EMI") ending in June 2029.

*The outstanding amount loan of Rs.203.33 lakhs (March 31, 2020-Rs.229.88 lakhs) was taken from Axis Bank Limited and is secured by way of first charge on office premises at Mumbai. The said loan carries interest @ 1 Year MCLR +1.75% (presently at 10%). The loan is repayable monthly ending in October 2026.

*The outstanding amount loan of Rs.6.33 lakhs (March 31, 2020- Rs.8.27 lakhs) was taken from HDFC Bank and is secured by way of first charge on Vehicle at Mumbai. The loan is repayable in Equated Monthly Installments ("EMI") of Rs.0.22 lakhs ending in December 2023.

*The outstanding amount of loan of Rs. 179.12 lakhs (March 31, 2020 Rs. 195.60 lakhs) was taken from ICICI Bank and is secured by way of first charge on Office Premises at Delhi. The loan is repayable in monthly principal installments and interest, ending in May ,2030.

Note 22 : Other Financial Liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Security Deposit	0.15	-
Total	0.15	-

Note 23 : Provisions

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits:		
Provision for Gratuity	224.22	185.11
Total	224.22	185.11



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 24 : Deferred Tax Liabilities - (Net)

The major components of deferred tax Liabilities/ (Assets) as recognized in the financial statements are as follows: (Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax (Assets)/ Liabilities arising on account of timing differences in:		
MAT Credit Entitlement	(37.33)	(89.51)
Property, Plant and Equipment - Depreciation	520.05	493.00
Provision for employee benefit expenses	(81.46)	(71.82)
Deferred Tax on Fair value of Employee benefit expenses through Other Comprehensive	18.25	8.29
Deferred Tax on Fair Valuation of Investments	(0.23)	(0.77)
Amortisation of loan as per EIR	10.72	0.38
Allowance for Expected Credit Loss	(21.91)	(36.60)
Deferred Tax Asset on Goodwill	28.69	28.69
Deferred Tax Liability on F.V. of Inventory	21.91	455.38
Deferred Tax (Assets)/ Liabilities (net)	458.69	787.04
Deferred Tax Liabilities routed through Profit & Loss	(385.42)	170.46
Deferred Tax Liabilities routed through Other Comprehensive Income	10.11	2.48

Note 25 : Other Non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Franchisee deposit	241.13	219.01
Total	241.13	219.01

Note 26 : Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payable		
Dues to Micro Enterprises and Small Enterprises*	342.14	4.91
Other than Micro and small Enterprises	1,036.09	717.88
Total	1,378.23	722.79

*Based on information received by the Company from its suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 and relied upon by the auditors; details of amount due to such vendors is as below:

S. No.	Particulars		
(i)	Principal Amount Outstanding	342.14	4.91
(ii)	Interest due on above and unpaid	-	-
(iii)	Interest due and payable for the period of delay	-	-
(iv)	Interest accrued and remaining unpaid	-	-



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27 : Borrowings

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Loan from Financial Institutions*	7,597.09	33.69
Bank Overdraft**	4,308.22	7,053.32
Debentures***	75.00	575.00
Unsecured Loans		
Loan taken from Related Parties	42.66	295.77
Other Loans	128.69	815.15
Commercial Papers from other parties	-	5,086.13
Total	12,151.66	13,859.06

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

** The overdraft facility taken from Axis bank at rate of Interest 9.95% p.a. which is repayable on demand. The above overdraft facility is primarily secured by way of hypothecation on current asset and covered by personal guarantee by Mr Kamal Poddar(Director) and Corporate guarantee of M/s Choice International Limited (the parent company).

** Bank overdraft facility taken from Punjab National Bank for which asset cover details are given below:-

a) 2/11, Akal CHS Ltd, Bamanpuri road, J B Nagar, Andheri East, Mumbai - 59

b) C-56, Dominia in Prive Hillside Residences, Khandala, Lonavala, Pune

c) B - 904 - B and B - 904 — A, Valencia co hag soc, Hiranandani Gardens, Powai, Mumbai - 76

d) B - 903 - B and B - 903 — A, Valencia co hag soc ltd, Hiranandani Gardens, Powai, Mumbai - 76

** Bank overdraft facility taken from Indusind Bank which has been covered against hypothecation of receivables.

** The bank overdraft facility taken from Axis Bank Limited is secured by way of hypothecation of current assets.

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

Note 28 : Other Financial Liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance from Customers	19,815.35	11,015.64
Current Maturities of Long-Term Debt	360.78	56.39
Interest accrued but not due	13.28	35.00
Total	20,189.41	11,107.03

Note 29 : Other Current Liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Statutory Dues	300.33	494.24
Advance from Customers	250.16	69.58
Franchisee and other deposits	42.50	70.00
Other Payables	591.41	924.43
Total	1,184.40	1,558.25

Note 30 : Current Provisions

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Provision for Gratuity	70.57	75.32
Provision for Leave Encashment	23.60	11.64
Provision for Expenses	192.91	-
Provision for Tax (net of advance tax)	518.71	53.93
Total	805.79	140.89



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 31 : Revenue from Operations

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Sale of Services	12,621.56	9,247.80
Interest income	2,829.11	1,418.33
Income from Business Support Services	190.34	245.81
Subletting Income	15.60	15.60
Profit on sale of Investment	62.92	-
Fair Value gain on Securities held for trade	-	617.76
Delayed Payment Charges	842.99	1,142.01
Other Fees and Charges	311.83	194.69
Total	16,874.35	12,882.00

Note 32 : Other Income

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income on:		
-Bank Deposits	11.73	14.80
-Others	606.80	477.50
Credit Balances Written off	19.71	4.78
Interest on Rent Deposit	53.49	3.09
Rent Received	3.40	13.19
Interest on Income Tax Refund	6.78	3.21
Gain on sale of Investments	-	55.64
Profit on sale of Fixed Assets	-	2.81
Misc. Income	3.18	1.58
Fair Value Gain on Investment	2.14	(36.72)
Total	707.23	539.88

Note 33 : Operating Expenses

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Professional Fees /Sub Contract Charges	2,123.90	513.49
Commission Expenses	-	19.01
Sub Brokerage	2,953.04	1,695.92
Fair Value loss on Securities held for trade	1,722.27	-
Loss on sale of securities held for trade	371.60	186.27
Computer and Software Expenses	280.58	298.38
Depository Charges	80.56	51.51
Membership and Subscription Charges	4.82	14.62
Lease Line Expenses	80.06	47.30
Exchange Charges	0.58	2.13
Other Operating Expenses	31.02	54.33
Total	7,648.43	2,882.86



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 34 : Employee Benefits Expenses

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages	4,044.00	4,571.35
Contributions to Provident and Other Funds	128.51	160.02
Staff Welfare Expenses	21.29	14.79
Total	4,193.80	4,746.16

Note 35 : Finance Costs

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on Borrowings from Related Parties	15.16	2.09
Interest on Borrowings from Others	6.97	16.80
Interest on Borrowings from financial Institutions	176.55	399.80
Interest on Debentures	41.45	35.32
Interest on Borrowings from Banks	837.74	648.77
Interest & Borrowings Cost on Commercial Paper	335.00	499.08
Other Borrowing Costs	132.88	112.82
Interest on Deposit	-	15.08
Total	1,545.75	1,729.76

Note 36 : Depreciation and Amortisation Expense

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on tangible assets (Refer Note 3)	223.34	247.36
Amortisation of intangible assets (Refer Note 5)	85.40	98.18
Total	308.74	345.54



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 37 : Other Expenses

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Business Support Expenses	17.44	1.56
Bank Charges and Commission	2.73	2.89
Rent	169.90	176.27
Repairs & maintenance	80.48	5.92
Rates & taxes	54.78	74.17
Legal and professional	355.69	292.53
Insurance charges	1.72	3.52
Electricity Charges	53.96	91.31
Traveling & Conveyance expenses	76.47	130.66
Communication expenses	145.44	130.10
Canteen expenses	18.87	64.75
Computer expenses	16.44	23.14
Claim & Dispute	66.92	33.98
CSR expenses	11.81	-
Guesthouse Expenses	12.09	-
Director sitting fees	6.50	5.00
Advertisement & Business promotion expenses	83.37	157.69
Printing & Stationery	14.58	35.68
Payment to Auditors		
Statutory Audit Fees	50.87	53.33
Tax Audit Fees	0.40	1.30
Other Matters	5.61	4.56
Loss on fair valuation of Investments	-	300.00
Provision on standard loan assets	63.17	36.36
Miscellaneous expenses	65.00	126.86
Loss on sale of Investment	-	0.80
Loss on sale of PPE	4.11	5.07
Allowances for doubtful debts	17.84	116.82
Bad Debts written off	200.00	15.82
Membership & Subscription Charges	-	0.55
Sundry Balance Written off	5.48	4.33
Rental Expenses	1.64	2.23
Total	1,603.31	1,897.20

Details for CSR Expenditure :

1. Gross amount required to spend by one of the group company
2. Amount spend during the year
 - a. provision made during the year

11.81	-
11.81	-

Note 38 : Earnings/ (Loss) Per Equity Share

	(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit after tax attributable to Equity Shareholders for Basic EPS	1,671.00	1,243.11
Add/Less: Adjustment relating to potential equity shares		
Net profit after tax attributable to equity shareholders for Diluted EPS	1,671.00	1,243.11
Weighted average number of Equity Shares outstanding during the year		
For Basic EPS	214.69	200.05
For Diluted EPS	327.05	212.25
(c) Face Value per Equity Share (Rs.)	10.00	10.00
Basic EPS (Rs.)	7.78	6.21
Diluted EPS (Rs.)	5.11	5.86



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Note 39- Employee Benefit Obligations

The Group has classified the various benefits provided to employees as under:

1. Defined Contribution Plan

During the year, the Group has incurred and recognised the following amounts in the Statement of Profit and Loss:

Particulars	(Rs. In Lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	112.05	69.40
Employer's Contribution to ESIC	16.36	26.65
Total	128.41	96.05

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:

Particulars	(Rs. In Lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
01 April 2019	230.76	5.79	224.98
Transfer In/ (Out) obligation	(0.78)	-	(0.78)
Current Service cost	67.77	-	67.77
Interest expense/(income)	17.45	0.21	17.24
Total amount recognised in profit or loss	85.23	0.21	85.02
Remeasurements	-	-	-
Return on plan assets, excluding amounts included in interest expense / (income)	-	0.23	(0.23)
(Gain)/loss from change in financial assumptions	28.28	-	28.28
(Gain)/loss from change in demographic assumptions	(0.29)	-	(0.29)
Experience (gains)/losses	(41.07)	-	(41.07)
Total amount recognised in other comprehensive income	(13.08)	0.23	(13.31)
Employer contributions	-	-	-
Benefit payments	(35.01)	-	(35.01)
On sale of subsidiary	0.59	0.12	0.47
31-Mar-20	266.53	6.10	260.43



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(Rs. In Lakhs)		
	Present value of obligation	Fair value of Plan assets	Net amount
01 April 2020	266.53	6.10	260.43
Transfer In/ (Out) obligation	(0.08)	-	(0.08)
Current Service cost	72.25	-	72.25
Interest expense/(income)	18.10	2.81	15.29
Total amount recognised in profit or loss	90.35	2.81	87.54
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)
Total amount recognised in other comprehensive income	(49.88)	(3.43)	(46.45)
Employer contributions	-	-	-
Benefit payments	(6.62)	-	(6.62)
31-Mar-21	300.29	5.48	294.81

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

	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
Present value of funded obligations	300.29	266.53
Fair value of plan assets	5.48	6.10
Deficit/(Surplus) of gratuity plan	294.81	260.43

Significant estimates- actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.85%	6.85%
Salary growth rate (per annum)	6.00%	6.00%
Withdrawal rate (per annum)	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
Expected rate of return	6.85%	6.85%
Mortality Table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption		Impact on defined benefit obligation		
	March 31, 2021	March 31, 2020	Increase in assumption		
				March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Decrease by	280.07	247.43
Salary growth rate	0.50%	0.50%	Increase by	318.04	282.47
Withdrawal rate	W.R. x 110%	W.R. x 110%	Increase by	301.04	266.77

	Change in assumption		Impact on defined benefit obligation		
	March 31, 2021	March 31, 2020	Decrease in assumption		
				March 31, 2021	March 31, 2020
Discount rate	0.50%	0.50%	Increase by	321.68	286.22
Salary growth rate	0.50%	0.50%	Decrease by	282.38	249.92
Withdrawal rate	W.R. x 90%	W.R. x 90%	Decrease by	298.53	264.84

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

Investment risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Most of the plan asset investment is in fixed income securities with high grades and in government securities which are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company intends to maintain the above investment mix in the continuing years.
Interest risk	A decrease in the market yields in the government bond will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of defined benefit plan liability is calculated using a discount rate which is determined by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Maturity profile of gratuity liability and Employer contribution

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are Rs. 70.77 lakhs (as at March 31, 2020: Rs. 73.16 lakhs).

The weighted average duration (based on discounted cash flows) of the defined benefit obligation is 13.79 years (14.62 years 2019-20).

The expected maturity analysis of undiscounted gratuity is as follows

	(Rs. In Lakhs)	
	2020-21	2019-20
Less than one year	13.79	6.15
Between 1-2 years	9.91	9.04
Between 2-5 years	43.41	25.48
Over 5 years	70.38	80.00
Total	137.49	120.67



Choice International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

40 Segment information :

The Company has identified Business segments as its primary segment. Business segments are primarily NBFC services, Broking & Distribution services, Consulting & Outsourcing services and Technical Services. Revenues and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

Particulars	For the year ended 31 March, 2021						(Rs. in Lakhs)
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Revenue	2,934.61	11,127.35	4,424.07	929.50	287.18	19,702.71	
Less: Inter-segment Sales / Income	42.58	531.05	629.89	709.50	208.11	2,121.13	
Total Revenue External	2,892.03	10,596.30	3,794.18	220.00	79.07	17,581.58	
Total revenue of each segment as a percentage of total revenue of all segments	16.45%	60.27%	21.58%	1.25%	0.45%		
Segment Result: Profit / (Loss) before interest and taxes	2,129.74	895.79	116.32	(603.32)	(256.98)	2,281.55	
Profit before tax							2,281.55
Less: Tax expense							610.55
Net profit after tax							1,671.00
Net Profit for the Year							1,671.00
Other Comprehensive Income							36.38
Total Comprehensive Income							1,707.38

Particulars	For the year ended 31 March, 2021						(Rs. in Lakhs)
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Assets	24,650.20	29,816.18	8,149.25	231.82	2,711.32	65,558.77	65,558.77
Segment Liabilities	7,804.76	24,289.97	4,833.88	467.38	1,859.54	39,255.53	39,255.53
Capital Expenditure					128.02	128.02	128.02
Depreciation and Amortisation	-	-	-	-	308.74	308.74	308.74
Other Non Cash Expenses							
Allowance for Credit Loss	-	2.79	(1.66)	16.71	-	17.84	17.84
Provision for Standard Loan Assets	63.17	-	-	-	-	63.17	63.17



Choice International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2020						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Revenue	1,515.76	8,507.21	3,333.44	905.51	220.66	14,482.58	
Less: Inter-segment Sales / Income	97.82	3.44	713.83	207.02	224.89	1,246.99	
Total Revenue External	1,417.93	8,503.78	2,619.62	698.50	(4.23)	13,235.59	
Total revenue of each segment as a percentage of total revenue of all segments	10.71%	64.25%	19.79%	5.28%	-0.03%		
Segment Result: Profit / (Loss) before interest and taxes	252.63	1,977.02	85.18	(24.41)	(470.06)	1,820.36	
Profit before tax							1,820.36
Less: Tax expense							577.25
Net profit after tax							1,243.11
Net Profit for the Year							1,243.11
Other Comprehensive Income							134.60
Total Comprehensive Income							1,377.71

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2020						
	Business Segments						Total (Enterprise)
	NBFC & Other services	Broking & Distribution	Consulting & Outsourcing	Technical services	Other Unallocable	Total (Segments)	
Segment Assets	13,025.05	24,598.47	9,241.34	505.82	2,909.77	50,280.45	50,280.45
Segment Liabilities	5,922.30	18,595.95	2,995.61	204.37	1,241.91	28,960.14	28,960.14
Capital Expenditure					243.44	243.44	243.44
Depreciation and Amortisation	-	-	-	-	345.54	345.54	345.54
Other Non Cash Expenses							
Allowance for Credit Loss	-	0.51	50.83	0.90	-	52.24	52.24
Provision for Standard Loan Assets	36.36	-	-	-	-	36.36	36.36



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

41 Statement containing salient features of the financial Statement / 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	8,307.83	33,889.18	24,781.37	3,218.28	10,872.56	486.22	339.00	327.22	17.15	344.37	100.00
2	Choice Wealth Management Pvt. Ltd.	NA	64.16	(58.93)	89.43	84.23	-	83.06	(52.82)	0.08	(52.90)	1.33	(51.56)	100.00
3	Choice Portfolio Management Services Pvt. Ltd.	NA	233.00	4.28	234.67	19.39	-	41.06	(3.03)	0.74	(3.77)	(3.33)	(9.12)	100.00
4	Choice Capital Advisory Pvt. Ltd.	NA	265.00	251.20	1,044.92	388.72	450.00	170.71	13.57	(0.50)	14.51	0.98	15.49	100.00
5	Choice Corporate Services Pvt. Ltd.	NA	1.00	(75.59)	38.45	102.88	-	29.66	0.91	0.15	0.76	0.82	1.58	100.00
6	Choice Techlab Solutions Pvt. Ltd.	NA	1.00	98.12	629.67	279.54	-	930.08	26.03	5.70	20.33	5.59	25.92	100.00
7	Choice Retail Solutions Pvt. Ltd.	NA	1.00	(74.95)	102.78	176.73	-	340.70	33.20	(0.51)	34.61	0.63	34.61	100.00
9	Choice Consultancy Services Pvt. Ltd. (Note 1)	NA	500.00	784.82	3,411.62	3,156.80	0.26	3,630.80	195.36	47.78	147.58	3.43	150.41	100.00
10	Choice Finance Private Limited	NA	4,356.00	5,151.34	24,931.70	15,434.42	203.00	2,935.28	1,235.98	300.90	935.08	-	935.08	100.00

Note-1: Choice Consultancy Services Private Limited includes share of Jointly Controlled Operations

Part "B" : Associate / Jointly Controlled Entities

S.No.	Name of the Associate/ Joint Controlled Entity	Latest Audited Balance Sheet Date	Share of Associate/ Joint Ventures held by the Company on the year end						Profit/Loss for the year		
			Numbers	Amount of Investment in Associate / Joint Venture (Amount in Rs.)	Extent of holding	Description of how there is significant influence	Reason why the associate / Joint Controlled Entity is not Consolidated	Net Worth Attributable to Shareholding as per latest audited Balance Sheet (Amount in Rs.)	(i) Considered in Consolidation (Amount in Rs.)	(ii) Not Considered in Consolidation (Amount in Rs.)	(iii) Not Considered in Consolidation (Amount in Rs.)
1	Thought Consultants Jaipur P.L. in JV with Choice Consultancy Services P.L.	March 31, 2021	-	-	50.00%	Jointly Controlled Operation of CCSPL	Consolidated	11.41	0.63	-	-
2	CCSPL-I&R JV	March 31, 2021	-	-	50.00%	Jointly Controlled Operation of CCSPL	Consolidated	(1.95)	(1.93)	-	-
2	Semokit Learning Management Private Limited (Formerly Known as Gravito Technology Private Limited)	March 31, 2021	2,690	0.26	26.00%	Associate of CCSPL	Consolidated	-	-	-	-



Choice International Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 42 The aggregate amount of assets, liabilities, income and expenditure of the Jointly Controlled Operation included in CFS is as follows :

(Rs. in Lakhs)				
Name of Entity	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(i) Assets				
Non Current Assets				
Property, Plant and Equipment	-	-	6.11	-
Deferred Tax Assets	0.13	0.48	-	-
Income Tax Assets	-	-	1.84	-
Financial Assets				
Loans	-	-	0.09	-
Current Assets				
(a) Financial Assets				
(i) Trade Receivables	1.67	6.43	53.17	-
(ii) Cash and Cash Equivalents	0.50	0.29	2.44	-
(b) Current Tax Assets	-	-	7.99	-
(c) Other Current Assets	10.96	10.96	9.91	-
(ii) Liabilities				
Non Current Liabilities				
Deferred Tax Liabilities	-	-	0.07	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	-	-	3.65	-
(ii) Trade Payables	1.85	7.37	21.59	-
(b) Other Current Liabilities	-	-	58.19	-
(c) Provisions	-	0.01	-	-

(b) Details of Income and Expenditure

(Rs. in Lakhs)				
Name of Entity	Thought Consultants Jaipur PL in JV with CCSPL		CCSPL - I&R JV	
Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
(iii) Income	0.00	0.97	54.06	-
(iv) Expenditure	(1.12)	0.94	55.93	-

Note- Amount containing '0.00' represents amount below Rs.5000/-.



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, 2021	For the year ended March 31, 2020
Profit Before Tax	2,281.55	1,820.35
Enacted Income Tax Rate (%)	27.82%	27.82%
Income Tax Expenses calculated at applicable income tax rate	634.73	506.42
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	205.32	276.53
Deductions available under income tax	197.13	(391.99)
Impact Due to Mat	1.89	
Impact on account of Tax Rate	(36.85)	89.53
Total	1,002.22	480.49
Income Tax for Earlier Year	12.84	(18.31)
Income Tax Expenses recognised in Profit & Loss	1,002.22	480.49
Deferred tax recognised in Profit & Loss	(404.51)	115.06
Total Tax Recognised in Profit & Loss	610.55	577.25
Actual Effective Income Tax Rate	26.76%	31.71%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

44 Related Party Disclosure :

(i) Details of Related Parties -

Description of Relationship	Names of Related Parties	March 31, 2021	March 31, 2020
a. Associate Companies	Samekit Learning Management Private Limited (Formerly known as Gravotix Learning Management Private Limited)*	✓	✓
b. Key Management Personnel (KMP) and their relatives	Kamal Poddar (Managing Director)	✓	✓
	Hemlata Poddar (Non-executive Director)	✓	✓
	Arun Poddar (Relative of KMP)	✓	✓
	Sonu Poddar (Relative of KMP)	✓	✓
	Santosh Kumar Poddar	✓	✓
	Manju Poddar (Relative of)	✓	✓
	Meenu Poddar (Relative of KMP)	✓	✓
	Ajay Kejriwal (Executive Director)	✓	✓
	Mali Rajendra Kejriwal	✓	✓
	Babita Ajay Kejriwal	✓	✓
	Vijay Rajendra Kejriwal	✓	✓
	Rajendrakumar Kejriwal	✓	✓
	Manoj Singhania (CFO)	✓	✓
	Savita Singhania (Relative of KMP)	✓	✓
	Karishma Shah (Company Secretary)	✓	✓
	Praful Shah (Relative of KMP)	✓	✓
	Faiguni Shah (Relative of KMP)	✓	✓
c. Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Kamal Poddar - Holding 8.75 % of Capital in CIL	✓	✓
	Hemlata Poddar - Holding 7.00% of Capital in CIL	✓	✓
	Sunil Patodia - Holding 9.06% of Capital in CIL	✓	✓
	Vinita Patodia - Holding 5.64% of Capital in CIL	✓	✓
	Anil Patodia - Holding 3.85% of Capital in CIL	✓	✓
	Archana Patodia - Holding 5.51% of Capital in CIL	✓	✓
	Arun Poddar - Holding 7.35% of Capital in CIL	✓	✓
	Sonu Poddar - Holding 7.00% of Capital in CIL	✓	✓
	Shreya Patodia - Holding 1.50% of Capital in CIL	✓	✓
	Suyash Patodia - Holding 1.50% of Capital in CIL	✓	✓
	Anaitha Patodia - Holding 1.50% of Capital in CIL	✓	✓
	Ayush Patodia - Holding 1.50% of Capital in CIL	✓	✓
d. Enterprises over which (b) & (c) are able to exercise significant influence	S. K. Patodia & Associates	✓	✓
	The Byke Hospitality Ltd.	✓	✓
	Hotel Relax Pvt. Ltd.	✓	✓
	Mankhari Biofuel Pvt. Ltd.	✓	✓
	S. K. Patodia Advisory Services Pvt. Ltd.	✓	✓
	Shree Shakambhari Exims	✓	✓
	Aqua Pumps Pvt. Ltd.	✓	✓
	Wheresmypadit.com Pvt Ltd	✓	✓
	Samekit Learning Management Private Limited (Formerly known as Gravotix Technology 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 Science Eduhub LLP	✓	✓
	Choice Soft Skills Training LLP	✓	✓
	Samank Consumer Products Private Limited	✓	✓
	Samank Apparels Private Limited	✓	✓
	Choice Insurance Broking India Private Limited	✓	✓
	Choice Poers International Private Limited	✓	✓
	Farmer's Evolution Foundation	✓	✓
	Mumbai Vaish Seva Sansthan	✓	✓
	Blazing Star Properties Private Limited	✓	✓
	Anant Income Enterprise (Partnership entered by Anaitha Patodia)	✓	✓
	De Starvings Couriers LLP	✓	✓
	Choice Strategic Advisors LLP	✓	✓
	Lions Mumbai Choice Foundation	✓	✓
	Rupang Properties Private Limited	✓	✓
	Optimo Investment Advisors Private Limited	✓	✓
	Maruti Nandan Colonizers Private Limited	✓	✓
	Kanava Properties Private Limited	✓	✓
	Ajay Kejriwal HUF	✓	✓
	Vijay Kejriwal HUF	✓	✓
	Anil Patodia HUF	✓	✓
	Sunil Patodia HUF	✓	✓
	Santosh Poddar HUF	✓	✓
	Arun Poddar HUF	✓	✓
	Kamal Poddar HUF	✓	✓



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Choice International Limited

44 Related Party Disclosure :

(ii): 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 (c) & (d) are able to exercise significant influence	Total
Loan Given to						
Choice Peers International Private Limited	-	-	-	-	114.59	114.59
Samank Apparels Private Limited	-	-	-	-	12.00	12.00
S K Patodia & Associates	-	-	-	-	208.00	208.00
Rupang Properties Private Limited	-	-	-	-	208.89	208.89
Maruti Nandan Colonizers Private Limited	-	-	-	-	52.65	52.65
	-	-	-	-	596.13	596.13
Loan Repayment received from						
Choice Peers International Private Limited	-	-	-	-	9.82	9.82
S K Patodia & Associates	-	-	-	-	534.41	534.41
Rupang Properties Private Limited	-	-	-	-	60.44	60.44
Maruti Nandan Colonizers Private Limited	-	-	-	-	50.48	50.48
	-	-	-	-	655.15	655.15
Loan Taken from-						
Kamal Poddar	-	30.00	-	-	-	30.00
Choice Insurance Broking India Private Limited	-	-	-	-	15.48	15.48
Maruti Nandan Colonizers Private Limited	-	-	-	-	796.60	796.60
	-	30.00	-	-	812.08	842.08
Loan Repaid-						
Kamal Poddar	-	135.00	-	-	-	135.00
Choice Insurance Broking India Private Limited	-	-	-	-	11.00	11.00
Choice Peers International Private Limited	-	-	-	-	11.59	11.59
Maruti Nandan Colonizers Private Limited	-	-	-	-	796.60	796.60
	-	135.00	-	-	819.19	954.19
Revenue from Operations						
Income from Business Support Services-						
The Byke Hospitality Limited	-	-	-	-	73.30	73.30
S K Patodia & Associates	-	-	-	-	109.67	109.67
Choice Insurance Broking India Private Limited	-	-	-	-	17.92	17.92
	-	-	-	-	200.89	200.89
Income from Subletting						
S K Patodia & Associates	-	-	-	-	15.60	15.60
	-	-	-	-	15.60	15.60
Income from Professional Fees						
Samank Apparels Private Limited	-	-	-	-	-	-
Samank Consumer Products Private Limited	-	-	-	-	0.05	0.05
S K Patodia & Associates	-	-	-	-	22.54	22.54
Choice Peers International Private Limited	-	-	-	-	0.02	0.02
Choice Insurance Broking India Private Limited	-	-	-	-	13.06	13.06
	-	-	-	-	35.67	35.67
Income from Brokerage						
Samank Consumer Products Private Limited	-	-	-	-	0.06	0.06
Maruti Nandan Colonizers Private Limited	-	-	-	-	124.78	124.78
Kanaiya Properties Private Limited	-	-	-	-	39.50	39.50
Ajay Rajendra Kejriwal	-	0.00	-	-	-	0.00
Ajay R Kejriwal (HUF)	-	-	-	0.06	-	0.06
Malti Rajendra Kejriwal	-	-	0.00	-	-	0.00
Babita Ajay Kejriwal	-	-	0.00	-	-	0.00
Vijay Rajendra Kejriwal	-	-	0.01	-	-	0.01
Rajendrakumar Kejriwal	-	-	0.01	-	-	0.01
Kamal Poddar	-	0.78	-	-	-	0.78
Kamal Poddar (HUF)	-	-	0.08	-	-	0.08
Arunkumar Poddar	-	0.00	-	-	-	0.00
Hemlata Kamal Poddar	-	-	0.08	-	-	0.08
Santosh Kumar Poddar	-	1.86	-	-	-	1.86
M inu Poddar	-	1.14	-	-	-	1.14
Pushpa P Paramanandka	-	0.00	-	-	-	0.00
Meenu Poddar	-	1.63	-	-	-	1.63
Sunil Patodia	-	-	-	0.00	-	0.00
Sunil Patodia HUF	-	-	-	-	0.01	0.01
Vinita Patodia	-	-	-	0.00	-	0.00
Anil Patodia	-	-	-	0.00	-	0.00
Anil Patodia HUF	-	-	-	-	0.00	0.00
Archana Patodia	-	-	-	0.00	-	0.00
Shreya Patodia	-	-	-	0.02	-	0.02
Suyash Patodia	-	-	-	0.00	-	0.00
Aastha Patodia	-	-	-	0.01	-	0.01
Karishma Shah	-	-	-	0.02	-	0.02
Savita Singhania	-	-	-	0.03	-	0.03
	-	5.41	0.18	0.14	164.35	170.08



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Choice International Limited

44 Related Party Disclosure :

Interest on Loan (Income)					
Choice Peers International Private Limited	-	-	-	5.42	5.42
Samank Apparel Private Limited	-	-	-	12.98	12.98
S K Patodia & Associates	-	-	-	34.96	34.96
Rupang Properties Private Limited	-	-	-	80.11	80.11
	-	-	-	133.47	133.47
Interest on Loan (Expenses)					
Choice Insurance Broking India Private Limited	-	-	-	3.22	3.22
Maruti Nandan Colonizers Private Limited	-	-	-	11.91	11.91
	-	-	-	15.13	15.13
Director Remuneration					
Kamal Poddar	-	60.00	-	-	60.00
	-	60.00	-	-	60.00
Salaries & Allowances					
Manoj Singhania	-	17.40	-	-	17.40
Karishma Shah	-	12.00	-	-	12.00
Ajay Kejriwal	-	21.00	-	-	21.00
Vijay Kejriwal	-	-	10.20	-	10.20
	-	50.40	10.20	-	60.60
Other Expenses					
Samank Consumer Products Private Limited	-	-	-	0.89	0.89
	-	-	-	0.89	0.89
Current Financial Assets- Loan					
Samank Apparel Private Limited	-	-	-	120.16	120.16
S K Patodia & Associates	-	-	-	56.29	56.29
Rupang Properties Private Limited	-	-	-	576.06	576.06
Choice Peers International Private Limited	-	-	-	114.59	114.59
Maruti Nandan Colonizers Private Limited	-	-	-	2.17	2.17
	-	-	-	869.27	869.27
Borrowings Current					
Choice Insurance Broking India Private Limited	-	-	-	32.86	32.86
Arun Poddar	-	-	-	9.80	9.80
	-	-	-	42.66	42.66
Trade receivables-					
The Byke Hospitality Limited	-	-	-	9.03	9.03
S K Patodia & Associates	-	-	-	33.25	33.25
Choice Insurance Broking India Private Limited	-	-	-	16.21	16.21
Hemlata Kamal Poddar	-	-	1.97	-	1.97
Moenu Poddar	-	-	0.00	-	0.00
Manju Poddar	-	-	8.91	-	8.91
Kamal Poddar	-	2.50	-	-	2.50
Kamal Poddar HUF	-	-	-	1.97	1.97
Maruti Nandan Colonizers Private Limited	-	-	-	59.10	59.10
Sunil Patodia	-	-	-	0.00	0.00
Vinita Patodia	-	-	-	0.00	0.00
Anil Patodia huf	-	-	-	0.02	0.02
Archana Patodia	-	-	-	0.02	0.02
Shreya Patodia	-	-	-	0.03	0.03
	-	2.50	10.88	0.05	119.58
	-	-	-	-	133.01
Trade Payables					
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
	-	1.62	19.45	0.52	22.33
Other Current Liabilities					
Choice Insurance Broking India Private Limited	-	-	-	0.08	0.08
	-	-	-	0.08	0.08
Other Current Assets					
Advance to trade Payable					
Kamal Poddar	-	0.32	-	-	0.32
SK Patodia & Associates	-	-	-	1.82	1.82
	-	0.32	-	-	2.14
Non Current Investments					
Samekit Learning Management Private Limited (Formerly known as	-	-	-	0.26	0.26
The Byke Hospitality Limited	-	-	-	450.00	450.00
	-	-	-	450.26	450.26



44 Related Party Disclosure :

(iii): Details of Related Party transactions during the year ended March 31, 2020

Particulars	(Rs. In lakhs)					
	Associates	KMP	Relative of KMP	Individuals owning directly or indirectly interest in voting power that gives them control & their relatives	Enterprises over which (c) & (d) are able to exercise significant influence	Total
Sale of Equity investment in following companies to KMP and Hemlata Poddar	-	5.00	-	-	-	5.00
Sonu Poddar	-	-	5.00	-	-	5.00
	-	5.00	5.00	-	-	10.00
Loan Given to						
Samank Apparels Private Limited	-	-	-	-	40.15	40.15
S K Patodia & Associates	-	-	-	-	460.34	460.34
Choice Peers International Private Limited	-	-	-	-	13.50	13.50
	-	-	-	-	513.99	513.99
Loan Repayment received from						
Samank Apparels Private Limited	-	-	-	-	20.18	20.18
S K Patodia & Associates	-	-	-	-	610.68	610.68
Choice Peers International Private Limited	-	-	-	-	108.58	108.58
	-	-	-	-	739.44	739.44
Loan Taken from-						
Kamal Poddar	-	275.50	-	-	-	275.50
Choice Insurance Broking India Private Limited	-	-	-	-	37.88	37.88
Choice Peers International Private Limited	-	-	-	-	20.42	20.42
	-	275.50	-	-	58.30	333.80
Loan Repaid-						
Kamal Poddar	-	29.50	-	-	-	29.50
Choice Insurance Broking India Private Limited	-	-	-	-	9.50	9.50
Choice Peers International Private Limited	-	-	-	-	8.82	8.82
	-	29.50	-	-	18.32	47.82
Revenue from Operations						
Income from Business Support Services-						
The Byke Hospitality Limited	-	-	-	-	85.05	85.05
S K Patodia & Associates	-	-	-	-	139.54	139.54
Choice Insurance Broking India Private Limited	-	-	-	-	21.22	21.22
	-	-	-	-	245.81	245.81
Income from Subletting						
S K Patodia & Associates	-	-	-	-	15.60	15.60
	-	-	-	-	15.60	15.60
Income from Professional Fees						
Samank Apparels Private Limited	-	-	-	-	1.25	1.25
Samank Consumer Products Private Limited	-	-	-	-	1.52	1.52
The Byke Hospitality Limited	-	-	-	-	572.20	572.20
S K Patodia & Associates	-	-	-	-	6.62	6.62
Choice Peers International Private Limited	-	-	-	-	0.23	0.23
Choice Insurance Broking India Private Limited	-	-	-	-	2.17	2.17
	-	-	-	-	583.99	583.99
Income from Brokerage						
Ajay Rajendra Kejriwal	-	0.03	-	-	-	0.03
Ajay R Kejriwal (HUF)	-	-	-	-	0.03	0.03
Mali Rajendra Kejriwal	-	-	0.02	-	-	0.02
Babita Ajay Kejriwal	-	-	0.00	-	-	0.00
Vijay Rajendra Kejriwal	-	-	0.02	-	-	0.02
Rajendrakumar Kejriwal	-	-	0.09	-	-	0.09
Kamal Poddar	-	13.29	-	-	-	13.29
Kamal Poddar (HUF)	-	-	-	-	0.14	0.14
Arunkumar Poddar	-	27.68	-	-	-	27.68
Hemlata Kamal Poddar	-	0.39	-	-	-	0.39
Santosh Kumar Poddar	-	-	0.22	-	-	0.22
Manju Poddar	-	-	0.10	-	-	0.10
Meenu Poddar	-	-	0.21	-	-	0.21
Vijay R Kejriwal Huf	-	-	-	-	0.12	0.12
Santosh Kumar Poddar Huf	-	-	-	-	0.07	0.07
Sumil Patodia	-	-	-	0.23	-	0.23
Sumil Patodia HUF	-	-	-	-	0.11	0.11
Vinita Patodia	-	-	-	0.22	-	0.22
Anil Patodia	-	-	-	0.03	-	0.03
Anil Patodia HUF	-	-	-	-	0.00	0.00
Archana Patodia	-	-	-	0.00	-	0.00
Shreya Patodia	-	-	-	0.03	-	0.03
Karishma Shah	-	0.05	-	-	-	0.05
Savita Singhania	-	-	0.01	-	-	0.01
	-	41.44	0.67	0.51	0.47	43.10



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Choice International Limited

44 Related Party Disclosure :

Other Income (Sale of Scrap)						
The Byke Hospitality Limited	-	-	-	-	3.36	3.36
	-	-	-	-	3.36	3.36
Interest on Loan (Income)						
Choice Peers International Private Limited	-	-	-	-	9.80	9.80
Samank Apparels Private Limited	-	-	-	-	11.28	11.28
S K Patodia & Associates	-	-	-	-	36.74	36.74
	-	-	-	-	57.82	57.82
Interest on Loan (Expenses)						
Choice Insurance Broking India Private Limited	-	-	-	-	2.09	2.09
	-	-	-	-	2.09	2.09
Director Remuneration						
Kamal Poddar	-	52.52	-	-	-	52.52
	-	52.52	-	-	-	52.52
Salaries & Allowances						
Manoj Singhania	-	17.40	-	-	-	17.40
Karishma Shah	-	11.90	-	-	-	11.90
Ajay Kejriwal	-	21.00	-	-	-	21.00
Vijay Kejriwal	-	-	10.20	-	-	10.20
	-	50.30	10.20	-	-	60.50
Other Expenses						
S K Patodia & Associates	-	-	-	-	1.56	1.56
Samank Consumer Products Private Limited	-	-	-	-	3.15	3.15
	-	-	-	-	4.70	4.70
Current Financial Assets- Loan						
Samank Apparels Private Limited	-	-	-	-	108.15	108.15
S K Patodia & Associates	-	-	-	-	382.70	382.70
	-	-	-	-	490.86	490.86
Borrowings Current						
Choice Insurance Broking India Private Limited	-	-	-	-	28.38	28.38
Choice Peers International Private Limited	-	-	-	-	11.59	11.59
Kamal Poddar	-	-	246.00	-	-	246.00
Arun Poddar	-	-	9.80	-	-	9.80
	-	-	255.80	-	39.97	295.77
Trade receivables-						
The Byke Hospitality Limited	-	-	-	-	512.83	512.83
S K Patodia & Associates	-	-	-	-	82.64	82.64
Choice Insurance Broking India Private Limited	-	-	-	-	13.62	13.62
Samank Apparels Private Limited	-	-	-	-	1.35	1.35
Samank Consumer Products Private Limited	-	-	-	-	1.07	1.07
Santosh Kumar Poddar	-	-	13.73	-	-	13.73
Mecnu Poddar	-	-	17.02	-	-	17.02
Manju Poddar	-	-	7.84	-	-	7.84
Kamal Poddar	-	0.00	-	-	-	0.00
Anil Patodia huf	-	-	-	-	0.01	0.01
Archana Patodia	-	-	-	0.01	-	0.01
Shreya Patodia	-	-	-	0.03	-	0.03
	-	0.00	38.59	0.04	611.52	650.16
Trade Payables						
Samank Consumer Products Private Limited	-	-	-	-	0.89	0.89
Kamal Poddar	-	8.75	-	-	-	8.75
Manoj Singhania	-	1.05	-	-	-	1.05
Karishma Shah	-	2.37	-	-	-	2.37
S K Patodia & Associates	-	-	-	-	0.51	0.51
Sunil Patodia huf	-	-	-	-	0.92	0.92
Anil Patodia	-	-	-	1.02	-	1.02
Suyash Patodia	-	-	-	0.04	-	0.04
Savita Singhania	-	-	0.04	-	-	-
	-	12.17	0.04	1.06	2.32	15.55
Other Current Liabilities						
S K Patodia & Associates	-	-	-	-	1.10	1.10
Choice Insurance Broking India Private Limited	-	-	-	-	0.78	0.78
	-	-	-	-	1.88	1.88
Non Current Investments						
Samkrit Learning Management Private Limited (Formerly known as Gravotix Technology Private Limited)	0.26	-	-	-	-	0.26
	0.26	-	-	-	-	0.26

Note- Amount containing '0.00' represents amounts less than Rs. 5000/-.



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:

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Securities held for Trade	12	872.30	-	872.30	3,060.91	-	3,060.91
Trade Receivables	13	7,613.07	-	7,613.07	9,104.28	-	9,104.28
Loans	16	24,653.46	-	24,653.46	11,779.83	-	11,779.83
Other Financial Assets	17	17,027.57	-	17,027.57	9,056.96	-	9,056.96
Other Current Assets	18	453.42	-	453.42	540.00	-	540.00

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

Particulars	Note No.	As at March 31, 2021			As at March 31, 2020		
		Within twelve months	After Twelve months	Total	Within twelve months	After Twelve months	Total
Trade Payables	26	1,378.22	-	1,378.22	722.79	-	722.79
Borrowings	27	12,151.66	-	12,151.66	13,859.06	-	13,859.06
Other Financial Liabilities	28	20,189.41	-	20,189.41	11,107.03	-	11,107.03
Other Current Liabilities	29	1,184.40	-	1,184.40	1,558.25	-	1,558.25



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Fair Value hierarchy of financial assets and liabilities measured at Fair Value :

Particulars	Note No.	As at March 31, 2021				As at March 31, 2020			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets									
Investments (Other Than Subsidiaries and Associates)	6	5.78	655.60	-	661.38	3.64	1,955.07	-	1,958.71
Loans- Non Current	7	-	-	-	6.56	-	-	-	74.63
Other Financial Assets-Non Current	8	-	-	-	488.87	-	-	-	394.67
Securities held for trade	12	872.30	-	-	872.30	3,060.91	-	-	3,060.91
Trade Receivables	13	-	-	-	7,613.07	-	-	-	9,104.28
Loans- Current	16	-	-	-	24,653.46	-	-	-	11,779.83
Other Financial Assets- Current	17	-	-	-	17,027.57	-	-	-	9,056.96
Financial Liabilities									
Borrowings- Non Current	21	-	-	-	2,621.85	-	-	-	380.96
Other Non Current Financial Liabilities	22	-	-	-	0.15	-	-	-	-
Trade Payable	26	-	-	-	1,378.22	-	-	-	722.79
Borrowings- Current	27	-	-	-	12,151.66	-	-	-	13,859.06
Other Current Financial Liabilities	28	-	-	-	20,189.41	-	-	-	11,107.03



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, 2021				As at March 31, 2020			
	Date of Valuation	Total	Quoted Price in Active Market	Significant Observable inputs	Date of Valuation	Total	Quoted Price in Active Market	Significant Observable inputs
			(Level 1)	(Level 2)			(Level 1)	(Level 2)
Financial Assets measured at Fair Value through Profit and Loss								
Non Current								
Investment in Equity Shares of Other Companies	31-03-21	5.78	5.78	-	31-03-20	3.64	3.64	-
Current								
Securities Held for Trade	31-03-21	872.30	872.30	-	31-03-20	3,060.91	3,060.91	-
Financial Assets measured at Fair Value through Other Comprehensive Income								
Non Current								
Investment in Equity Shares of Other Companies	31-03-21	450.00	-	450.00	31-03-20	450.00	450.00	-
Investment in Equity Shares of Other Companies	31-03-21	205.60	-	205.60	31-03-20	1,505.07	-	-
Financial Assets at Amortised Cost								
Non Current								
Investment in Associates	31-03-21	0.26	-	-	31-03-20	0.26	-	-
Loans	31-03-21	6.56	-	-	31-03-20	74.63	-	-
Other Financial Assets	31-03-21	488.87	-	-	31-03-20	394.67	-	-
Current								
Trade Receivables	31-03-21	7,613.07	-	-	31-03-20	9,104.28	-	-
Loans	31-03-21	24,653.46	-	-	31-03-20	11,779.83	-	-
Other Financial Assets	31-03-21	17,027.57	-	-	31-03-20	9,056.96	-	-



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 46:- Financial Assets at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current Financial Assets		
Loans	6.56	74.63
Other Financial Assets	488.87	394.67
Current Financial Assets		
Trade receivables	7,613.07	9,104.28
Cash and Cash Equivalents	3,025.09	3,733.23
Other bank balances	1,792.49	1,364.98
Loans	24,653.46	11,779.83
Others	17,027.57	9,056.96
Total	54,607.11	35,508.58

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

Note 47:- Financial Liabilities at Amortised Cost Method

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non-Current Financial Liabilities		
Borrowings	2,621.85	380.96
Other Financial Liabilities	0.15	-
Current Financial Liabilities		
Borrowings	12,151.66	13,859.06
Trade Payable	1,378.22	722.79
Other Financial Liabilities	20,189.41	11,107.03
Total	36,341.29	26,069.84

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

Note 48:- Financial Assets at Fair Value Through Profit or Loss

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

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non Current Financial Assets		
Investments	5.78	3.64
Total	5.78	3.64

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 49:- Financial Assets at Fair Value Through Other Comprehensive Income

The carrying value of the following financial assets recognised at fair value through other comprehensive income:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Non Current Financial Assets		
Investments	450.00	450.00
Total	450.00	450.00



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 50 : Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations directly or indirectly. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk :

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial instruments, Fixed Deposit with Banks, financial assets measured at amortised cost.	Aging analysis and Credit ratings	Diversification of Existing credit limits Unutilised from Consortium Bankers.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk - foreign exchange	Future commercial transactions. Recognised financial liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting and Sensitivity analysis	Forward foreign exchange contracts.
Market Risk - interest rate	Long-Term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including Fixed deposits with banks and financial institutions and other financial instruments.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed.

On account of adoption of Ind-AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

The Group has made adjustments in ECL Model to consider the impact of the Covid-19 pandemic on the provision. The probability of default has been assessed considering the likelihood of increased credit risk and consequential default due to pandemic. The impact on collateral values is also assessed for determination of loss given default and reasonable haircuts are applied wherever necessary. The moratorium benefit wherever extended has been taken into consideration for staging of loans in the Model.

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

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



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Gross Stage 1 (DPD< 30 days) Performing asset and 12 monthh ECL	24,721.14	11,792.61
Less : Impairment loss allowance	123.61	60.43
Net Stage 1 Assets	24,597.53	11,732.18
ECL Provision Coverage	0.50%	0.51%
Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and	-	-
Less : Impairment loss allowance	-	-
Net Stage 2 Assets	-	-
ECL Provision Coverage	-	-
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL	-	-
Less : Impairment loss allowance	-	-
Net Stage 3 Assets	-	-
ECL Provision Coverage	-	-
Total Loans & Advances	24,721.14	11,792.61
Less : Impairment loss allowance	123.61	60.43
Net Loans & Advances	24,597.53	11,732.18
ECL Provision Coverage	0.50%	0.51%

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors.

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

Liquidity Risk

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

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

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2021 and March 31, 2020:

Particulars	(Rs. in Lakhs)				
	0-1 Year	1-3 years	3-5 years	More than 5 Years	Total
Year ended March 31, 2021					
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

Particulars	(Rs. in Lakhs)				
	0-1 Year	1-3 years	3-5 years	More than 5 Years	Total
Year ended March 31, 2020					
Secured Loans	7,718.39	125.30	115.32	144.92	8,103.92
Unsecured Loans	6,197.06	-	-	-	6,197.06
Trade Payables	722.79	-	-	-	722.79
Others	12,665.28	-	-	-	12,665.28



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED 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 Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group's policy is to keep balance between its borrowings at fixed rates of interest. The difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The exposure of the Company to interest rate changes at the end of the reporting period are as under:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Variable Rate Borrowing	2,805.34	236.86
Fixed Rate Borrowing	177.28	200.49
Total	2,982.62	437.35

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
March 31, 2021	+ 1%	28.05
	- 1%	(28.05)
March 31, 2020	+ 1%	2.37
	- 1%	(2.37)

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates to purchase of raw material of chemical and fertilizer products from out of the India. The Company manages its foreign currency risk by hedging the payables as an when considered necessary. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. The Company hedges its exposure to fluctuations on the translation into INR of its foreign payables in foreign currencies and by using foreign currency option or forward contracts.

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	(Rs. in Lakhs)	
	Change in Foreign	Effect on Profit before Tax
March 31, 2021	+ 5%	-
	- 5%	-
March 31, 2020	+ 5%	-
	- 5%	-

Note 51 : Capital Management

For the purpose of the Group's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the value of the share and to reduce the cost of capital.



CHOICE INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group can adjust the dividend payment to shareholders, issue new shares, etc. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

(Rs. in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
A) Net Debt		
Borrowings (Current and Non-Current)	14,773.51	14,240.02
Cash and cash equivalents	4,817.58	5,098.21
Net Debt (A)	9,955.93	9,141.81
B) Equity		
Equity share capital	2,856.83	2,000.48
Other Equity	23,446.41	19,319.86
Total Equity (B)	26,303.24	21,320.34
Gearing Ratio (Net Debt / Capital) i.e. (A / B)	37.85%	42.88%

Note 52 : Contingent Liabilities not Provided for:

(Rs. in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Income tax demand contested by the company *	88.03	110.25
Total	88.03	110.25

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

(Rs. in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Corporate guarantees issued to Banks & Financial Institutions on behalf of subsidiaries-	6,286.74	8,323.14
Total	6,286.74	8,323.14

* The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is Rs. 5230.74 lakhs (March 31, 2020: Rs.7229.68 lakhs),for Choice Capital Advisors Private Limited is Rs. 94.32 lakhs/- (March 31, 2020: Rs.98.07 lakhs-) and for Choice Consultancy Services Private Limited is Rs. 961.68 lakhs (March 31, 2020: Rs.995.39 lakhs). However the overall sanction amount is Rs. 9220.00 lakhs (March 31, 2020 : Rs. 10720.00 lakhs).

Note 53 : Capital and Other Commitments:

Capital Commitments : Nil



CHOICE INTERNATIONAL LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 54 : Expenditure on Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, the group is not mandatorily required to spend on corporate social responsibility (CSR) activities, however one subsidiary of the group, which is mandatorily required to spend on CSR has provided Rs.11.81 lakhs towards Corporate Social Responsibility during the year ended March 31, 2021.

Note 55 : Expenditure in Foreign Currency - Nil

Note 56 : COVID Impact

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

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

The Group has, based on current available information and based on the policy approved by the respective board, determined the provision for impairment of financial assets including the additional overlay for uncertainty over the potential macro-economic impact of the pandemic.

Note 57 : Previous Years' Figures:

The financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The previous period's figures have been regrouped or rearranged wherever necessary.

For and on behalf of the Board of Directors

Kamal Poddar
Managing Director
DIN: 01518740

Manoj Singhania
Chief Financial Officer

Place : Mumbai
Date : June 25, 2021

Ajay Kejriwal
Director
DIN :- 08051841

Karishma Shah
Company Secretary

Place : Mumbai
Date : June 25, 2021

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
CHOICE INTERNATIONAL LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **CHOICE INTERNATIONAL LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), and its share of the net profit after tax and total comprehensive income of its associates for the quarter ended June 30, 2021 ("the Statement"), which includes the jointly controlled operations of the group accounted on a proportionate basis, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Parent:

- a. Choice International Limited

Subsidiaries:

- b. Choice Equity Broking Private Limited
- c. Choice Finserv Private Limited
- d. Choice Consultancy Services Private Limited
- e. Choice Wealth Private Limited
- f. Choice Portfolio Management Services Private Limited



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- g. Choice Capital Advisors Private Limited
- h. Choice Corporate Services Private Limited
- i. Choice Techlab Solutions Private Limited
- j. Choice Retail Solutions Private Limited

Jointly Controlled Operation:

- k. Thought Consultants Jaipur Private Limited JV with Choice Consultancy Services Private Limited
- l. I&R Projects and Consultants JV with Choice Consultancy Services Private Limited

Associate:

- m. Samekit Learning Management Private Limited (formerly known as Gravotix Technology Private Limited)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 5 to the Statement, in which the Group describes the continuing uncertainties arising from COVID 19 pandemic.

Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial results of two jointly controlled operations included in the standalone unaudited interim financial results of the entity included in the Group, whose interim financial results reflect total revenues of Rs. 45.72 lakh for the quarter ended June 30, 2021, total net loss after tax of Rs. 213.13 lakh for the quarter ended June 30, 2021, and total comprehensive income of Rs. (213.13) lakh for the quarter ended June 30, 2021, as considered in the respective standalone unaudited interim financial results of the entity included in the Group. The interim financial results of the jointly controlled operations have been reviewed by the other auditors whose reports have been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of the joint controlled operations, is based solely on the report of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of this matter.

8. We did not review the interim financial results of six subsidiaries, included in the included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 422.23 lakh for the quarter ended June 30, 2021, total net loss after tax of Rs. 23.55 lakh for the quarter ended June 30, 2021 and total comprehensive loss of Rs. (23.55) lakh for the quarter ended June 30, 2021, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.



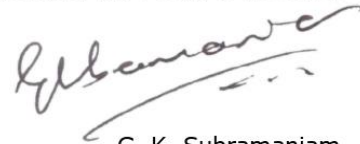
**Deloitte
Haskins & Sells LLP**

Our conclusion on the Statement is not modified in respect of this matter.

9. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. Nil for the quarter ended June 30, 2021, and total comprehensive income of Rs. Nil lakh for the quarter ended June 30, 2021, as considered in the Statement, in respect of an associates based on their interim financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of this matter.

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



G. K. Subramaniam
(Partner)
Membership No. 109839
UDIN: 21109839AAAANN4173

Place: Mumbai
Date: August 13, 2021

CHOICE INTERNATIONAL LIMITED

(Rs. in Lakh)

Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2021

Sr. No.	Particulars	Quarter ended		Year Ended	
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Unaudited	Refer Note No. 7	Unaudited	Audited
1	Revenue				
	(a) Revenue from Operations	283.78	206.20	215.94	835.83
	(b) Other Income	0.27	10.13	8.12	30.91
	Total Revenue	284.05	216.33	224.06	866.74
2	Expenses				
	(a) Employee Benefit Expenses	31.89	25.38	19.67	83.34
	(b) Finance Costs	67.01	59.79	48.60	192.05
	(c) Depreciation and Amortisation Expenses	17.45	17.51	17.97	71.39
	(d) Other Expenses	58.39	64.57	39.59	192.11
	Total Expenses	174.74	167.25	125.83	538.89
3	Profit Before Tax (1-2)	109.31	49.08	98.23	327.85
4	Tax Expenses:-				
	(a) Current Tax	28.30	17.81	25.52	82.37
	(b) Deferred Tax	1.89	9.42	2.31	15.28
	Total Tax Expenses	30.19	27.23	27.83	97.65
5	Profit after Tax (3-4)	79.12	21.85	70.40	230.20
6	Other Comprehensive Income				
	Items that will not be reclassified to profit and loss				
	(i) Actuarial (loss)/ gain on post retirement benefit plans	0.15	(0.26)	0.28	0.59
	(ii) Income tax on above	(0.04)	0.07	(0.08)	(0.16)
	Total Other Comprehensive Income	0.11	(0.19)	0.20	0.43
7	Total Comprehensive Income (5+6)	79.23	21.66	70.60	230.63
8	Paid-up Equity Share Capital (Face Value Rs 10/-)				2,856.83
9	Reserves excluding Revaluation Reserve as per Balance Sheet				13,072.37
10	Earnings per Share (EPS) (face value of Rs. 10 each) (not annualised for quarters)				
	(a) Basic	0.25	0.09	0.35	1.07
	(b) Diluted	0.25	0.06	0.28	0.70



Choice International Limited

Choice House, Shree Shakambhari Corporate Park, Plot No 156-158, J.B. Nagar, Andheri (East), Mumbai – 400 099.

Tel.: +91-22- 6707 9999 Email ID: info@choiceindia.com Website: www.choiceindia.com CIN No. L67190MH1993PLC071117

Notes:

1. These Financial Results have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
2. The main business of the Company is to provide support services to the subsidiaries and other group companies. Further, all activities are carried out within India. Hence, there are no separate reportable segments as per Indian Accounting Standard (Ind AS)-108 on "Operating Segments".
3. During the quarter, the company has converted all the outstanding 1,12,36,527 warrants into equivalent number of equity shares on receipt of remaining 75% of the issue price of the warrants.
4. 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 results, includes the potential impact of the COVID-19 pandemic on the Company's financial results 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 results and the Company will continue to closely monitor any material changes to future economic conditions.
5. The auditors have carried out Limited Review of the financial results for the quarter ended June 30, 2021, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements).
6. The Code on Wages, 2019 and Code Social Security, 2020 ("the Codes") relating to employees compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.
7. The figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the financial year.
8. There are no exceptional items during the above mentioned periods.
9. The above financial results were reviewed by the Audit Committee and on its recommendation have been subsequently approved by the Board of Directors of the Company at its meeting held on August 13, 2021.
10. Previous year / periods figures have been regrouped / rearranged, wherever considered necessary, to conform with current period's classification.
11. The standalone financial results for the quarter ended June 30, 2021, as submitted to stock exchange are also available on our website "www.choiceindia.com".

For and on behalf of the Board of Directors

Ajay Kejriwal
Executive Director
DIN: 03051841



Place : Mumbai
Date : August 13, 2021



Choice International Limited

Choice House, Shree Shakambhari Corporate Park, Plot No 156-158, J.B. Nagar, Andheri (East), Mumbai – 400 099.
Tel.: +91-22- 6707 9999 Email ID: info@choiceindia.com Website: www.choiceindia.com CIN No. L67190MH1993PLC071117

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
CHOICE INTERNATIONAL LIMITED**

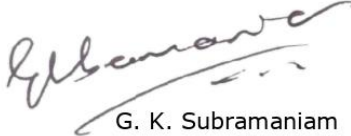
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **CHOICE INTERNATIONAL LIMITED** (the "Company"), for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Deloitte
Haskins & Sells LLP**

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



G. K. Subramaniam
(Partner)
Membership No. 109839
UDIN:21109839AAAAANM6210

Place: Mumbai
Date: August 13, 2021

MATERIAL DEVELOPMENTS

While no material developments have occurred which requires adjustments in the audited accounts for the period ended March 31, 2021

1. Appointment of Mr. Sunil Patodia as Non - Executive Non Independent Chairman w.e.f August 13, 2021.
2. Acquisition of Escorts Securities Limited by Choice Equity Broking Private Limited, our wholly owned Subsidiary. - The approvals from the Exchanges are still pending, it is in transition stage
3. Allotment of 34,49,989 equity shares pursuant to conversion of warrants allotted on preferential basis.
4. Allotment of 32,36,538 equity shares pursuant to conversion of warrants allotted on preferential basis.
5. Allotment of 45,50,000 equity shares pursuant to conversion of warrants allotted on preferential basis.
6. Re-appointment Mr. Ashok Kumar Thakur (DIN No. 07573726) & Mr. Kanhaiya Lal Berwal (DIN No. 07535424) as Additional (Non- Executive) Independent Director of the Company for a Second Term with effect from July 14, 2021.
7. Receipt of approval from Insurance Regulatory and Development Authority of India (IRDAI) for acquiring 50% stake in Choice Insurance Broking India Private Limited.

Note: 85,63,473 Warrants converted into Equity Prior March 31, 2021 have secured their Trading and listing approval post March 31, 2021

ACCOUNTING RATIOS

Accounting Ratios (Consolidated)

Particulars	For the year ended		
	31-03-2021	31-03-2020	31-03-2019
<u>Basic and Diluted Earnings Per Share (Rs.)</u>			
Basic Earnings Per Share (Basic EPS)			
Net profit / (loss) after tax, attributable to equity shareholders	1,671.00	1,243.11	880.85
Weighted average number of Equity Shares outstanding	2,14,68,513	2,00,04,800	2,00,04,800
Basic EPS in Rs.	7.78	6.21	4.40
Face value in Rs.	10.00	10.00	10.00
Diluted Earnings Per Share (Diluted EPS)			
Net profit / (loss) after tax, as attributable to equity shareholders	1,671.00	1,243.11	880.85
Weighted average number of shares considered for calculating Diluted EPS	3,27,05,040	2,12,25,348	2,00,04,800
Diluted EPS in Rs.	5.11	5.86	4.40
Face value in Rs.	10.00	10.00	10.00
<u>Net Asset Value Per Equity Share (Rs.)</u>			
Net Asset Value (Net-worth), as restated	26,303.24	21,320.34	17,353.72
Number of equity shares outstanding at the year end	2,14,68,513	2,00,04,800	2,00,04,800
Number of adjusted equity shares outstanding at the year end	2,14,68,513	2,00,04,800	2,00,04,800
Net Assets Value per equity share (Rs.)	122.52	106.58	86.75
<u>Return on Net worth</u>			
Net Profit / (loss) after tax	1,671.00	1,243.11	880.85
Net worth, as restated	26,303.24	21,320.34	17,353.72
Return on net worth	6.35%	5.83%	5.08%
<u>EBITDA</u>			
Profit / (loss) after tax (A)	1,671.00	1,243.11	880.85
Income tax expense (B)	610.55	577.25	345.07
Finance costs (C)	1,545.75	1,729.76	2,034.53
Depreciation and amortization expense (D)	308.74	345.54	316.69
EBITDA (A+B+C+D)	4,136.04	3,895.66	3,577.14

The ratios have been computed as per the following formulae:

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

(ii) Net Assets Value (NAV)

$$\frac{\text{Net Asset Value, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

Net-worth (excluding revaluation reserve), as restated, means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss, as restated.

(iv) EBITDA

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the standalone statement of profit and loss.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Information" beginning on page 74. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 22 and 17, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2021, Fiscal 2020 and Fiscal 2019 included herein is based on the Audited Consolidated Financial Statements, included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 74.

OVERVIEW OF OUR BUSINESS

We were registered as a Non – Deposit taking Non – Banking Financial Company (NBFC) registered with the RBI. We voluntarily surrendered our NBFC license in the year 2019 and the same was cancelled by RBI with effect from October 23, 2020. On cancellation of our NBFC license, we stand only as a 'Holding Company' to our subsidiaries & provide business support services to our group companies and subsidiaries. Our Company, through its multiple subsidiaries, offers financial services across all platforms catering to retail and institutional clients, corporates and state and central governments. The services are bifurcated into Retail services (B2C) and Institutional Services (B2B & B2G). The B2C services include Equity & commodity broking, Wealth Services and NBFC Services. The B2B services comprise of Management consulting, Investment Banking and government services like Infrastructure Consulting and Government Advisory.

We work under the guidance of our Managing Director, Kamal Poddar, who has an experience of more than 15 Years in the Financial Service Industry and been associated with our Company since 2008 and is one of our founding members. He has been instrumental in evolving our business operations, growth and future prospects.

Our consolidated revenues from operations for Fiscals 2021, 2020 and 2019 were ₹ 16,874.35 lacs, ₹ 12,882.00 lacs and ₹ 11,660.30 lacs, respectively. Our consolidated EBITDA for the Fiscals 2021, 2020 and 2019 were ₹ 4,136.04 lacs, ₹ 3,895.66 lacs and ₹ 3,577.14 lacs, respectively. Our consolidated profit after tax for Fiscals 2021, 2020 and 2019 were ₹ 1,671.00 lacs, ₹ 1,243.11 lacs and ₹ 880.85 lacs, respectively.

Our Business Strategy

Maintain and Expand Long-term Relationships with Clients

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

Augmentation of funding requirements for our subsidiary

We are a holding company and generate business predominantly through our subsidiaries. There are continuous efforts taken by us to ensure necessary augmentation of funding requirements for our subsidiaries. For instance we propose to invest Rs. 59.50 Crores from the Net Proceeds in our subsidiary, Choice Finserv Private Limited for augmentation of funding requirements for its business activities. We believe that this will help our subsidiaries grow organically in much better and faster manner and in turn also benefit our Company.

Leveraging of our Marketing Skills and Relationships

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product-mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

Continue to focus on cost efficiency and improving productivity

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which we believe is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies. Our focus is to develop and adopt efficient technologies to further improve the quality of our products and optimize our production costs. We believe our focus on developing cost-reduction strategies and implementing more sustainable methods in our operations will enable us to achieve cost leadership position.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘Risk Factors’ on page 22. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Maharashtra;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Financial Information” on page 74.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “Financial Information” on page 74, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled “Financial Information” on page 74.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Financial Statements.

Total income

Our revenue comprises of:

Revenue from operations

Our revenue from operations consists of sale of services and marketing fees and Lease Rent & Business Support Services.

Other Income

Our Other income mostly consists of interest on income tax refund, Rent received, Dividend, Profit on sale of shares, Damages & Claims Received, Profit on Redemption of Mutual Fund etc.

Expenses

Our expenses primarily comprise of Employee Benefit Expenses, Finance cost, Depreciation and amortization expenses and other expenses. For details, see section titled “Financial Statement” on page 74

Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds and staff welfare & training expenses.

Other expenses

Other expenses include business promotion expenses, office expenses, conveyance expenses, telephone, internet and web hosting charges, rates and taxes, rent, electricity & maintenance charges, legal and professional fee, printing & stationery expense, software expenses, insurance expenses etc.

Finance cost

Finance cost comprises comprise of interest on loan from financial institution, banks and processing fee.

Depreciation and Amortisation Expense

Depreciation and amortization expense comprises of depreciation on building, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth, for the periods indicated, certain items from our financial statements, in each case also stated as a percentage of our total income:

(₹ in Lacs)

Particular	2021	Percentage of total income (%)	2020	Percentage of total income (%)	2019	Percentage of total income (%)
INCOME						
Revenue from Operations	16,874.35	95.98%	12,882.00	95.98%	11,660.30	96.12%
Other Income	707.23	4.02%	539.88	4.02%	470.91	3.88%
Total Income (A)	17,581.58	100.00%	13,421.88	100.00%	12,131.21	100.00%
EXPENDITURE						
Operating expenses	7,648.43	43.50%	2,882.86	21.48%	2,182.55	17.99%
Employee benefit expenses	4,193.80	23.85%	4,746.16	35.36%	4,390.88	36.19%
Finance costs	1,545.75	8.79%	1,729.76	12.89%	2,034.53	16.77%
Depreciation and amortisation expense	308.74	1.76%	345.54	2.57%	316.19	2.61%
Other Expenses	1,603.31	9.12%	1,897.20	14.14%	1,980.64	16.33%
Total Expenses (B)	15,300.03	87.02%	11,601.52	86.44%	10,905.29	89.89%
Profit before extraordinary items and tax	2,281.55	12.98%	1,820.36	13.56%	1,225.92	10.11%
Prior period items (Net)	-	0.00%	-	0.00%	-	0.00%
Profit before exceptional, extraordinary items and tax (A-B)	2,281.55	12.98%	1,820.36	13.56%	1,225.92	10.11%
Exceptional items	-	0.00%	-	0.00%	-	0.00%
Profit before extraordinary items and tax	2,281.55	12.98%	1,820.36	13.56%	1,225.92	10.11%
Extraordinary items (Share of net profit from joint venture accounted for using equity method)	-	0.00%	-	0.00%	-	0.00%
Profit before tax	2,281.55	12.98%	1,820.36	13.56%	1,225.92	10.11%
Share of net profit from joint venture accounted for using equity method	-	0.00%	-	0.00%	-	0.00%
Profit before tax	2,281.55	12.98%	1,820.36	13.56%	1,225.92	10.11%
<i>Tax expense :</i>					299.86	2.47%
(i) Current tax	1,002.22	5.70%	480.50	3.58%	148.06	1.22%
(ii) Deferred tax	(404.51)	(2.30%)	115.06	0.86%	299.86	2.47%
(iii) Earlier Year tax expenses	12.84	0.07%	(18.31)	(0.14%)	(102.85)	-0.85%
(iv)(MAT credit lapsed written off	-	0.00%	-	0.00%	-	0.00%
Total Tax Expense	610.55	3.47%	577.25	4.30%	345.07	2.84%
Profit for the year (D-E)	1,671.00	9.50%	1,243.11	9.26%	880.85	7.26%
Share of Profit from Associates	-	0.00%	-	0.00%	(12.41)	0.00%
Loss on Disposal of Associates	-	0.00%	-	0.00%	279.05	0.00%
Profit for the year after share of Profit from Associates	1,671.00	0.00%	1,243.11	0.00%	589.39	0.00%
Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
Remeasurement gains/losses on defined benefits obligations	46.74	0.27%	13.29	0.10%	28.62	0.00%
Fair valuation gain/loss on defined obligations	-	0.00%	169.50	1.26%	(1,397.00)	(11.52%)
Tax effect on above	(10.36)	(0.06%)	(48.19)	(0.36%)	356.91	2.94%

Particular	2021	Percentage of total income (%)	2020	Percentage of total income (%)	2019	Percentage of total income (%)
Total comprehensive income for the year	36.38	0.21%	134.60	1.00%	(1,011.47)	(8.34%)
Total Comprehensive Income	1,707.38	9.71%	1,377.71	10.26%	(422.08)	(3.48%)

Comparison of Historical Results of Operations

Fiscal 2021 compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021 was ₹ 17581.58 lacs as compared to ₹ 13421.88 lacs for the Fiscal 2020, representing an increase of 30.99%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2021 was ₹ 16874.35 lacs as compared to ₹ 12882.00 lacs for the Fiscal 2020, representing an increase of 30.99%. This is primarily due to Increase in no of clients and business activities in NBFC, Broking and Consulting segment

Other income

Other income for the Fiscal 2021 was ₹ 707.23 lacs as compared to ₹ 539.88 lacs for the Fiscal 2020, representing an increase of 31.00%. The increase in other income was primarily due to increase in interest income from bank FDR, Broking clients.

Expenses

Our total expenditure for the Fiscal 2021 was ₹ 15300.03 lacs as compared to ₹ 11601.52 lacs for the Fiscal 2020, representing an increase of 31.88%.

Operating Expenses

The operating expenses for the Fiscal 2021 was ₹ 7648.43 lacs as compared to ₹ 2882.86 lacs for the Fiscal 2020 representing an increase of 165.31%. The increase in operating expenses was primarily due to increase in Direct cost (sub contract/professional fees, sub brokerage charges) & fair value loss of securities in NBFC segment).

Employee benefit expenses

Employee benefit expense for the Fiscal 2021 was ₹ 4193.80 lacs as compared to ₹ 4746.16 lacs for the Fiscal 2020, representing an decrease of (11.64%). This was due to decrease in salaries, wages and bonus.

Finance cost

Finance cost for the Fiscal 2021 was ₹ 1545.75 lacs as compared to ₹ 1729.76 lacs for the Fiscal 2020, representing an decrease of (10.64%). The decrease in due to Decrease in loans of financials institutions & Commercial Papers, and somewhere decrease in rate of interest.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2021 was ₹ 308.74 lacs as compared to ₹ 345.54 lacs for the Fiscal 2020, representing a decrease of (10.65%). The decrease is due to change in method of computation of depreciation.

Other expenses

Other expenses for the Fiscal 2021 was ₹ 1603.31 lacs as compared to ₹ 1897.20 lacs for the Fiscal 2020, representing a decrease of (15.49%). The decrease was mainly due to lower expenses incurred on power and selling & distribution expenses.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2021 of ₹ 2281.55 lacs as compared to ₹ 1820.36 lacs for the Fiscal 2020. The increase in profit/loss before tax is due to increase in business activities in NBFC and Broking segment.

Taxation

Total tax expense for the Fiscal 2021 ₹ 610.55 lacs as compared to ₹ 577.25 lacs for the Fiscal 2020, representing an increase of 5.77%. The increase was due to impact of deferred tax.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2021 of ₹ 1671.00 lacs as compared to ₹ 1243.11 lacs for the Fiscal 2020, representing an increase of 34.42%. The increase was due to increase in business activities in NBFC and Broking segment.

Fiscal 2020 compared to Fiscal 2019

Total Revenue

Our total revenue for the Fiscal 2020 was ₹ 13421.88 lacs as compared to ₹ 12131.21 lacs for the Fiscal 2019, representing an increase of 10.64%. Total revenue comprises of:

Revenue from operations

Our revenue from operations for the Fiscal 2020 was ₹ 12882.00 lacs as compared to ₹ 11660.30 lacs for the Fiscal 2019, representing an increase of 10.48%. This is primarily due to increase in no of clients and business activities mainly in NBFC and Broking segment.

Other income

Other income for the Fiscal 2020 was ₹ 539.88 lacs as compared to ₹ 470.91 lacs for the Fiscal 2019, representing an increase of 14.65%. The increase in other income was primarily due to increase interest income from broking clients and adjustment of fair value gain on investment and gain on sale of investment.

Expenses

Our total expenditure for the Fiscal 2020 was ₹ 11601.52 lacs as compared to ₹ 10905.29 lacs for the Fiscal 2019, representing an increase of 6.38%.

Operating Expenses

The operating expenses for the Fiscal 2020 was ₹ 2882.86 lacs as compared to ₹ 2182.55 lacs for the Fiscal 2019 representing an increase of 32.09%. The increase in operating expenses was primarily due to increase of sub brokerage charges & loss on sale of securities.

Employee benefit expenses

Employee benefit expense for the Fiscal 2020 was ₹ 4746.16 lacs as compared to ₹ 4390.88 lacs for the Fiscal 2019, representing an increase of 8.09%. This was due to increase in salaries, wages and bonus.

Finance cost

Finance cost for the Fiscal 2020 was ₹ 1729.76 lacs as compared to ₹ 2034.53 lacs for the Fiscal 2019, representing an decrease of (14.98%). The decrease in due to decrease in interest on borrowings from financials institution.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the Fiscal 2020 was ₹ 345.54 lacs as compared to ₹ 316.19 lacs for the Fiscal 2019, representing a increase of 9.28%. The increase is due to change in method of computation of depreciation.

Other expenses

Other expenses for the Fiscal 2020 was ₹ 1897.20 lacs as compared to ₹ 1980.64 lacs for the Fiscal 2019, representing a decrease of (4.21%). The decrease was mainly due to lower expenses incurred on power and selling & distribution expenses.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2020 of ₹ 1820.36 lacs as compared to ₹ 1225.92 lacs for the Fiscal 2019. The increase in profit/loss before tax is due to increase in revenue in broking segment.

Taxation

Total tax expense for the Fiscal 2020 ₹ 577.25 lacs as compared to ₹ 345.07 lacs for the Fiscal 2019, representing an increase of 67.28%. The increase was due to impact of deferred tax.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2020 of ₹ 1243.11 lacs as compared to ₹880.85 lacs for the Fiscal 2019, representing a increase of 41.13%. The increase was due to increase in revenue in broking segment.

Quarter ended June 30, 2021 compared with Quarter ended June 30, 2020

Particulars	Period ended June 30, 2021		Period ended June 30, 2020	
	(Consolidated)		(Consolidated)	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
Income				
Revenue from Operations	5,999.61	97.46%	4,242.69	96.54%
Other income	156.45	2.54%	152.22	3.46%
Total Revenue	6,156.06	100.00%	4,394.91	100.00%
Expenses				
Operating Expenses	2,387.61	38.78%	742.45	16.89%
Employee benefit expenses	1,172.80	19.05%	1,004.20	22.85%
Finance costs	332.38	5.40%	389.58	8.86%
Depreciation and amortisation expense	73.62	1.20%	79.63	1.81%
Other Expenses	385.24	6.26%	562.78	12.81%
Total Expenses (B)	4,351.65	70.69%	2,778.64	63.22%
Profit/(loss) before extraordinary, exceptional items and tax	1,804.41	29.31%	1,616.27	36.78%
Exceptional items	1,804.41	29.31%	1,616.27	36.78%
Profit before tax	1,804.41	29.31%	1,616.27	36.78%
(i) Current tax	487.02	7.91%	282.57	6.43%
(ii) Deferred tax	22.65	0.37%	223.10	5.08%
(iii) MAT Credit	-	0.00%	-	0.00%
(iv)(MAT credit lapsed written off	-	0.00%	-	0.00%
Total Tax Expense	509.67	8.28%	505.67	11.51%
Profit for the year (D-E)	1,294.74	21.03%	1,110.60	25.27%
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurement gains/losses on defined benefits obligations	10.10	0.16%	2.08	0.05%
Tax effect on above	(2.55)	(0.04%)	(0.58)	(0.01%)
Income tax relating to items that will not be reclassified to profit or loss	-	0.00%	-	0.00%
Total comprehensive income for the year	7.55	0.12%	1.50	0.03%

Particulars	Period ended June 30, 2021		Period ended June 30, 2020	
	(Consolidated)		(Consolidated)	
	Amount	Percentage of total income (%)	Amount	Percentage of total income (%)
total comprehensive income	1,302.29	21.15%	1,112.10	25.30%

Total Revenue

Our total revenue for the period ended June 30, 2021 was ₹ 6156.06 lacs as compared to ₹ 4394.91 lacs for the period ended June 30, 2020, representing an increase of 40.07%. This significant increase was due to the increase in no of clients & business activities mainly in Consulting and NBFC segments.

Revenue from operations

Our revenue from operations for the period ended June 30, 2021 was ₹ 5999.61 lacs as compared to ₹ 4242.69 lacs for the period ended June 30, 2020, representing an increase of 41.41%. This is primarily due to increase in no of clients & business activities mainly in Consulting and NBFC segments.

Other income

Other income for the period ended June 30, 2021 was ₹ 156.45 lacs as compared to ₹ 152.22 lacs for the period ended June 30, 2020, representing an increase of 2.78%. The increase in other income was primarily due to interest income from broking client and from banks (small changes).

Expenses

Our total expenditure for the period ended June 30, 2021 was ₹ 4351.65 lacs as compared to ₹ 2778.64 lacs for the period ended June 30, 2020, representing an increase of 56.61%.

Operating Expenses

The operating expenses for the period ended June 30, 2021 was ₹ 2387.61 lacs as compared to ₹ 742.45 lacs for the period ended June 30, 2020 representing a increase of 221.59%. The increase in operating expenses was primarily due to increase in direct cost (Sub contract charges, sub brokerage & professional charges in consulting, NBFC and Broking segment).

Employee benefit expenses

Employee benefit expense for the period ended June 30, 2021 was ₹ 1172.80 lacs as compared to ₹ 1004.20 lacs for the period ended June 30, 2020, representing an increase of 16.79%. This was due to decrease in salaries, wages and bonus.

Finance cost

Finance cost for the period ended June 30, 2021 was ₹ 332.38 lacs as compared to ₹ 389.58 lacs for the period ended June 30, 2020, representing an decrease of (14.68%). The decrease in due to decrease of interest cost on commercial papers.

Depreciation and Amortisation Expense

Depreciation and amortization expense for the period ended June 30, 2021 was ₹ 73.62 lacs as compared to ₹ 79.63 lacs for the period ended June 30, 2020, representing a decrease of (7.55%). The decrease is due to change in method of computation of depreciation.

Other expenses

Other expenses for the period ended June 30, 2021 was ₹ 385.24 lacs as compared to ₹ 562.78 lacs for the period ended June 30, 2020, representing a decrease of (31.55%). The decrease was mainly due to lower expenses incurred on power and selling & distribution expenses.

Profit/Loss before Tax

The profit/(loss) before tax for the period ended June 30, 2021 of ₹ 1804.41 lacs as compared to ₹ 1616.27 lacs for the period ended June 30, 2020. The increase in profit/loss before tax is due to increase of revenue in consulting, NBFC and Broking segment.

Taxation

Total tax expense for the period ended June 30, 2021 ₹ 509.67 lacs as compared to ₹ 505.67 lacs for the period ended June 30, 2020, representing an increase of 0.79%. The increase was due to impact of deferred tax.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the period ended June 30, 2021 of ₹ 1294.74 lacs as compared to ₹ 1110.60 lacs for the period ended June 30, 2020, representing a increase of 16.58%. The increase was due to increase of revenue in consulting, NBFC and Broking segment.

CASH FLOWS

The following table sets forth certain information relating to our cash flows:

Particulars	(₹ in lacs)		
	March 31, 2021	March 31, 2020	March 31, 2019
Net (loss) / profit before tax	2,281.55	1,820.36	1,225.92
Net Cash Flow from/ (used in) Operating Activities (A)	(4,474.95)	2,621.29	(3,624.56)
Net Cash Flow Used in Investing Activities (B)	1,503.55	1,258.64	5,403.88
Net Cash Generated from Financing Activities (C)	2,263.26	(1,508.07)	(2,847.12)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(708.14)	2,371.86	(1,067.80)
Cash and cash equivalents at the beginning of the year/period	3,733.23	1,361.37	2,429.20
Cash and cash equivalents acquired on acquisition	3,025.09	3,733.23	1,361.37
Cash and cash equivalents at year/ period end	(708.14)	2,371.86	(1,067.83)

Operating Activities

Net cash from operating activities for period ended March 31, 2021 was ₹ (4,474.95) lacs as compared to the PBT of ₹ 2,281.55 lacs for the same period. This difference is primarily on account of trade and other payables, other current asset and trade and other receivable.

Net cash from operating activities for the period ended March 31, 2020 was ₹ 2,621.29 lacs as compared to the PBT of ₹ 1,820.36 lacs for the same period. This difference is primarily on account of trade payables, trade receivable and other current assets.

Net cash from operating activities for period ended March 31, 2019 was ₹ (3,624.56) lacs as compared to the PBT of ₹ 1,225.92 lacs for the same period. This difference is primarily on account of trade and other payables, inventories, other current assets and trade and other receivables.

Investing Activities

Net cash from investing activities for period ended March 31, 2021 was ₹ 1,503.55 lacs. This was mainly on account of proceeds from sale of fixed assets and other investments.

Net cash from investing activities for period ended March 31, 2020 was ₹ 1,258.64 lacs. This was on account of purchase of property, plant & equipment (including capital work-in-progress and capital advances).

Net cash from investing activities for period ended March 31, 2019 was ₹ 5,403.88 lacs. This was on account of Purchase of property, plant & equipment (including capital work-in-progress and capital advances).

Financing Activities

Net cash from financing activities for period ended March 31, 2021 was ₹ 2,263.26 lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash from financing activities for year ended 2020 was ₹ (1,508.07) lacs. This was on account of repayment of borrowings and payment of finance cost.

Net cash from financing activities for year ended 2019 was ₹ (2,847.12) lacs This was on account of repayment of borrowings and payment of finance cost.

Contingent Liabilities

The statement of contingent liabilities of our Company as are as mentioned in the table below:

(₹ in lacs)			
Particulars	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
i) Contingent liabilities:			
a) Income tax demands, contested by the Company*	88.03	110.25	19.34
b) Corporate Guarantee issued to Banks and Financial Institutions on behalf of subsidiaries#	6,286.74	8,323.14	1938.06
*The Company does not expect any outflow of economic resources in respect of above.			
#The above represents corporate guarantee utilised for Choice Equity Broking Private Limited is ₹ 5230.74 lakhs (March 31, 2020: ₹ 7229.68 lakhs), for Choice Capital Advisors Private Limited is ₹ 94.32 lakhs/- (March 31, 2020: ₹ 98.07 lakhs) and for Choice Consultancy Services Private Limited is ₹ 961.68 lakhs (March 31, 2020: ₹ 995.39 lakhs). However, the overall sanction amount is ₹ 9220.00 lakhs (March 31, 2020: ₹ 10720.00 lakhs).			

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “Risk Factors” and chapter titled “Management's Discussion and Analysis of Financial Conditions and Results of Operations” beginning on pages 22 and 156, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled “Risk Factors” on page 22.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled “Risk Factors” and chapter titled “Management's Discussion and Analysis of Financial Conditions and Results of Operations” beginning on pages 22 and 156, respectively, and elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and

income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled "Our Business" beginning on page 67.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e. Financial Services Industry.

New Product or Business Segment

Except as disclosed in "Our Business" on page 67, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our Company's business is not seasonal in nature.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in sections "Risk Factors" on page 22, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details please refer to the discussion in the chapter titled "Financial Information" beginning on page 74.

Significant Developments since last balance sheet date

Except as disclosed above and in this Draft Letter of Offer, including under "Our Business" and "Risk Factors" on pages 67 and 22 respectively, to our knowledge no circumstances have arisen since June 30, 2021, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Our Company and our Subsidiaries are subject to various legal proceedings from time to time, primarily arising in the ordinary course of business.

Except as disclosed below, there is no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiary; (ii) material violations of statutory regulations by our Company and/or our Subsidiary; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiary; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Unless stated to the contrary, the information provided in this section is as of the date of this Draft Letter of Offer. All terms defined in a summary pertaining to particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

1. LITIGATION INVOLVING OUR COMPANY

i. Litigation against our Company

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

- (i) The Income Tax Department has issued an assessment order dated January 20, 2021 under section 143(3) of IT Act, 1961 for the assessment year 2018-19 and pursuant to a demand notice dated January 20, 2021 directed our Company to pay an amount of ₹ 25.80 lakhs. Our Company has filed an appeal under section 246A of the IT Act, 1961 against the assessment order dated January 20, 2021 before the Commissioner of Income-tax (Appeals), Mumbai (“CIT(A)”). The matter is currently pending before CIT(A).
- (ii) The Income Tax Department has issued an assessment order dated November 4, 2019 under section 143(3) of IT Act, 1961 for the assessment year 2017-18 and pursuant to a demand notice dated November 4, 2019 directed our Company to pay an amount of ₹ 46.01 lakhs. Our Company filed a rectification request under section 154 of IT Act, 1961 and the Income Tax department issued an order dated December 22, 2020 rectifying the previous order and pursuant to a demand notice dated December 22, 2020 directed our Company to pay ₹ 17.33 lakhs. Our Company has filed an appeal under section 246A of the IT Act, 1961 before the Commissioner of Income-tax (Appeals), Mumbai (“CIT(A)”). For this appeal our Company has opted for The Direct Tax Vivav Se Vishwas Rules, 2020 for full and final settlement for an amount of ₹ 16.27 lakhs. Our Company will pay the said amount as full and final settlement.

4. Other Material Litigations

Nil

5. Disciplinary action against our Company by SEBI or any stock exchange in the last five Fiscals

Nil

ii. Litigation by our Company

1. Criminal Proceedings

Nil

2. Civil and other Material Litigations

- (i) Our Company has filed a suit under section 134 & 135 read with section 27(2) of the Trademark Act, 1999 for permanent injunction restraining passing of, rendition of accounts etc. against Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (“**Defendant**”) on March 15, 2017 (“**Suit**”) before the Patiala House District Court, New Delhi (“**Court**”). The Suit has been filed for an infringement of trademark ‘CHOICE’ by Defendant, rendition of accounts of profits earned by the Defendant and a decree so found in favour of our Company. The suit is pending adjudication before the Hon’ble Court. The next date of hearing in the subject suit before the Hon’ble Court is on November 12, 2021, and before the Ld. Local Commissioner appointed by the Hon’ble Court is on November 17, 2021.

2. LITIGATION INVOLVING OUR SUBSIDIARIES

i. Cases filed against our Subsidiaries

1. Criminal Proceedings

Nil

2. Actions taken by Statutory/Regulatory Authorities

Nil

3. Tax Proceedings

- (i) The Central Processing Center has passed an intimation dated October 16, 2019 under section 143(1) of the Income Tax Act, 1961 for the assessment year 2018-19 and pursuant to a demand notice dated April 19, 2021 directed our Subsidiary i.e. Choice Equity Broking Private Limited to pay ₹ 52.46 lakhs. Our Subsidiary has filed an application for rectification of demand on June 25, 2021. The matter is pending before the Income Tax Department.

4. Other Material Litigations

- a) Our subsidiary, Choice Equity Broking Private Limited (“**Applicant**”) filed an arbitration application before the MCX Arbitral Tribunal (“**Tribunal**”) against Joby K Joseph (“**Respondent**”). The said arbitration application was filed for claiming a sum of ₹ 75.50 lakhs and ₹ 5 lakhs as expenses of arbitration. The said Respondent is a client of Applicant and had opened an account on November 21, 2018. The Respondent was dealing in MCX Commodity Segment, which had led it settled through the exchange expiry process. Due to price fluctuations in international markets in crude oil, the exchange decided the final settlement price of ₹ -2884 per barrel based on NYMEX WTI Crude for crude oil futures contract expiring on April 2020. The Respondent's ledger account was in the debit balance of ₹ 71.80 lakhs. The Tribunal ordered the Respondent to pay the Applicant a sum of ₹ 71.80 lakhs with interest and further costs fixed at ₹ 30,000/-. The said Arbitration Application was disposed of off after passing the said Award dated April 30, 2021. Thereafter, the Respondent has served a notice dated September 07, 2021, to the Applicant stating that the Respondent is preferring an appeal under Section 34(5) of the Arbitration and Conciliation Act, 1996 to set aside the arbitration award dated April 30, 2021.
- b) Our subsidiary, Choice Equity Broking Private Limited (“**Applicant**”) filed an arbitration application before the MCX Arbitral Tribunal (“**Tribunal**”) against Mr. Baby Varkey Pulpparambil (“**Respondent**”). The said arbitration application was filed for claiming a sum of ₹ 28.57 lakhs and ₹ 5 lakhs as expenses of arbitration. The said Respondent is a client of Applicant and had opened an account on November 21, 2018. The Respondent was dealing in MCX Commodity Segment, which had led it settled through the exchange expiry process. Due to price fluctuations in international markets in crude oil, the exchange decided the final settlement price of ₹ -2884 per barrel based on NYMEX WTI Crude for crude oil futures contract expiring on April 2020. The Respondent's ledger account was in the debit balance of ₹ 27.10 lakhs. The Tribunal ordered the Respondent to pay the Applicant a sum of ₹ 27.18 lakhs with interest and further costs fixed at ₹ 30,000/-. The said Arbitration Application was disposed of off after passing the said Award dated April 30, 2021. Thereafter, the Respondent has served a notice dated September 07, 2021, to the Applicant stating that the Respondent is preferring an appeal under Section 34(5) of the Arbitration and Conciliation Act, 1996 to set aside the arbitration award dated April 30, 2021.
- c) Our subsidiary, Choice Equity Broking Private Limited (“**Noticee**”), received a notice dated August 23, 2021, (“**Notice**”) from a client named Firoz Ahsanbhai Bandukwala (“**Client**”). The Client has stated in the Notice that he has suffered a

loss of ₹ 70 lakhs, due to alleged unauthorized trades done by one of the employees of the Noticee. Hence, the Client has demanded the aforesaid sum of ₹ 70 lakhs along with legal notice charges of ₹ 10,000/- from the Noticee. The Client has also filed a complaint with NSE. The Noticee is in the process to file its response to the aforesaid complaint.

- d) Our subsidiary, Choice Equity Broking Private Limited (“**Appellant**”) filed an appeal before the Hon’ble Securities Appellate Tribunal (“**Tribunal**”) challenging the communication received through an e-mail dated July 25, 2020, issued by NSE directing the Appellant to comply with the directions issued vide e-mails dated June 26, 2020, and June 30, 2020. Vide these emails, NSE referred to three circulars dated November 17, 2017, May 15, 2018, and July 10, 2018, and directed the Appellant for compliance of these circulars, the Appellant was required to withhold the sale proceed of ₹ 1098.02 lakhs and transfer it to an Escrow Account failing which levy of Additional Surveillance Margin of 25% on the highest gross traded value across segment would be applicable. The direction to withhold the amount was in pursuance to the trades executed in the scrip of a Mittal Lifestyle Limited in the Month of June 2020 when the scrip was placed in the SMS list. Presently an independent investigation into trading in the scrip of Mittal Lifestyle Limited during the relevant period is being conducted by SEBI. The Hon’ble Tribunal vide order dated July 9, 2021, allowed the appeal and quashed the communication of the NSE vide the aforesaid emails. NSE has filed a miscellaneous application to seek a clarification of the aforesaid order passed by the Hon’ble Tribunal.

5. *Disciplinary action against our Subsidiaries by SEBI or any stock exchange in the last five Fiscals*

- a) An Adjudication Order dated May 30, 2019, (“**AO**”) has been passed against our subsidiary Choice Equity Broking Private Limited (“**Noticee**”) by SEBI. SEBI conducted an inspection of broking operations of the Noticee for the period April 01, 2015, to September 30, 2016. SEBI observed that the Noticee violated SEBI Circular No. SMD/SED/CIR/93/23321 dated November 18, 1993, SEBI Circular No. SEBI/HO/MIRSD2/CIR/P/2016/95 dated September 26, 2016, read with Regulation 26(xiii) of the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992. The Adjudication Officer imposed a penalty of ₹ 10 lakhs on the Noticee. The penalty of ₹ 10 lakhs imposed on Noticee has been paid on September 30, 2020. Further, an appeal has been filed before the Hon’ble Securities Appellate Tribunal, Mumbai against the aforesaid order. The next date of hearing in the matter is October 22, 2021.
- b) Our subsidiary, Choice Equity Broking Private Limited (“**Noticee**”), received a show-cause notice (“**SCN**”) dated July 14, 2021, from SEBI in the matter of Delta Leasing & Finance Limited. The SCN alleges that the Noticee had not exercised due diligence before execution of the off-market transactions through Delivery Instruction Slips dated January 22, 2014, January 31, 2014, and February 05, 2014, received from one of its client. While levying the aforesaid allegation against the Noticee, SEBI has alleged violation of clauses 1, 2(b), 3, 4, 11 of Part A of Schedule III of Code of Conduct of SEBI (Depositories and Participants) Regulations, 1996 read with Regulation 20AA ibid read with Regulation 98 of SEBI (Depositories and Participants) Regulations, 2018 and clauses 1.8(vii) & 1.8(viii) of SEBI Master Circular, CIR/MRD/DP/13/2013 dated April 15, 2013. The Noticee has filed its reply for the aforesaid SCN.
- c) Our subsidiary, Choice Equity Broking Private Limited (“**Choice Equity**”), received an observation letter dated August 04, 2021 (“**Observation Letter**”). The Observation Letter was issued by SEBI pursuant to an inspection conducted by it in the books of account and other records of Choice Equity for the period April 01, 2019, to December 31, 2020. Choice Equity has filed its reply to the aforesaid Observation Letter on September 06, 2021. Choice Equity has not received any further communication from SEBI in respect of the reply.
- d) An order dated September 22, 2021, has been passed against our subsidiary, Choice Equity Broking Private Limited (“**Choice Equity**”), by NSE. NSE conducted an inspection of books of accounts and records of Choice Equity for the period January 01, 2019, to July 29, 2020. NSE observed that Choice Equity violated NSE circular no. NSE/INSP/11184 dated August 26, 2008, NSE circular No. NSE/MEMB/3574 dated August 29, 2002, NSE circular No. NSE/MEMB/3635 dated September 25, 2002, and Regulation 3.2.1 of NSEIL CM Regulations, Regulation 3.4.1 of NSEIL FO Regulations. NSE has imposed a penalty of ₹ 1.01 lakhs on Choice Equity.
- e) An order dated September 20, 2021, has been passed against our subsidiary, Choice Equity Broking Private Limited (“**Choice Equity**”), by BSE. BSE conducted an inspection of books of accounts and other documents of Choice Equity for the period April 2017 to March 2018. BSE observed that Choice Equity violated SEBI circular SEBI/HO/MIRSD/MIRSD2/CIR/P/2016/95 dated September 26, 2016, issued vide Exchange Notice No. 20160927-41 dated September 27, 2016, and 20161020-17 dated October 20, 2016. BSE has imposed a penalty of ₹ 0.25 lakhs on Choice Equity.

ii. Cases filed by our Subsidiaries

1. *Criminal Proceedings*

Nil

2. Other Material Litigations

- a) Our subsidiary, Choice Equity Broking Private Limited (“**Applicant**”) has filed an arbitration application before the MCX Arbitral Tribunal (“**Tribunal**”) against Lalit Chechani (“**Respondent**”). The said arbitration application was filed by Applicant for claiming a sum of ₹ 11.52 lakhs and ₹ 2 lakhs as expenses of arbitration. The said Respondent is a client of Applicant and had opened an account on March 25, 2020. The Respondent was dealing in MCX Commodity Segment, which had led it settled through the exchange expiry process. Due to price fluctuations in international markets in crude oil, the exchange decided the final settlement price of ₹ -2884 per barrel based on NYMEX WTI Crude for crude oil futures contract expiring on April 2020. Respondent's ledger account was in the debit balance of ₹ 10.87 lakhs. Hence, this present arbitration application against the Respondent to pay the said sum in dispute along with the arbitration expenses.
- b) Our subsidiary, Choice Equity Broking Private Limited (“**Applicant**”) has filed an arbitration application before the MCX Arbitral Tribunal (“**Tribunal**”) against Pawan Kumar Garg (“**Respondent**”). The said arbitration application was filed by Applicant for claiming a sum of ₹ 44.41 lakhs and ₹ 5 lakhs as expenses of arbitration. The said Respondent is a client of Applicant and had opened an account on November 30, 2016. The Respondent was dealing in MCX Commodity Segment, which had led it settled through the exchange expiry process. Due to price fluctuations in international markets in crude oil, the exchange decided the final settlement price of ₹ -2884 per barrel based on NYMEX WTI Crude for crude oil futures contract expiring on April 2020. Respondent's ledger account was in the debit balance of ₹ 43.22 lakhs. Hence, this present arbitration application against the Respondent to pay the said sum in dispute along with the arbitration expenses.

3. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

Nil

4. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

5. MATERIAL DEVELOPMENT SINCE JUNE 30, 2021

There have not arisen, since the date of the last financial statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page 156 of this Draft Letter of Offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 51 of this Draft Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at its meeting held on June 25, 2021, pursuant to Section 62(1) (a) and through a board resolution passed by way of circulation dated October 01, 2021, pursuant to Section 175 and other applicable provisions of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●]([●]) Equity Shares held on the Record Date.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter dated [●] issued by BSE for listing of the Rights Equity Shares to be allotted pursuant to the Issue.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship

Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANYWAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 ("SEBI ICDR REGULATIONS"). THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEADMANAGER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 01, 2021 IN THE FORMAT PRESCRIBED UNDERSCHEDULE V(A) OF THE SEBI ICDR REGULATIONS, WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) THIS DRAFT LETTER OF OFFER IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b) ALL THE MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THEREGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, TO THE EXTENT APPLICABLE, SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE.**
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO**

LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.

6) WE CERTIFY THAT REGULATION 15 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE.

7) WE UNDERTAKE THAT SUB-REGULATION (3) OF REGULATION 14 AND CLAUSE (C) AND (D) OF SUB-REGULATION (9) OF REGULATION 25 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE – NOT APPLICABLE.

8) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE CREDITED/TRANSFERRED IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE

9) WE CERTIFY THAT THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE “MAIN OBJECTS” IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN LAST 10 YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED TO THE EXTENT APPLICABLE.

10) FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

- a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY EXCLUDING SUPERIOR EQUITY SHARES, WHERE THE COMPANY HAS OUTSTANDING SUPERIOR EQUITY SHARES. COMPLIED WITH; AND**
- b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI. COMPLIED WITH**

11) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS, AS AMENDED WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE.

12) WE CONFIRM THAT THE ISSUER IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS – NOT APPLICABLE.

13) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.- COMPLIED WITH.

14) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY- COMPLIED WITH.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THIS DRAFT LETTER OF OFFER.

Disclaimer from our Company, our Directors and the LM

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.choiceindia.com or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft letter of Offer/ Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares

or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft letter of Offer/ Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft letter of Offer/ Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities

Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously as per the provisions of the SEBI ICDR Regulations.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer. Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or the optional mechanism R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, see “*Terms of the Issue*” beginning at page 179 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Cameo Corporate Services Limited

Address: Subramanian Building, No.1 Club House Road,
Chennai 600002

Telephone: +91-44-40020700 / +91-44-28460390

E-mail: priya@cameoindia.com

Investor Grievance E-mail: investor@cameoindia.com

Contact Person: Ms. Sreepriya K

Website: www.cameoindia.com

RWAP : <https://rights.cameoindia.com/Choice>

SEBI Registration No.: INR000003753

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Karishma Shah, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder:

Address: Shree Shakambhari Corporate Park,
156 1 Chakravorty Ashok Society,
J.B. Nagar, Andheri (E)
Mumbai-400057 India
Telephone: +91 22 67079999/ +91 9819106487
Email: Karishma.shah@choiceindia.com

SECTION VII- OFFERING INFORMATION

TERMS OF ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or, R-WAP, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and Circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. As per the said circulars, all eligible shareholders shall be able to apply to this Issue through an optional mechanism (non- cash mode only), in this case being R-WAP in addition to the ASBA facility.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

Important:

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, our Company will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.choiceindia.com
- b) the Registrar to the Issue at <https://rights.cameoindia.com/Choice>
- c) the Lead Manager at www.saffronadvisor.com
- d) the Stock Exchange at www.bseindia.com; and

e) the Registrar's web-based application platform at <https://rights.cameoindia.com/Choice> ("R-WAP")

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://rights.cameoindia.com/Choice> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (i.e., www.choiceindia.com).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

2. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 (Collectively hereafter referred to as "SEBI Rights Issue Circulars") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "ASBA Circulars"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "Procedure for Application through the ASBA Process" and "Procedure for Application through R-WAP" on pages 188 and 188 respectively.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk on the website of the Registrar to the Issue at <https://rights.cameoindia.com/Choice> or call helpline number -73388 08559 / 93420 72988. For details, see "Procedure for Application through R-WAP" on page 188.

Registrar's Web-based Application Platform (R-WAP): In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://rights.cameoindia.com/Choice>), has been instituted for making an Application in this Issue by Resident Individual Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, Resident Individual Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INDIVIDUAL INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "RISK FACTOR NUMBER - THE R-WAP PAYMENT MECHANISM FACILITY PROPOSED TO BE USED FOR THIS ISSUE MAY BE EXPOSED TO RISKS, INCLUDING RISKS ASSOCIATED WITH PAYMENT GATEWAYS" ON PAGE 32.

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (<https://rights.cameoindia.com/Choice>) or call helpline number (73388 08559 / 93420 72988). For details, see "- Procedure for Application through the R-WAP" on page 188.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by

such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” on page 198 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 191 of this Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company; (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●] are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares to the Registrar) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer of Rights Entitlement.

In accordance with the SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

4. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company along with documents such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares, at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements and shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 194.

5. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and

Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” beginning on page 200.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

6. Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” and “Procedure for Application through R-WAP” on pages 188 and 188 of this Letter Of Offer.

7. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://rights.cameoindia.com/Choice>
- b) Updation of email address/ mobile number in the records maintained by the Registrar or our Company: <https://rights.cameoindia.com/Choice>
- c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/Choice>
- d) Updation of Indian address can be done by way of an email to priya@cameoindia.com.

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on June 25, 2021 pursuant to Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹ [●]/- per Equity Share and the Rights Entitlement as [●] ([●]) Rights Equity Share(s) for every [●] ([●]) fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●].

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement (“REs”) (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.cameoindia.com/Choice>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of identity. The link for the same shall also be available on the website of our Company (www.choiceindia.com).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://rights.cameoindia.com/Choice>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements are credited to their respective demat accounts. They may also communicate with the Registrar with the help of the helpline number -73388 08559 / 93420 72988 and their email address investor@cameoindia.com

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and in accordance with the SEBI ICDR Regulations, will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange's websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●]/- per Rights Equity Share in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹ [●]/- per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is not in the multiple of 30 (thirty), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE102B01014 on BSE (Scrip Code: 531358). The Equity Shares of our Company are not listed on NSE. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight (08) days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “Terms of Payment” at page 184 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoter and Promoter Group, see “Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue ” on page 45.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected, unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to the Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at the place where our Registered Office is situated.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for Resident Individual Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 194.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent primarily through email before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the

Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with the Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to the Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email addresses/ mobile numbers in the records maintained by our Company, Eligible Equity Shareholders should visit <https://rights.cameoindia.com/Choice>. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

Our Company at www.choiceindia.com

- a) the Registrar to the Issue at <https://rights.cameoindia.com/Choice>
- b) the Lead Manager at www.saffronadvisor.com
- c) the Stock Exchange at www.bseindia.com; and
- d) the Registrar's web-based application platform at [https://rights.cameoindia.com/Choice-\(\"R-WAP\"\)](https://rights.cameoindia.com/Choice-(\)

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://rights.cameoindia.com/Choice>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (i.e., www.choiceindia.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on RWAP platform available at <https://rights.cameoindia.com/Choice> and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP which is available only for Resident Individual Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection

of the Application. For details see “Grounds for Technical Rejection” on page 198. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 191.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.cameoindia.com/Choice> and link of the same would also be available on the website of our Company at (www.choiceindia.com). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], shall not be able to apply in this Issue. Such resident Eligible Equity Shareholders must check the procedure for Application in “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 194.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Procedure for Application through R-WAP:

Resident Individual Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see “Risk Factor - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways” on page 32.

Set out below is the procedure followed using the R-WAP:

- a) Resident Individual Investors should visit R-WAP (accessible at <https://rights.cameoindia.com/Choice>) and fill the online

Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

- a) Non-resident Investors are not eligible to apply in this Issue through R-WAP.
- b) Only Resident Individual Investors are eligible to apply in this Issue through R-WAP.
- c) The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.
- d) The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for.
- e) Investors applying in the Issue through UPI facility should accept the debit/ payment request in the relevant mobile application for which the UPI ID details were provided.
- f) Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021.
- g) The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
- h) (Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
- i) The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP, the optional mechanism devised by the Lead Manager and the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility, will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 191.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "Terms of the Issue" on page 179. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "Basis of Allotment" on page 200.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialised Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using R-WAP.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., <https://rights.cameoindia.com/Choice>). Such Eligible Equity Shareholders can make an Application or renounce their entitlement only after the Rights Entitlements are credited to their respective demat accounts.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange, the Lead Manager or the R-WAP to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Choice International Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

- Registered Folio Number and DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●]/- per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://rights.cameoindia.com/Choice>. Our Company, the Lead Manager and the

Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is [●], i.e. the Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB or if the Application Form is not accepted at the R-WAP, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under "Terms of the Issue - Basis of Allotment" on page 200.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of

Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at priya@cameoindia.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by our Company, Eligible Equity

Shareholders should visit at <https://rights.cameoindia.com/Choice> .

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, registered post, speed post, courier, or hand delivery or by uploading the said documents in the “Demat Account Registration” module available in the portal of the Registrar at <https://rights.cameoindia.com/Choice> so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “Application on Plain Paper under ASBA process” beginning on page 191.
4. The Eligible Equity Shareholders can access the Application Form from:
 - Our Company at www.choiceindia.com
 - the Registrar to the Issue at <https://rights.cameoindia.com/Choice>
 - the Lead Manager at www.saffronadvisor.com
 - the Stock Exchange at www.bseindia.com ; and
 - the Registrar’s web-based application platform at [https://rights.cameoindia.com/Choice-\(“R-WAP”\)](https://rights.cameoindia.com/Choice-(“R-WAP”))

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.cameoindia.com/Choice>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company (www.choiceindia.com).

5. The Eligible Equity Shareholders shall, on or before the Issue Closing Date, (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR

THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

FOR DETAILS, SEE “ALLOTMENT ADVICES/ REFUND ORDERS” ON PAGE 200.

General instructions for Investors

- a) Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you.
- c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- d) Application should be made only through the ASBA facility or using R-WAP.
- e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as

mentioned under the section “Application on Plain Paper under ASBA process” on page 191.

- g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.
- h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- i) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.
- l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.
- n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- u) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- v) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

- a) Ensure that the Application Form and necessary details are filled in.
- b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Do's for Investors applying through R-WAP:

- a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment.
- d) Ensure that you receive a confirmation email on successful transfer of funds.
- e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.
- f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application

Don'ts for Investors applying through R-WAP:

- a) Do not apply from bank account of third parties.
- b) Do not apply if you are a non-resident Investor.
- c) Do not apply from non-resident account.
- d) Do not apply from corporate account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar/ Depository.
- b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- e) Account holder not signing the Application or declaration mentioned therein.
- f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- l) Physical Application Forms not duly signed by the sole or joint Investors.
- m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- o) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- p) Applications which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds):

- a) Applications by non-resident Investors.
- b) Payment from third party bank accounts.
- c) Application by shareholders holding in physical form without providing demat account details.

Our Company may, in consultation with the Lead Manager and Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the intimation of unblocking of ASBA Account or refund (if any) would be sent/dispatched to the address of the Investor as per the email address provided to our Company or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "Investment by Mutual Funds" below on page [●].

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue" on page 45).

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to priya@cameoindia.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation^{&}	[●]
Issue Closing Date*	[●]
Finalising the basis of allotment with the Designated Stock Exchange (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

& Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●], [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

Basis of Allotment

- a) Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:
- b) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- c) As per SEBI Rights Issue Circulars, for Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity is not in multiples of 30 (thirty), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for under (a) above. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.
- d) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- e) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- f) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- g) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advices/Refund Orders

Our Company will issue and send/dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity

Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

In case of Applications through the R-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;
2. National Automated Clearing House ("NACH") – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
3. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE

ALLOTTED ONLY IN DEMATERIALISED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

- The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:
- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page [●].

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

1. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
2. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
3. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated October 18, 2001 and August 10, 2000 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE102B01014.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment), in case of applications made through R-WAP facility. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor

within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

- v. Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- vi. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- vii. Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- viii. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- ix. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- x. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

This Draft Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 71(8) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchange, do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. After SEBI gives its observations, the Letter of Offer will be filed with SEBI and the Stock Exchange simultaneously as per the provisions of the SEBI ICDR Regulations.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "Risk Factors" on page 22.

All enquiries in connection with this Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following address:

Cameo Corporate Services Limited

Subramanian Building,
No.1, Club House Road,
Chennai 600 002

Telephone: +91 44 4002 0700 / 2846 0390

Email: priya@cameoindia.com

Website: www.cameoindia.com / <https://rights.cameoindia.com/Choice>

Contact person: Ms. Sreepriya .K

Investor grievance: investor@cameoindia.com

SEBI Registration No: INR000003753

Validity of Registration: Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar <https://rights.cameoindia.com/Choice>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 73388 08559 / 93420 72988.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTION ON THE PURCHASE AND RESALE

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchange.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulation S).
3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights

Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Draft Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Draft Letter of Offer under the heading “*Restrictions on Purchases and Resales*”.
8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment

decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company, the Lead Manager or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, nor the Lead Manager or any of their affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company; and (ii) none of the Lead Manager or any of its affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Lead Manager or its affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold our Company, the Lead Manager or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it. It acknowledges that no written or oral information relating to this Issue, and the Rights Entitlements or the Rights Equity Shares has been or will be provided by the Lead Manager or its affiliates to it.
15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or

such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company, or to the Lead Manager, for all or part of any such loss or losses it may suffer.

16. The purchaser understands and acknowledges that the Lead Manager are assisting our Company in respect of this Issue and that the Lead Manager are acting solely for our Company and no one else in connection with this Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or Rights Equity Shares nor providing advice to it in relation to our Company, this Issue or the Rights Entitlements or the Rights Equity Shares. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the Lead Manager arising from its engagement with our Company and in connection with this Issue.
17. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and ineligible to participate in this Issue under applicable securities laws.
18. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and the Lead Manager, their affiliates and others (including legal counsels to each of our Company, the Lead Manager) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

Australia

This Draft Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Draft Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("ASIC") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Draft Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Draft Letter of Offer, and any offers made under this Draft Letter of Offer, you represent to the Issuer, Lead Manager that you will not provide this Draft Letter of Offer or communicate any offers made under this Draft Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder (or a Lead Manager) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on-sale restrictions.

Bahrain

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain

take no responsibility for the accuracy of the statements and information contained in this Draft Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Draft Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Draft Letter of Offer will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Draft Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

Cayman Islands

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

China

This Draft Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Draft Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Dubai International Financial Centre

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- i. an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- ii. made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Lead Manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Draft Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a “qualified institutional investor” (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the “**Qualified Institutional Investor**”), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshika muke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the “**QII Rights Entitlements and the QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

This Draft Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait (“Kuwait Securities Laws”). No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

Luxembourg

The Rights Entitlements and the Rights Equity Shares offered in this Draft Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Draft Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Draft Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and

any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

Malaysia

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Draft Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Rights Equity Shares directly or indirectly to anyone in Malaysia

Mauritius

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Both this Draft Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Draft Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Draft Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “**FMC Act**”). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable

Oman

This Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman (“**Oman**”) without the prior consent of the Capital Market Authority (“**Oman CMA**”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no Prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Draft Letter of Offer will not take place inside Oman. This Draft Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the “**CMAL**”), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Draft Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar

This Draft Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person’s request and initiative, and for the recipient’s personal use only and is not intended to be available to the public. Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Draft Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Draft Letter of Offer by the recipient to third parties in Qatar

or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

Saudi Arabia

This Draft Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority (“CMA”) pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the “CMA Regulations”). The CMA does not make any representation as to the accuracy or completeness of this Draft Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Draft Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Draft Letter of Offer, you should consult an authorized financial adviser.

Singapore

This Draft Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Draft Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

We are not making any representation with respect to the eligibility of any recipients of this Draft Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “FSCMA”). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

United Arab Emirates

This the Draft Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Draft Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

In the United Kingdom, this Draft Letter of Offer and any investment or investment activity to which this Draft Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of “investment professionals” contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”), (ii) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this Draft Letter of Offer and should not act or rely on it or any of its contents.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.choiceindia.com from the date of this Draft Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Issue Agreement dated October 01, 2021 entered into between our Company and the Lead Manager.
- (ii) Registrar Agreement dated October 01, 2021 entered into amongst our Company and the Registrar to the Issue.
- (iii) Escrow Agreement dated [●], 2021 amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.
- (iv) Tripartite Agreement dated October 18, 2001 between our Company, NSDL and the Registrar to the Issue.
- (v) Tripartite Agreement dated August 10, 2000 between our Company, CSDL and the Registrar to the Issue.

2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the past five years.
- (iii) Limited Reviewed Financials for period ended June 2021.
- (iv) Certificate of incorporation dated March 12, 1993.
- (v) Certificate of commencement of business dated March 13, 1993.
- (vi) Fresh certificate of incorporation dated November 12, 1997 consequent upon change of name of our Company to '*Choice International Limited*'.
- (vii) Prospectus dated January 15, 1996 filed with SEBI, Stock Exchanges, RoC and other regulatory authorities during the initial public offering of our Company.
- (viii) Resolution of the Board of Directors dated June 25, 2021 authorizing the issue pursuant to Section 62(1) (a) and other applicable provisions of the Companies Act, 2013.
- (ix) Resolution of the Board of Directors dated October 01, 2021 approving and adopting the Draft Letter of Offer.
- (x) Resolution of our Board dated [●], 2021, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- (xi) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead manager, Bankers to the Issue, Legal Advisor, the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer in their respective capacities.
- (xii) Statement of Tax Benefits dated September 20, 2021 from ASBS & Co. Chartered Accountants included in this Draft Letter of Offer.

- (xiii) Due Diligence Certificate dated October 01, 2021 to SEBI from the Lead Manager.
- (xiv) In principle listing approval dated [●], 2021 issued by BSE.
- (xv) SEBI interim observation letter number [●] dated [●].

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Sunil Kumar Patodia

(Non –Executive Non Independent Chairman)

Sd/-

Kamal Poddar

(Managing Director, Executive Director)

Sd/-

Hemlata Poddar

(Non Executive, Non - Independent Director)

Sd/-

Ajay Rajendra Kejriwal

(Executive Director)

Sd/-

Kanhaiya Lal Berwal

(Non Executive, Independent Director)

Sd/-

Ashok Kumar Thakur

(Non Executive, Independent Director)

Sd/-

Subodh Kumar Agrawal

(Non Executive, Independent Director)

Sd/-

Sudha Bhushan

(Non Executive, Independent Director)

Sd/-

Sandeep Singh Kumar

(Non Executive, Independent Director)

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

Manoj Singhania

Place: Mumbai

Date: October 01, 2021