

# 16<sup>th</sup> Annual Report 2009

Success is a matter of  
**CHOICE**



Choice International Ltd

Advisory

Investment Banking

Financing Assistance

Insurance Consulting

Outsourcing

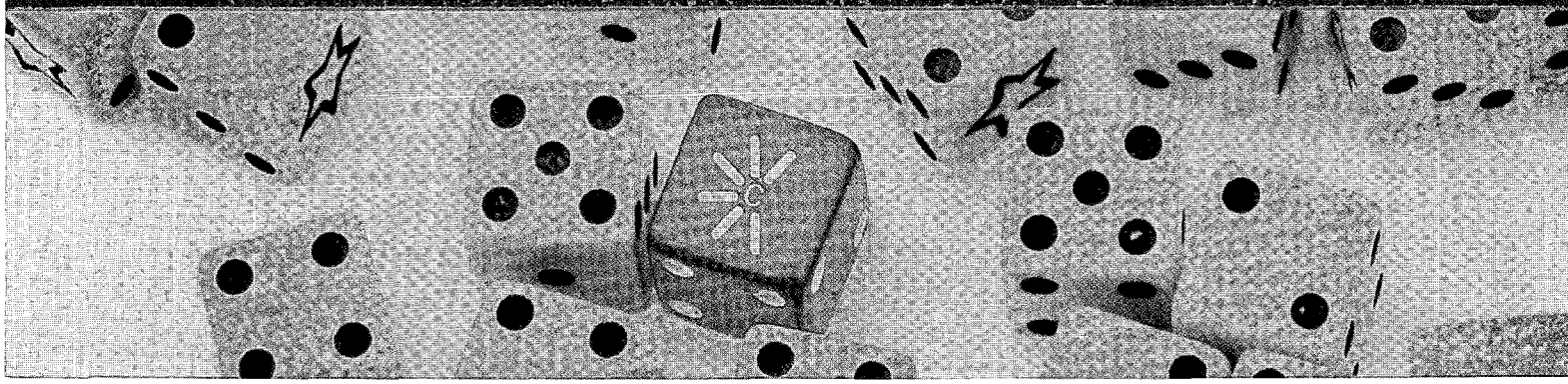
We are nurturing a mission to strengthen the operating performance and reputation of our clients by optimising their business processes.

For delivering the best, we believe in two words "Passion" and "Talent"

The former gives us the commitment to deal with the utmost complications and the latter gives us the fundamentals to deliver the best in quality.

With presence in 5 cities across India viz., Mumbai, New Delhi, Kolkata, Bangaluru, Jaipur, we have a robust network enabling us to serve our clients better.

At Choice International, We provide services to help our clients in executing their business plans/objectives, manage risk, strengthen the controls and achieve their potential.



## NOTICE

Regd. Office: 202, Chartered House, Dr.C.H.Street, Marine Lines, Mumbai-400 002.

**NOTICE** is hereby given that the sixteenth Annual General Meeting of the shareholders of **CHOICE INTERNATIONAL LIMITED** will be held at **Sahara Star, Domestic Airport, Vile Parle (East), Mumbai – 400 099** on Wednesday, September 30, 2009 at 11.00 am. to transact, with or without modification (s) as may be permissible, the following business: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To declare and sanction the payment of dividend on equity shares of the Company for the financial year 2008-09.
3. To appoint a Director in place of Mr. Mukesh Agarwal who was appointed as an Additional Director of the Company with effect from September 23, 2008, by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under section 260 of the Companies Act, 1956 and who being eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature, for the office of Director of the Company.
4. To appoint a Director in place of Mrs. Sujata Chattopadhyay who was appointed as an Additional Director of the Company with effect from September 23, 2008, by the Board of Directors and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and who being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing her candidature, for the office of Director of the Company.
5. To appoint a Director in place of Mr. Satish Kulhari who was appointed as Additional Director of the Company with effect from May 30, 2009, by the Board of Directors and who holds office upto the conclusion of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and who being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature, for the office of Director of the Company.
6. To appoint a Director in place of Mr. Govind Patodia who was appointed as Additional Director of the Company with effect from August 25, 2009, by the Board of Directors and who holds office upto the conclusion of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 and who being eligible for reappointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a member proposing his candidature, for the office of Director of the Company.
7. To appoint Messrs Gupta Shyam & Company, Chartered Accountants, as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.**
2. The Transfer Register and the Register of Members shall remain closed from September 25, 2009 to September 30, 2009 (both days inclusive).
3. All members are requested to intimate changes, if any, in their registered address, immediately to the Registrar & Transfer Agents, Sharex Dynamic (India) Pvt. Ltd. or to their depository participants in case shares are held in electronic form.
4. All documents referred to in the notice are open for inspection at the Registered Office of the Company during office hours.
5. As a measure to save the cost, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of the annual report to the meeting.
6. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at least seven days before the date of the Meeting to the Company so that information required may be made available at the Meeting.
7. Members are requested to sign at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the Meeting Hall.
8. Pursuant to Clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ re-appointment at the meeting are annexed.

By order of the Board of Directors  
For **CHOICE INTERNATIONAL LIMITED**

Sd/-

Mumbai  
August 25, 2009

**Kamal Poddar**  
**Managing Director**

As per the requirement of Clause 49 of the listing agreement on Corporate Governance for seeking appointment of the Directors / re-appointment of the retiring Directors at the forthcoming Annual General Meeting of the Company, a statement containing details of the concerned Directors is given below:

Name of Director	Mukesh Agarwal	Sujata Chattopadhyay	Satish Kulhari	Govind Patodia
Date of Birth	September 21, 1982	August 27, 1964	July 31, 1957	November 8, 1974
Date of appointment on the Board	September 23, 2008	September 23, 2008	May 30, 2009	August 25, 2009
Expertise in specific functional area	Finance & taxation	Corporate Finance	Management, Software Industry & Academics	Finance & Taxation
Qualification	B.Com, ACA	B.Com, FICWA, CS	M.Tech(Computer Science), M.B.A, Ph.D	B.com, ACA
Details of shares held in the Company	Nil	Nil	Nil	Nil
Directorship in Public Limited Company	Nil	Nil	Nil	Nil
Chairman/ Member of the Committees of other Companies on which they are Directors as on 31.03.2009	Nil	Nil	Nil	Nil

**CHOICE INTERNATIONAL LIMITED**

Regd. Office: 202, Chartered House, Dr.C.H.Street, Marine Lines, Mumbai-400 002.

**SIXTEENTH ANNUAL GENERAL MEETING ON SEPTEMBER 30, 2009**

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting)

Ledger folio no. \_\_\_\_\_

No. of shares held \_\_\_\_\_

DP ID\*: \_\_\_\_\_

Client ID\*: \_\_\_\_\_

Name(s) in full

Father's/ Husband's name

Address as regd. With the Company

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I/We hereby record my/our presence at the Sixteenth Annual General Meeting of the Company at Sahara Star, Domestic Airport, Vile Parle (East) ,Mumbai-400 099 on Wednesday, September 30,2009 at 11.00 am.

Signature of the Shareholder(s)/Proxy \*\*

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

\*Applicable for the Investors holding shares in electronic form.

\*\* Strike out whichever is not applicable.

Note: Attendance slip in original should be completed in all respects.

**CHOICE INTERNATIONAL LIMITED**

Regd. Office: 202, Chartered House, Dr.C.H.Street, Marine Lines, Mumbai-400 002

**SIXTEENTH ANNUAL GENERAL MEETING ON SEPTEMBER 30, 2009**

**PROXY FORM**

Ledger folio no. \_\_\_\_\_

No. of shares held \_\_\_\_\_

DP ID\*: \_\_\_\_\_

Client ID\*: \_\_\_\_\_

Name(s) in full

Father's/Husband's name

Address as regd. With the Company

1. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Being a member(s) of Choice International Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the sixteenth Annual General Meeting of the Company to be held on Wednesday, September 30, 2009 at 11.00 am. and at any adjournment thereof.

Signature of the Shareholder(s)

Signature(s) of the Proxy(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

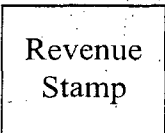
1. \_\_\_\_\_

2. \_\_\_\_\_

Date:

\* Applicable for the Investors holding shares in electronic form.

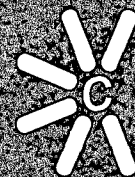
Note: This Proxy Form duly completed must be deposited at the Company's Registered Office at least 48 hours before the meeting. The Proxy need not be a member of the Company.





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### **Board of Directors :**

Kamal Poddar, Managing Director -  
Sujata Chattopadhyay -  
Mukesh Agrawal -

### **Auditors :**

M/s Gupta Shyam & Co.  
Chartered Accountants

### **Bankers :**

- The Bank of Rajasthan Ltd  
- HDFC Bank Ltd.

### **Registrar and**

### **Share Transfer Agents :**

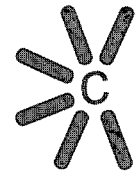
- Sharex Dynamic (India) Pvt Limited.  
Unit-I, Luthra Industrial Premises,  
Andheri-Kurla Road, Safed Pool,  
Andheri (E), Mumbai-400072.

### **Registered Office :**

202, Chartered House, Dr. C.H. Street,  
Marine Lines, Mumbai - 400 002, India  
**T: 91. 22. 2206 8602 / 3 F: 91. 22. 2206 8600**  
[www.thechoivce.com](http://www.thechoivce.com)

# *From the desk of Managing Director...*

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Dear Share Holders,

By the time you read this letter, I am sure the financial world around us would be well on its path to recovery especially with India recovering at a pace faster than the rest of the world. In the past 14 months, we have probably witnessed the worst ever financial collapse. However, even in the tumultuous times, Choice International Limited is striving for a swift walk on the road to growth.

When I took over the role of managing director in the company, I started with mission of making Choice a financial service conglomerate with deep roots in India, spreading its branches across the globe within a span of the next 10 years. History has taught us that the right time to tap opportunities in an industry comes when the rest of the players are struggling. It is amidst the struggle, that we should prepare ourselves for the turning facets lying ahead.

As the saying goes, "tough times don't last, but tough people do", this truly defines your company's determination. We believe that Choice has been a steadfast service provider in these tough times and thus the company's performance in future will have sustained levels.

## **The Performance**

A look at our company's performance shows that our gross revenue has increased by 70.31%. This has been greatly achieved by our response to the changes in the environment. In an industry, where the market size can shrink and expand rapidly, our costs have also been flexible and we are not leveraged on long term assets that build stress on the company.

Though the capital markets had taken a dive in the last 14 months, your shares have appreciated in value in the worst of the financial times.

## **Future Plans**

Your company saw a change in the management of and it has ambitious plans to venture into areas of corporate advisory, financing assistance, insurance consulting and business outsourcing. As a registered NBFC, the company is diversifying into other areas of financial services.





Growth in the last few months has been achieved by the industrious efforts of our people, who, we believe are the most priced assets of the company. For a growing business your company is fast becoming home to the right kind of talent.

With the current performance, our entrepreneurial spirit and our talent pool, the future foundations of the company are sure to strengthen.

## **The India – Perspective**

India has shown laudable adaptability to the fast changing world, and with the future growth projections, the financial services sector is poised to enter into a golden age. Capital Markets, Banking and insurance, the three pillars of financial world have shown sustained growths and still the scope for penetration in these sectors is still very large. With not many people in India having bank accounts, only 1% of the population having Demat accounts and most of the Indians needing insurance, there is a tremendous scope for your company to tap a huge financial market.

With a stable government at the centre, a positive outlook in the economy and a positive performance of the company, Choice International is poised for a robust growth.

The above was not possible without your continued support and we thank you all for the same.

Sincerely,

Sd/-

**Kamal Poddar**

Managing Director

# Directors Report



Your Directors have the pleasure in presenting the sixteenth Annual Report together with the Audited Accounts for the year 2008-09.

## Financial Results

Particulars (Amounts in INR Lacs)	Year Ended	
	31-03-2009	30-03-2008
Total Income	188.49	110.68
Total Expenditure	163.74	80.09
Profit before Depreciation & Tax	24.75	30.59
Less: Depreciation	4.50	1.24
Profit after Depreciation	20.25	29.35
Less: Provision for Income Tax & FBT	5.84	3.11
<b>Profit after Tax</b>	<b>14.41</b>	<b>26.24</b>
Balance brought forward	(5.93)	(32.17)
Appropriations	7.61	Nil
Balance carried forward to next year	0.87	(5.93)

## Operations

The year under review has been challenging for your Company. We are pleased to inform you that with foresight and dynamic business strategy your Company has fared positively, despite the economic slowdown.

The Company has complied with all the applicable regulations of the Reserve Bank of India as on March 31, 2009.

## Dividend

The Directors have recommended dividend of Rs. 0.10/- on equity shares of Rs 10/- each for the year under review.

## Management Discussion and Analysis

Management Discussion and Analysis of financial condition including the result of operations of the Company for the year under review, as required under Clause 49 of the listing agreement with Stock Exchange is given as separate statement in the Annual Report.



## **Corporate Governance Report**

A report on corporate governance, giving the status of implementation of mandatory and no-mandatory norms as per clause 49 of the listing agreement is attached and forms part of the Directors' Report.

## **Fixed Deposits**

The Company has not accepted any fixed deposits during the year.

## **Directors**

Mr. Mukesh Agarwal, Mrs. Sujata Chattopadhyay, Dr. Satish Kulhari and Mr. Govind Patodia retire by rotation and being eligible for re- appointment, offer themselves for appointment as Directors. Brief resume of these Directors as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange are provided in the report on Corporate Governance forming part of the Annual Report.

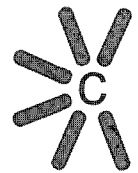
## **Directors' Responsibility Statement**

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the financial year ended March 31, 2009, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2009, and of profit of the Company for the said period;
- iii. The Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting fraud and other irregularities; and
- iv. The Directors have prepared the accounts for the financial year ended March 31, 2009 on a 'going concern' basis.

## **Auditors**

Gupta Shyam & Co., Chartered Accountants hold office until the conclusion of the ensuing annual general meeting and being eligible, offer themselves for re- appointment.



## **Particulars of Employees**

There were no employees drawing remuneration more than prescribed under Section 217 (2A) of the Companies Act, 1956.

## **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The Company has no activity relating to consumption of energy and technology absorption. Further, there were no foreign exchange earning earnings or outgo during the year under review.

## **Acknowledgement**

Your Directors wish to place on record their appreciation for the continued support and co- operation of the shareholders, bankers, various regulatory and government authorities and for the valuable contributions made by the employees of the Company.

For and on behalf of the Board of Directors

sd/-

**Kamal Poddar**

Managing Director

Mumbai, August 25, 2009

# Management Discussion and Analysis :

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## Economic Review and Outlook

The year under review witnessed a negative impact on the pace of economic activity the world over. In the present era, India is no longer insulated and we felt the tremors caused by the international economic upheaval. The Indian economy grew at 6.7% as compared to the 9% growth recorded in 2007-08. The growth prospects for India appear relatively positive due to timely stimulus provided by the Government to boost a flagging economy and a stable financial system which is prudently regulated. Overall, the Indian economy is expected to grow at a reasonable pace due to emphasis by the government to increase domestic consumption by various measures being taken.

## Outlook

Given the investment pattern in the country, it is expected that the domestic savings rate, notwithstanding high government revenue deficits, will be close to 31% of the GDP, which together with the current account deficit would translate to 32% of the GDP. Even with growth below the potential rate, in the absence of any other severe constraint, the economy should be able to generate a growth of 7% to 7.5% during the financial year 2009-10.

Your Company has initiated various steps to increase its operations, which will increase the scope of its operations during the current year.

## Our Business Streams

Your Company is a non- banking financial company (NBFC) registered under the Reserve Bank of India Act, 1934.

There was a change in management of the Company following the Open Offer made under: pursuant to and in compliance with regulations 10 and 12 of SEBI (Substantial Acquisition and Takeover Act) Regulations 1997 and subsequent amendments thereon.

As a result of business process re-engineering, your Company has identified the following areas as its key business initiative:

**Advisory**

**For-ex Advisory**

**Outsourcing**

**Financing Assistance**

**Insurance**

# The Strategy Ahead :



With a presence in all major financial centers in India, Choice International is fostering its mission to strengthen the operating performance and reputation of its clients by optimising their business processes.

We are now venturing in various streams of financial services. The core areas of our services today relate to Advisory in investment banking, merger, acquisitions and providing financing assistance.

In the near future, the company plans to offer services in insurance and outsourcing as well. The company's vision is to be a financial conglomerate with footprints in all the major streams of financial services including foreign exchange broking, merchant banking and asset management.

Our strategy is based on a three step ladder viz

<p><b>The Objectives</b></p> <p><b>Immediate Plans</b></p>	<ul style="list-style-type: none"> <li>» Serving in the areas of               <ul style="list-style-type: none"> <li>- Corporate Advisory</li> <li>- Investment Banking</li> <li>- Financing Assistance</li> <li>- Insurance Broking</li> </ul> </li> <li>» Presence in major Indian financial centres</li> <li>» Catering to Small Industries and fostering relations with <i>"companies of the future"</i></li> <li>» Developing in house pool of talent</li> </ul>
<p><b>The Aspirations Plan</b></p> <p><b>in 3 to 5 years</b></p>	<ul style="list-style-type: none"> <li>» Exploring additional opportunities in               <ul style="list-style-type: none"> <li>- Knowledge process outsourcing industry</li> <li>- Equity Research services</li> <li>- Foreign Exchange broking and consulting</li> <li>- Assistance for foreign investors</li> </ul> </li> <li>» IPO management after obtaining merchant banking licence</li> <li>» Increase presence in Indian cities to market Insurance and outsourcing products</li> <li>» Presence in international financial centres like Dubai, Singapore and Hong Kong</li> <li>» Catering to bigger corporations thereby fostering relations with <i>"companies of the future"</i></li> </ul>
<p><b>The Ambitions Plan</b></p> <p><b>in 5 to 10 years</b></p>	<ul style="list-style-type: none"> <li>» Developing services in               <ul style="list-style-type: none"> <li>- Asset management</li> <li>- Portfolio management</li> </ul> </li> <li>» Presence in major international financial centres like London, Amsterdam, Paris, New York, Tokyo, Taiwan, Sydney, Chicago</li> </ul>



## **The Objectives– Immediate action plans**

### **Advisory, Investment Banking and Financing Assistance**

Choice International Limited has been advising its clients on Strategic Mergers, Acquisitions and Divestures. The services include building the ideal strategies for merger, finding the right partner, ideal structuring for the transactions, making a reasonable valuation and conducting due diligence.

On the investment banking front, Choice International is aggressively assisting clients on private equity deals, private placement of securities and assistance in initial public offers (IPOs) and follow on public offers (FPOs). The company is also offering services in trade finance alternatives, corporate debt structuring, debt syndication and project finance assistance. The company has also taken up assignments involving foreign currency loans and inter-corporate deposits. It is not only advising the clients in the above areas but also assisting them in the execution of the advised alternatives.

Apart from the existing business of advisory and investment banking, we shall be venturing in newer financial services like insurance consulting and outsourcing. We also plan to be present in some major financial centers across globe. The service streams are briefed as under:

### **Insurance consulting**

A right balance is required to be maintained between the risk taken and the safe guards for such risks made. To immune oneself from the risk of a loss, an insurance plan is required. At Choice International, we have the expertise to consult on all areas of risk analysis, safety audit, risk appropriate underwriting and claims support.

We shall be serving clients in planning for various types of insurance by advising on:

- » Risk management plan on the basis of the company's assets
- » Audit and advice on existing policies
- » Suggest appropriate insurance policies, coverage and terms considering the open market scenario
- » Analysis of quotes received from insurance companies
- » Assist in expeditious claim settlements

The company plans to apply for a license as an Insurance broker with the Insurance Regulatory and Development Authority.



## **Outsourcing**

In order to be focused on the competencies of the businesses, non core activities are best transferred to external service providers. This is not only cost effective but it also introduces the best business practices in the system within and makes the cost structure highly flexible.

Choice International Limited aims to be a major Outsourcing corporation in India by providing services in the nature of Knowledge Process Outsourcing (KPO). The global KPO industry stands at US\$ 1.2 billion today which is expected to grow at a CAGR of around 45% and will touch the US\$17 billion mark by 2010. India is well positioned to capture 70% of this market, translating to a market size of U\$12 billion. To tap this huge potential in KPO, Choice would cater to services like:

- » Accounting Process Outsourcing Services
- » Risk Management and Assurance Services
- » Taxation compliance and Advisory

## **The Aspirations**

Choice International aspires to set its foot prints in the major areas of financial services. As a step towards our ambitions of being a financial conglomerate, in Five years from now we aspire to have a strong presence in foreign exchange consulting and broking businesses.

Further, a major portion of our resources will be planned to be directed in developing a pool of talent for security research services guided towards our aspirations of starting portfolio management and asset management services.

In the next 5 years, Choice International shall strive for a marked presence in major financial centres across the globe.

## **The Ambitions**

In a span of the next 10 years, Choice International will be serving in the entire financial services stream including Investment Banking, Corporate Advisory, insurance broking, for-ex broking, knowledge process outsourcing and asset management. Choice International, with an eminent talent pool will be a resourceful financial conglomerate.



# A bridged profit & loss account



Particulars (Amounts in INR Lacs)	2008-09	2007-08
Total Income	188.49	110.68
Total Expenditure	163.74	80.09
Profit before Depreciation & Tax	24.75	30.59
Depreciation	4.50	1.24
Profit after Depreciation	20.25	29.35
Taxes	5.84	3.11
<b>Profit after Tax</b>	<b>14.41</b>	<b>26.24</b>

## Key Risks and its Management

The goal of Risk management is to improve the quality and consistency of the Company's earning from the financing business and to minimize losses. This is achieved by identifying risk and controlling it at the earliest.

## Internal Controls and their Adequacy

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and that the transactions are authorized, recorded and reported correctly.

## Corporate Social Responsibility

An Internal Environment Policy was finalized by Choice with a view to monitoring and minimizing its carbon footprint through resource efficiency and conservation.

## Cautionary Statement

*Statements made in this Management Discussion and Analysis contain certain forward looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may vary significantly from the forward looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, new government regulations and policies that may impact the Company's business as well as its ability to implement the strategy. The information contained herein is as of the date referred and the Company does not undertake any obligation to update these statements.*

# Corporate Governance Report



## Our Governance Philosophy

Choice International Limited is committed to the adoption of best governance practices and its adherence in true spirit, at all times. The governance philosophy enshrines transparency, accountability and equity in all facets of operations and in dealing with the various stakeholders.

## Compliance with Corporate Governance Guidelines

The Company is fully compliant with the requirements of the prevailing and applicable corporate governance code and is committed to ensure compliance with any proposals for modifications, well ahead of their implementation timelines.

## Board of Directors

### Composition and Category

The Board of Directors was reconstituted consequent to the open offer made as on September 23, 2008. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2008-09 and at the last Annual General Meeting, as also the number of directorships and committee positions held by them in other public limited companies as on March 31, 2009 are as under:

### Before Change in Management

Name	Category	No. of Board meetings attended during the year 2008-09	Whether attended last AGM held on Sept. 22, 2008	No. of Directorship and Committees Membership/Chairmanship in other Public Companies		
				Other Directorship	Committee Membership	Committee Membership
Mr. Hansraj Goyal	Managing Director Non Independent, Executive	4	Yes	-----	-----	-----
Mr. Vivek Jain	Independent, Non Executive	3	Yes	-----	-----	-----
Mr. Indresh Goyal	Non Independent, Non Executive	3	Yes	-----	-----	-----
Mr. Dhananjay Datar	Independent, Non Executive	3	Yes	-----	-----	-----



## After Change in Management :

Name	Category	No. of Board meetings attended during the year 2008-09	Whether attended last AGM held on Sept. 22, 2008	No. of Directorship and Committees Membership/Chairmanship in other Public Companies		
				Other Directorship	Committee Membership	Committee Membership
Mr. Kamal Poddar	Managing Director Non Independent, Executive	3	Yes	-----	-----	-----
Mr. Mukesh Agrawal	Independent, Non Executive	3	No	-----	-----	-----
Mrs. Sujata Chattopadhyay	Non Independent, Non Executive	3	No	-----	-----	-----

\*6 (Six) Board Meetings were held during the year 2008-09 .These were on April 15, 2008, May 20,2008, July 21, 2008 , September 23, 2008 , October 31, 2008 and January 30, 2009.The gap between two meetings did not exceed four months.

## Information supplied to the Board

The Company sends a detailed agenda folder to each Director sufficiently in advance of the Board and Committee meetings to enable the Board to discharge its responsibilities effectively. The Managing Director apprises the Board members about the Company performance periodically.

## Membership Term

The Board constantly evaluates the contribution of its members and recommends to shareholders their re-appointment periodically as per the provisions of the Companies Act, 1956.Executive Director is to be appointed by the shareholders for a maximum period of upto five years at a time, but is eligible for re-appointment upon completion of his term. Non –executive directors do not have a specified term, but retire by rotation as per law.

Mr. Mukesh Agrawal, Mrs. Sujata Chattopadhyay, Dr. Satish Kulhari and Mr. Govind Patodia retire by rotation and being eligible seeks re- appointment at the ensuing Annual General Meeting. A brief resume of these directors forms part of the Notice convening the Annual General Meeting dated September 30, 2009



## The Details of the Directors seeking re- appointment at the forthcoming Annual General Meeting

(In pursuance of Clause 49 of the Listing Agreement) are given as below:

Name of Director	Mukesh Agrawal	Sujata Chattopadhyay	Satish Kulhari	Govind Patodia.
Date of Birth	September 21, 1982	August 27, 1964	July 31, 1957	November 8, 1974
Date of appointment on the Board	September 23, 2008	September 23, 2008	May 30, 2009	August 25, 2009
Expertise in specific functional area	Finance & Taxation	Corporate Finance	Management, Software Industry & Academics	Finance & Taxation
Qualification	B.Com., ACA	B.Com., AICWA, ACS	M. Tech (Computer Science), M.B.A; Ph. D	B.Com, ACA
Directorship in Public Limited Company	Nil	Nil	Nil	Nil

## Remuneration Policy

The remuneration of the Directors, the Board and Remuneration Committee considers the performance of the Company, prevalent remuneration trends in the industry, qualification of the appointee, their experience and past performance.

## Remuneration paid to Directors

**Mr. Kamal Poddar, Managing Director:**

No sitting fee is paid to Directors for attending Meetings of the Board or Committee meetings.

No commission was paid to the Directors during the year ended March 31, 2009.

## Shares held by Non- executive Directors

Name of Director	Category	No. of Equity shares of Rs. 10/- each held
Mr. Mukesh Agrawal	Independent	Nil
Mrs. Sujata Chattopadhyay	Independent	Nil



## Code of Conduct :

The Board has laid down the Code of Conduct for its members and for designated Senior Management Personnel of the Company. The Code has been posted on the Company's website [www.thechoice.in](http://www.thechoice.in). All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive, Chairman and Managing Director to this effect is enclosed as part of this Report.

## Risk Management

Choice follows a well established and detailed risk assessment and minimization procedure. It is the Company's Endeavour to improve sensitivity to assessment of risks and improving methods of computation of risk weights and capital charges. The risk assessment and mitigation procedures are reviewed by the Board.

## Means of Communication with Shareholders

The Company publishes quarterly results in national and local dailies. The Company's results and official news releases are displayed on the Company's website [www.thechoice.in](http://www.thechoice.in)

## General Body Meetings

The details of Annual General Meeting held in the past three years and the Special Resolutions passed thereat are as follows:

Year	Date & Venue	Time	Special Resolution Passed
2005-2006	September 29, 2006 B-22, Raj Industrial Complex, Military Road, Marol, Andheri (E), Mumbai 400 059	16.30 hrs.	Nil
2006-2007	August 31, 2007 Kailash Parbat, 7A/8A, A wing Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400053	10.00 hrs.	1. Appointment of Mr. Hansraj Goyal as Managing Director 2. Re-issue of forfeited shares to persons other than the existing share holders
2007-2008	September 22, 2008 Kailash Parbat, 7A/8A, A wing Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400053	11.00 hrs.	Nil

## Audit Committee

The Audit Committee was reconstituted consequent to the change in the Board of Directors.

All the members of the Committee have financial management expertise. The constitution and terms of the Committee are in accordance with the requirements of Section 292A of the Companies Act, 1956 and clause 49 (II) (A) of the Listing Agreement.



## Meetings held

During the year under review, five meetings were held on:

### Before Change in Management

#### Attendance

Name of Member	No. of meetings attended
Mr. Vivek Jain - Chairman, Independent, Non Executive	3
Mr. Mr.Dhananjay Datar-Member, Independent, Non Executive.	3
Mr. Hansraj Goyal – Member, Non Independent, Executive.	4

### After Change in Management

#### Attendance

Name of Member	No. of meetings attended
Mr.Mukesh Agrawal - Chairman, Independent, Non-Executive.	2
Mrs.Sujata Chattopadhyay-Member, Independent, Non Executive.	2
Mr. Kamal Poddar – Member, Non Independent, Executive.	2

During the financial year ended March 31, 2009 Five Audit Committee meetings were held i.e. April 14, 2008, May 19, 2008, July 18, 2008, October 30, 2008 and January 28, 2009. All the meetings were attended by all the members during the tenure of their services.

## Remuneration Committee

The Remuneration Committee consists of three members.

Composition as on March 31, 2009:

**Mr.Mukesh Agrawal- Chairman, Independent, Non-Executive.**

**Mrs. Sujata Chattopadhyay-Member, Independent, Non-Executive.**

**Mrs. Jyoti Saraf-Member.**

## Meetings held

During the year under review, four meetings were held on April 14, 2008, July 18, 2008, October 30, 2008 and January 28, 2009. All meeting were attended by all the members during the tenure of their services.



## Shareholders/ Investors Grievance Committee

The Shareholders/ Investors grievance Committee comprises of the following two members:

**Mrs. Sujata Chattopadhyay-Independent, Non Executive**

**Mr. Kamal Poddar –Chairman, Non-Independent, Executive**

During the year under review, the Committee met once on January 30, 2009 the meeting was attended by all the members of the Committee.

Details of queries and grievances received and attended to by the Company during the year 2008-09 are given below:

Sr. No.	Nature of Complaint	Pending as on 1 April, 2008	Received during the year	Redressed during the year	Pending as on 31 March 2009
1	Non- credit of shares	0	1	1	0
2	SEBI/ Stock Exchange Complaints	0	0	0	0
3	Non receipt of Annual Report	0	0	0	0
	Total	0	1	1	0

## Nomination Committee

The Nomination Committee comprises of two members:

**Mr. Mukesh Agrawal - Chairman, Independent, Non Executive.**

**Mrs. Sujata Chattopadhyay - Member, Independent, Non Executive.**

The Committee was constituted in accordance with the Corporate Governance guidelines promulgated by the Reserve Bank of India and is primarily responsible for assisting the Board of Directors in fulfilling its responsibilities by recommending to the Board the composition and structure of the Board, criteria for Board membership, evaluation of the corporate policies relating to the recruitment of Board members and to establish, implement and monitor policies and processes regarding principles of Corporate Governance



## **Disclosures:**

1. There have been no materially significant transactions, pecuniary transactions or relationships between the Company and Directors or other related parties except those disclosed in the financial statements for the year ended March 31, 2009. Further, the details of the Related Party Transactions are presented in the Notes to Accounts.
2. The Company has complied with all the requirements of regulatory authorities. No penalties/ strictures were imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on any matter related to capital market since the listing of the Company's equity shares.
3. The Company has complied with the mandatory requirements of Clause 49.

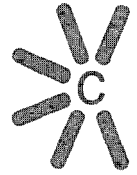
## **Disclosure of Accounting Treatment in Preparation of Financial Statements**

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India.



# General Shareholder Information

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## 1. Details of the 16th Annual General Meeting of the Company:

Date: September 30, 2009

Time: 11.00 AM

Venue: Sahara Star, Domestic Airport, Vile Parle (East), Mumbai - 400 099

## 2. Financial year of the Company

The financial year of the Company covers the period 1st April to 31st March.

### Financial Calendar

Results for quarter ending June 30 2008	:	Last week of July, 2008
Results for quarter ending September 30, 2008	:	Last week of October, 2008
Results for quarter ending December 31, 2008	:	Last week of January, 2009
Results for quarter ending March 31, 2009	:	Last week of April, 2009
Date of Book Closure	:	Friday, September 25, 2009 to Wednesday, September 30, 2009 (Both Days inclusive)

### Dividend Payment

The Directors are pleased to recommend the dividend at Re.0.10 /- per equity share (1% on face value of Rs.10/- each) for the financial year ended March 31, 2009. The dividend is proposed to be paid for 65, 04,800 equity shares. The total payout on account of the dividend including corporate dividend tax will be Rs. 761029/- which represents 52.80% of the profit after tax. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid on or after September 30, 2009 to those members or their mandates whose names are registered on the Company's Register of members:

- a. As beneficial owners as at the end of business on September 24, 2009 as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form, and
- b. As members in the Registrar of members of the company after giving effect to valid share transfers in physical form lodged with the Company on or before September 24, 2009.

### Listing on the Stock Exchange

The Company is presently listed on Bombay Stock Exchange Limited, Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.



## Listing Fees

The Annual Listing Fees for the year 2008-09 as prescribed has been paid to the Bombay Stock Exchange where the equity shares of the company are listed.

## Stock Codes

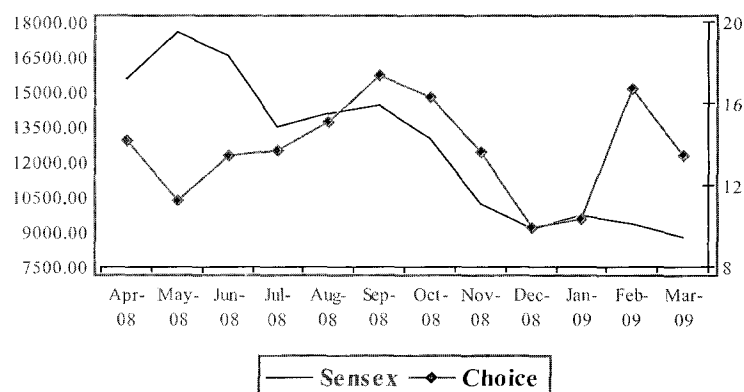
Stock Code : 531358 – The Bombay Stock Exchange

ISIN Code : INE 102B01014

### 3. Stock Price Data:

Name of Member	High (Rs.)	Low (Rs.)	Volume (No. of shares)
April 2008	14.24	10.63	50313
May 2008	11.30	7.87	39092
June 2008	13.50	10.53	114323
July 2008	13.71	9.80	45714
August 2008	15.09	12.90	51201
September 2008	17.35	14.75	35670
October 2008	16.35	12.95	29567
November 2008	13.60	10.50	9178
December 2008	9.98	7.00	25828
January 2009	10.35	6.50	340667
February 2009	16.74	10.86	120339
March 2009	13.45	11.61	26418

### 4. Company's Share Price Moment Vis a Vis BSE Sensex.





## 5. Distribution of Shareholding as on March 31, 2009

Number of Shares	Number of Shareholders	Percentage to total No. of Shareholders	Share Amount (in Rs.)	Percentage to total Share Capital
1-500	545	67.04	1251950	3.11
501- 1000	128	15.74	1044350	2.61
1001- 2000	35	4.30	547740	1.37
2001- 3000	21	2.58	558750	1.40
3001- 4000	9	1.11	319780	0.80
4001-5000	9	1.11	428990	1.07
5001-10000	19	2.34	1600640	4.00
10000 and above	47	5.78	34295800	85.64
<b>TOTAL</b>	<b>813</b>	<b>100%</b>	<b>4,00,48,000</b>	<b>100%</b>

## 6. Categories of Shareholders as on March 31, 2009:

Sr. No.	Description	No. of Shares (as at 31st March, 2009)	Percentage to Capital
1	Promoters & Promoter Group	13,28,927	33.18
2	Mutual Funds	Nil	Nil
3	Foreign Institutional Investors/ Foreign Companies/ Foreign Venture Capital	Nil	Nil
4	NRI/ OCBs	Nil	Nil
5	Bodies Corporate	14,18,898	35.44
6	Public	12,56,975	31.38
	<b>TOTAL</b>	<b>40,04,800</b>	<b>100%</b>



## **7. Dematerialization of Shares**

As on March 31, 2009, 91.60% of the total equity shares of the company was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

## **8. Registrar and Transfer Agent**

Sharex Dynamic (India) Private Limited

Unit- I, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East),

Mumbai- 400 072 **Tel:** (022) 2851 5606/ 2851 5644

## **9. Plant location**

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

## **10. Address for correspondence**

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned here in above on all matters relating to transfer of shares and credit of shares in Demat account.

Members may contact the Compliance officer for all investor related matters at the Registered Office of the Company at the following address:

### **Choice International Limited**

202, Chartered House,

Dr. C.H.Street, Marine Lines,

Mumbai -400 002.

**Tel:** +91 022 2206 8602/03

**Fax No:** +91 022 2206 8600

Mumbai, August 25, 2009

For and on behalf of the Board

Sd/-

**Kamal Poddar**

**Managing Director**



## Auditor's Certificate On Corporate Governance

To,  
The Members of Choice International Limited

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in clause 49 of that listing agreement entered by the company with the stock exchange for the financial year ended March 31, 2009.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the information & explanations given to us by the company in our opinion the company has complied with the conditions of corporate governance as stipulated in clause 49 of the said listing agreements. On the basis of the records maintained by the share holders/ investors grievance committee of the company, we state that there were no investor grievance pending against the company for a period exceeding one month as per the certificate of registrar and transfer agent of the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Gupta Shyam & Company**  
Chartered Accountants

Sd/-  
**Shyamsunder Gupta**  
(Proprietor)  
M. No. 038484

Mumbai, August 25, 2009



## **Director & Chief Executive Officer's Certification**

As required by Clause 49 of the Listing Agreement, the CEO declaration for Code of Conduct is given below:

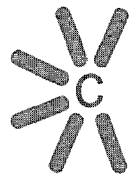
To,  
The Members of  
Choice International Limited

I, Kamal Poddar, Director & Chief Executive Officer of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For Choice International Limited

Sd/-  
**Kamal Poddar**  
**Director & Chief Executive Officer**

Mumbai, August 25, 2009



I, Kamal Poddar Director & Chief Executive Officer, responsible for the finance function certified that:

- a. I have reviewed the financial statements & cash flow statement for the year ended March 31, 2009 and to the best of my knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulation
- b. *To the best of our knowledge and belief, no transactions entered into by the company during the year ended March 31, 2009 are fraudulent, illegal or violative of the company's code of conduct.*
- c. I accept the responsibility for the establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the Auditors and the Audit Committee and the steps have been taken to rectify these deficiencies.
- d.
  - i. There not have been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year except as laid down in Accounting Standards (AS) 15 (revised 2005) or Employee Benefits, requiring disclosures in the notes to the financial statements; and
  - iii. I am not aware of any instances during the year of significant fraud with involvement therein of the management or any employee having a significant role in Company's internal control system over financial reporting.

Sd/-

**Kamal Poddar**

**Director & Chief Executive Officer**

Mumbai, August 25, 2009

# Auditors Report

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**TO,  
THE MEMBERS OF  
CHOICE INTERNATIONAL LIMITED**

1. We have audited the attached Balance Sheet of Choice International Ltd. as at March 31, 2009 and also the Profit and Loss Account and cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the companies Act, 1956, we enclose in the annexure a statement, on the matter specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Profit & Loss account and cash flow statement dealt with by this report are in agreement with books of accounts.
  - (d) In our opinion the balance sheet, profit & loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.





(e) On the basis of the written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2009, from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

(f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the accounting policies and other notes given in Schedule "P" give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India

- (i) In the case of the balance sheet, of the state of affairs of the Company as at March 31, 2009
- (ii) In the case of profit and loss account, of the profit for the year ended on that date and
- (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

**For Gupta Shyam & Company**

Chartered Accountants

Sd/-

**Shyamsunder Gupta**

(Proprietor)

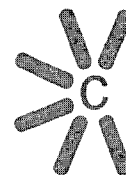
Mumbai, August 25, 2009



## Annexure To The Auditor's Report

(\*Referred to in Paragraph (3) of our report of even date on the accounts of **CHOICE INTERNATIONAL LIMITED** for the year ended March 31, 2009)

- i.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) As per the information given to us the fixed assets have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
  - c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the company.
- ii.
  - a) The Stock in trade of Shares and Securities held in the physical format has been physically verified and those held in the dematerialized format have been verified from the relevant statement received from the depository, during the year, by the management. In our opinion, having regard to the nature of stocks, the frequency of the verification is reasonable.
  - b) In our opinion and according to the information given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
  - c) In our opinion the Company is maintaining proper records of Stock in trade of Shares and Securities The discrepancies noticed on verification between physical stocks and those held in the dematerialized format with the book/ records were not material.
- iii. The company has not granted or taken any loans secured / unsecured to or from any company, firms or parties listed in the register maintained u/s 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of Shares and Securities, fixed assets and with regard to sale of Shares and securities. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v.
  - a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 of the Act have been so entered.



- b) In our opinion and according to the information and explanations given to us, there are no such transactions exceeding Rs.5 Lacs each which have been made at prices, which are not reasonable having regard to the prevailing market prices, for such goods, materials or services at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. As per the information and explanation given to us, Central Government has not prescribed maintenance of cost records under clause (d) of Section 209 of the Companies Act, 1956.
- ix. a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount in respect of aforesaid statutory dues were outstanding as at March 31, 2009 for the period of more than six months from the date they became payable.
- b) According to the Information and explanation given to us by the management and the records of the Company examined by us there were no disputed statutory dues outstanding as at March 31, 2009. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. The Company has not incurred cash losses during the financial year covered by our Audit and in the immediately preceding financial year.
- x. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the paragraph 4 (xiii) of the Company (Auditor's Report) Order, 2003 are not applicable to the company.
- xi. In our opinion the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investments during the year and timely entries have been generally made therein. All shares, debentures and other investments have been held by the Company in its own name subject to the provision of the section 49 of the Companies Act, 1956.
- xii. According to the information given to us and management representation the company has not given any guarantee for the loans taken by others from banks or Financial Institutions during the year.



- xiii. The Company has not issued any debentures during the year therefore; paragraph 4(xix) of the order is not applicable.
- xiv. The Company has not raised any money by way of public issue during the year; therefore paragraph 4(xx) of the Order is not applicable.
- xv. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- xvi. Clauses iii (b), (c), (d), xi, xii, xvi, xvii, xviii of the paragraph 4 of the Order are not applicable to the company for the year ended on March 31, 2009.

**For Gupta Shyam & Co.**

Chartered Accountants

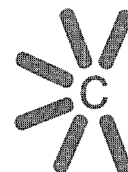
Sd/-

**Shyamsunder Gupta**

(Proprietor)

Mumbai, August 25, 2009

# Balance Sheet as at March 31, 2009



(Figures in Rs.)

Particulars	Schedules	As at 31.03.2009	As at 31.03.2008
<b>Sources of funds</b>			
<b>Shareholder's Funds</b>			
Share Capital	A	40,048,000	40,048,000
Reserves & Surplus	B	2,174,609	2,086,800
		<b>42,222,609</b>	
Deferred Tax Liability			372,763
			-
	<b>Total</b>	<b>42,595,373</b>	<b>42,134,800</b>
<b>Application of funds</b>			
<b>Fixed Assets</b>			
Gross Block	C	4,642,387	1,358,758
Depreciation		1,176,764	731,868
<b>Net Block</b>		<b>3,465,623</b>	<b>626,890</b>
<b>Investments</b>	D	<b>7,501,000</b>	<b>1,000</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	E	2,500,000	11,209,983
Sundry Debtors	F	24,544	-
Cash & Bank Balances	G	11,208,229	7,450,648
Loans & Advances	H	19,266,720	22,730,771
		<b>32,999,493</b>	<b>41,391,402</b>
<b>Current Liabilities &amp; Provisions</b>			
Current Liabilities	I	737,329	165,711
Provisions		633,415	311,369
		<b>1,370,744</b>	<b>477,080</b>
<b>Net Current Assets</b>		<b>31,628,750</b>	<b>40,914,322</b>
Profit & Loss A/c		-	592,588
	<b>Total</b>	<b>42,595,373</b>	<b>42,134,800</b>
Significant Accounting Policies & Notes on Accounts	O		

As per our report of even date attached

**For Gupta Shyam & Company**  
Chartered Accountants

Sd/-  
**Shyamsunder Gupta**  
(Proprietor)  
M.N. 038484

Sd/-  
**Kamal Poddar**  
Managing Director

For and on behalf of the board

Sd/-  
**Mukesh Agrawal**  
Director

Mumbai, August 25, 2009

# Profit & Loss Account for the year ended March 31, 2009



( Figures in Rs.)

Particulars	Schedules	Year Ended	
		31.03.2009	31.03.2008
<b>Income</b>			
Sales & Operating Income	J	18,849,259	11,067,915
	<b>Total</b>	<b>18,849,259</b>	<b>11,067,915</b>
<b>Expenditure</b>			
Purchase & Other Expenses	K	6,419,797	17,895,965
(Increase) / Decrease in Stock	L	8,709,983	(11,207,008)
Personnal Expenses	M	973,644	669,562
Administrative & Other Expenses	N	270,409	650,560
Depreciation	C	449,740	123,799
	<b>Total</b>	<b>16,823,573</b>	<b>8,132,878</b>
<b>Profit before Tax</b>			2,935,037
Provision for Tax			
- Current Tax		205,257	300,369
- Deferred Tax Liabilities		372,763	-
- Fringe Benefit Tax		6,240	11,000
- Tax for the earlier years		-	853
		<b>584,260</b>	<b>312,222</b>
<b>Profit after Taxation</b>		<b>1,441,426</b>	<b>2,624,521</b>
Balance b/f from last year		(592,588)	(3,217,109)
<b>Appropriations</b>		<b>848,838</b>	<b>(592,588)</b>
Proposed Dividend		650,480	-
Tax on corporate dividend		110,549	-
		<b>761,029</b>	
<b>Balance carried to Balance Sheet</b>		<b>87,809</b>	<b>(592,588)</b>
<b>Earning Per Share of Rs.10/-each</b>			
Basic		0.36	0.67
Diluted		0.36	0.67
Significant Accounting Policies & Notes on Accounts	O		

As per our report of even date attached

**For Gupta Shyam & Company**  
Chartered Accountants

For and on behalf of the board

Sd/-  
**Shyamsunder Gupta**  
(Proprietor)  
M.N. 038484

Sd/-  
**Kamal Poddar**  
Managing Director

Sd/-  
**Mukesh Agrawal**  
Director

Mumbai, August 25, 2009

# Cash Flow Statement as at March 31, 2009



( Figures in Rs.)

Particulars	AS AT 31.03.2009	AS AT 31.03.2008
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) Before Tax and Extraordinary Items	2,025,686	2,935,037
<b>Adjustment for :</b>		
Depreciation :	449740	123,799
Profit on Sale of Investment		(3,437,240)
<b>Operating Cash Profit/ Loss before working capital changes</b>	<b>2,475,426</b>	<b>(378,404)</b>
<b>Adjustment for :</b>		
(Increase) / Decrease in Trade and other receivables	3,439,507	441,970
(Increase) / Decrease in Inventories	8,709,983	(11,207,008)
Increase / (Decrease) in Current Liabilities & Provision	(78,862)	172,105
<b>Cash generated from operations</b>	<b>14,546,054</b>	<b>(10,971,337)</b>
Direct taxes paid	-	(310,516)
<b>Cash flow before extra ordinary items</b>	<b>14,546,054</b>	<b>(11,281,853)</b>
Add / (less) Extraordinary items	-	-
<b>Net Cash From Operating Activities</b>	<b>14,546,054</b>	<b>(11,281,853)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(3288473)	(8,500)
Purchase of Investments	(7,500,000)	(1,000)
Sale of Investments	-	8,937,240
<b>Net Cash From Investing Activities</b>	<b>(10,788,473)</b>	<b>8,927,740</b>
<b>C. Cash Flow from Financing Activities</b>		
Share premium	-	1,217,300
Addition to share capital	-	869,500
Capital Reserve ( Share Forefited money )	-	869,500
<b>Net Cash From Financing Activities</b>	<b>-</b>	<b>2,956,300</b>
<b>Net Increase / (Decrease) in cash and cash equivalent</b>	<b>3,757,581</b>	<b>602,187</b>
Cash & Cash Equivalent as on 01.04.2008	7,450,648	6,848,601
Cash & Cash Equivalent as on 31.03.2009	11,208,229	7,450,648
<b>Change in Cash and Cash Equivalents</b>	<b>3,757,581</b>	<b>602,187</b>

As per our report of even date annexed

**For Gupta Shyam & Company**

Chartered Accountants

Sd/-

**Shyamsunder Gupta**

(Proprietor)

M.N. 038484

For and on behalf of the board

Sd/-

**Kamal Poddar**  
Managing Director

Sd/-

**Mukesh Agrawal**  
Director

Mumbai, August 25, 2009

## Auditor's Certification on Cash Flow Statement

We have examined the attached Cash Flow Statement of Choice Interational Limited for the year ended March 31, 2009. The Statement has been prepared by the Company in accordance with the requirement of Clause 32 of Listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report.

**For Gupta Shyam & Company**  
Chartered Accountants

sd/-

**Shyamsunder Gupta**  
(Proprietor)

Mumbai, August 25, 2009

# Schedules forming Part of Financial Statements



(Figures in Rs.)

Particulars	AS AT 31.03.2009	AS AT 31.03.2008
<b>Schedule "A" - Share Capital</b>		
Authorised 41,00,000 (41,00,000) Equity Shares of Rs. 10/- each	41,000,000 <u>41,000,000</u>	41,000,000 <u>41,000,000</u>
Issued, Subscribed & Paid-up 40,04,800 (40,04,800) Equity Shares of Rs. 10/- each	40,048,000 <u>40,048,000</u>	40,048,000 <u>40,048,000</u>
<b>Schedule "B" - Reserves &amp; Surplus</b>		
Securities Premium	1,217,300	1,217,300
Capital Reserves	869,500	869,500
Profit & Loss Appropriation Account	87,809	-
	<u>2,174,609</u>	<u>2,086,800</u>
<b>Schedule "D" - Investments</b>		
<b>Unquoted Shares</b>		
15,000 Equity shares (P. Y- Nil) in Mangala Ispat (Jaipur) Limited	7,500,000	-
100 Equity shares (P. Y- 100) in Bharat Co-Operative Bank Limited	1,000	1,000
	<u>7,501,000</u>	<u>1,000</u>
<b>Schedule "E" - Inventories</b>		
(At lower of cost and net realisable value as certified by the Management)		
Share & Securities	2,500,000	11,209,983
	<u>2,500,000</u>	<u>11,209,983</u>
<b>Schedule "F" - Sundry Debtors</b>		
(Unsecured but considered good)		
Due more than 6 months	-	-
Other debts	24,544	-
	<u>24,544</u>	<u>-</u>
<b>Schedule "G" - Cash &amp; Bank Balances</b>		
Cash in Hand	330,233	284,410
<b>Balance with Schedule Bank</b>		
In Current Accounts	5,256,847	1,332,168
In Fixed Deposit Accounts	5,621,149	5,834,070
	<u>11,208,229</u>	<u>7,450,648</u>

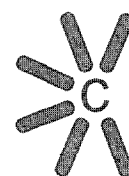




( Figures in Rs.)

Particulars	AS AT 31.03.2009	AS AT 31.03.2008
<b>Schedule "H" - Loans &amp; Advances</b>		
Loans (Unsecured, considered goods)	18,067,870	21,916,268
Deposits	-	1,000
Advance Tax & TDS	1,198,850	813,503
	<b>19,266,720</b>	<b>22,730,771</b>
<b>Schedule "I" - Current Liabilities &amp; Provisions</b>		
<b>Current Liabilities</b>		
For Expenses & others	39,748	52,263
Other Current Liabilities	47,101	113,448
Proposed Dividends	650,480	-
	<b>737,329</b>	<b>165,711</b>
<b>Provisions</b>		
Provision for taxes	505,626	311,369
Provision for FBT	17,240	-
Corporate Dividend Tax	110,549	-
	<b>633,415</b>	<b>311,369</b>
<b>Schedule "J" - Sales &amp; Operating Income</b>		
Sale of Shares & Securities	16,776,715	8,391,590
Interest earned	1,656,080	2,652,239
Speculation Profit from Securities	-	5,256
Professional Receipt	383,560	-
Dividend	32,904	18,830
	<b>18,849,259</b>	<b>11,067,915</b>
<b>Schedule "K" - Operational Expenses</b>		
Purchase & Other Expenses	6,402,230	17,853,582
Transaction & Service Charges	5,133	9,999
Securities Transaction Tax	12,434	32,384
	<b>6,419,797</b>	<b>17,895,965</b>
<b>Schedule "L" - (Increase) / Decrease in Stock</b>		
Shares & Securities : Opening Stock	11,209,983	2,975
Closing Stock	2,500,000	11,209,983
	<b>8,709,983</b>	<b>(11,207,008)</b>
<b>Schedule "M" - Personal Cost</b>		
Salaries & Perquisites	958,716	611,512
Staff Welfare	14,928	58,050
	<b>973,644</b>	<b>669,562</b>

# Schedules forming Part of Financial Statements



(Figures in Rs.)

Particulars	AS AT	AS AT
	31.03.2009	31.03.2008
<b>Schedule "N" - Administrative &amp; Other Expenses</b>		
Conveyance	13,437	105,994
Travelling Expenses	16,745	33,600
Office Rent	-	90,000
Repairs & Maintenance	11,313	38,720
Office Maintenance	21,977	40,366
Telephone & Internet Charges	6,659	14,877
Postage & Courier	9,265	13,534
Printing & Stationery	28,348	46,196
Listing Fees	11,084	10,100
Security Expenses	8,400	17,474
Legal & Professional Charges	9,494	35,623
Audit Fees	36,500	36,500
Books & Periodicals	4,350	19,144
Bank Interest	34,847	106,252
Bank Charges	2,442	7,350
Advertisement	13,129	12,214
Bussiness Promotion	42,419	22,616
	<b>2,70,409</b>	<b>6,50,560</b>

## Schedule "C" - Fixed Assets

Particulars	Gross Block			Depreciation			Net Block	
	As at 01.04.2008	Additions	As at 31.03.2009	As at 01.04.2008	During the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Computers	453,943	1,832,827	2,286,770	238,827	334,051	572,878	1,713,892	215,116
Office Equipments	397,458	597,576	995,034	213,150	40,966	254,116	740,918	184,308
Furniture	501,286	859,297	1,360,583	275,047	74,723	349,770	1,010,813	226,239
<b>Total</b>	<b>1,352,687</b>	<b>3,289,700</b>	<b>4,642,387</b>	<b>727,024</b>	<b>449,740</b>	<b>1,176,764</b>	<b>3,465,623</b>	<b>625,663</b>
<b>Previous Year</b>	1,344,187	8,500	1,352,687	603,424	123,600	727,024	625,663	742,189



## **Schedules forming part of Accounts for the year March 31, 2009**

### **Schedule "O" Significant Accounting Policies & Notes on Accounts**

#### **1. Significant Accounting Policies**

##### **A. Basis of Accounting**

The financial statements are prepared under the historical cost convention, on a going concern concept and in compliance with the Accounting Standards notified by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act 1956. The Company follows mercantile system of accounting and recognizes Income & Expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization in respect of incomes. Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles

##### **B. Use of estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized.

##### **C. Recognition of Income & Expenditure**

The Company follows the accrual basis of accounting except in the following cases, where the same are recorded on cash basis on ascertainment of right and obligation.

- i) Payment of Bonus, Leave Salary etc.
- ii) Insurance Claim
- iv) Gratuity Liability, if any.

##### **D. Fixed Assets**

Fixed Assets are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.



**E. Impairment of Fixed Assets:**

At the end of each year, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indication that an impairment loss may have occurred in accordance with Accounting Standard 28 on "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

**F. Depreciation**

- i) Depreciation on Fixed Assets has been provided on 'Straight Line Method' as per the rates specified in Scheduled XIV of the Companies Act, 1956.
- ii) Depreciation on acquired/sold during the year is provided on pro rata basis.

**G. Valuation of inventories**

Stock of shares and securities at the balance sheet date are shown at " Cost or Market Value which ever is lower and non – quoted securities as at the balance sheet are shown at cost..

The cost of brokerage , stamp duty , Demat Charges etc are separately shown in Profit and Loss Account & which is not added / subtracted to the purchases / sale of Shares.

**H. Investment**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for permanent diminution in value. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

**I. Miscellaneous Expenditure**

Preliminary expenditures are amortised in the year in which incurred.

**J. Foreign Currency Transactions :**

- a) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- b) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is treated as revenue.
- c) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.



#### **K. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **L. Accounting for Taxation of Income :**

##### **Current taxes**

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

##### **Deferred taxes**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

##### **Fringe Benefits**

Provisions for Fringe Benefits Tax (FBT) have been recognized on the basis of harmonious contextual interpretation of the provision of the Income Tax Act, 1961.

## **II. Notes on Accounts**

- A) Liabilities in respect of gratuity & leave encashment are accounted for on cash basis which is not in conformity with Accounting Standard (AS)15 (Revised 2005) notified by the Companies (Accounting Standard ) Rules, 2006 on Employee Benefits which requires that Gratuity and Leave Encashment Liabilities be accounted for on accrual basis.



- B) In the opinion of the Board the Current Assets, Loans & Advances are realizable in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- C) Some of the sundry debtors, sundry creditors, loans & advances and unsecured loans are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustments.
- D) Details of Auditors remuneration is as under:-

<b>Particulars</b>	<b>2008-09 Amount (Rs.)</b>	<b>2007-08 Amount (Rs.)</b>
Audit Fees	36,500	36,500
Certification Fees	4,694	9,184
<b>TOTAL</b>	<b>40,994</b>	<b>45,684</b>

- E) Taxes on Income
- a) Provision for tax amounting to Rs. 2,05,257/- has been made in accordance with the provision of the Income Tax Act, 1961.
- b) In terms of Accounting Standard 22 on "Accounting for Taxes on Income" as notified by the Companies (Accounting Standard) Rules , 2006 the Company has recognized Deffered Tax liabilities Rs.3,72,763 /- for the year ended 31st March, 2009 in the Profit & Loss A/c.

The accumulated balance in Net Deffered Tax Liability/(Assets) comprises of :

<b>Particulars</b>	<b>Deferred Tax Liability/(As set) as at 1<sup>st</sup> April 08</b>	<b>Current Year change</b>	<b>Deferred Tax Liability/(As set) as at 31<sup>st</sup> March 09</b>
Tax Liability on account of Depreciation	Nil	3,72,763	3,72,763



F) Earning Per Share (As per AS – 20)

In accordance with Accounting Standard 20- Earning per Share, the computation of earning per share is set out below:

Sr. No.	Particulars	2009	2008
1.	Weighted average number of Equity Shares of Rs. 10 each		
	a) Number of shares at the beginning of the period	40,04,800	40,04,800
	b) Number of shares at the end of the period	40,04,800	40,04,800
	c) Weighted average number of shares outstanding during the period	40,04,800	40,04,800
2.	Net Profit after tax available for equity shareholders	14,41,426	26,24,521
3.	Basic Earning Per Share (In Rs.)	0.36	0.67

The Company does not have any dilutive potential equity shares. Consequently the basic and diluted earning per share of the Company remain the same.

G) **Amounts due to Micro, Small and Medium Enterprises:**

The Name of the Micro, Small and Medium Enterprises suppliers defined under "The Micro, Small & medium Enterprises Development Act 2006" could not be identified, as the necessary evidence is not in the possession of the Company.

H) **Contingent Liabilities not provided in respect of:**

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Liability that may arise out of the consent provided by the company to appropriate authorities in respect of penalty proposed to be imposed by SEBI in respect of alleged Violation of Regulations 6 (2) & 6 (4) for 1997 and Rule 8 (3) for years 1998 to 2002 of SEBI (Substantial Acquisition of Shares & Takeovers ) Regulations 1997. The matter is yet to be disposed off	1,75,000	1,75,000



**I) Related Party Transactions :**

There is no related party transaction as per Accounting Standard 18 issued by ICAI.

**J) Segment information for the year ended March 31, 2009.**

The Company is mainly engaged in the business of Investment & Finance. All the activities of the company revolved around the main business, and as such, in the opinion of the management, there are no separate reportable segments.

**K) Post Balance Sheet Event:**

During the year 2009-2010 , the Company had made a preferential issue of 25,00,000 shares of Rs. 10/- each at a premium of Rs. 5/-vide special resolution passed at the Extra General Meeting held on 18th May, 2009.

**L) Additional Information Pursuant to the provision of Part II of schedule VI of the Companies**

Particulars	2008-2009		2007-2008	
	Quantity (Nos.)	Amount (Rs.)	Quantity (Nos.)	Amount (Rs.)
Opening Stock	197,956	11,209,983	11,900	2,975
Purchases	81,890	64,02,230	306,181	17,853,582
Sales	267346	1,67,76,715	120,125	4,937,376
Closing Stock	12500	25,00,000	197,956	11,209,983

**M)** The Schedules referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts as referred to in the Balance Sheet & Profit & Loss Account form an integral part of the accounts

**N)** Previous year figures have been rearranged , regrouped and reclassified wherever considered necessary.

**O)** Balance sheet abstract and company's general profile annexed separately.



# Balance Sheet Abstract and Company's General Business Profile



<b>I. Registration Details</b>	
Registration No.	71117
State Code	11
Balance Sheet Dated	31.03.2009
<b>II. Capital Raised during the Year</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
<b>III. Position of Mobilisation and Deployment of funds</b>	
Total liabilities	42,595,373
Total Assets	42,595,373
a) Sources of Funds	
Paid -up Capital	40,048,000
Share Application	-
Reserves & Surplus	2,174,609
Secured Loans	-
Unsecured Loan	-
Deferred Tax Liability	372,763
b) Application of Funds	3,465,623
Net Fixed Assets	7,501,000
Investments	31,628,750
Net current Assets	-
Misc. Expenditure	-
Accumulated losses	-
<b>IV. Performance of Company</b>	18,849,259
Turnover & operational Income	16,823,573
Total Expenditure	2,025,686
Profit/Loss before Tax	1,441,426
Profit/Loss after Tax	0.36
Earning per Shares (in Rs.)	1%
Dividend Rate on Equity	
<b>V. Generic Names of three Principal Products / services of the company</b>	ITC Code
Product Description	N.A.
Financial Services	N.A.
Investment Banking	N.A.
Trading in Securities	N.A.
Marketing Services	N.A.

As per our report of even date attached  
**For Gupta Shyam & Company**  
Chartered Accountants

For and on behalf of the board

Sd/-  
**Shyamsunder Gupta**  
(Proprietor)  
M.N. 038484

Sd/-  
**Kamal Poddar**  
**Managing Director**

Sd/-  
**Mukesh Agrawal**  
**Director**

Mumbai, August 25, 2009

# Choice International Ltd

## Registered Office:

### Mumbai

202, Chartered House,  
Dr. C H Street, Marine Lines,  
Mumbai - 400 002, India  
T: 91.22. 2206 8602 / 3  
F: 91.22. 2206 8600



## Branches:

### New Delhi

105- 949/3,  
Naiwala Faiz Road, Karol Bagh,  
New Delhi - 110 005, India  
T: 91. 11. 4509 8192

### Kolkata

B-50, Shantiniketan Building,  
8, Camac Street,  
Kolkata - 700 017, India  
T: 91. 33. 3248 9944

### Bangaluru

16, 14th Cross,  
4th Main Sampanagirama Nagar,  
Bangaluru - 560 027, India  
T: 91. 80. 3241 5472

### Jaipur

205, Tirupati Trade Centre,  
Sansarchand Road,  
Jaipur - 302 001, India  
T: 91. 141. 237 2828 / 403 2828

For detailed information on our services and solutions,  
Please visit us at [www.thechoice.in](http://www.thechoice.in)  
or mail us at [services@thechoice.in](mailto:services@thechoice.in)



## **Advisory & Investment Banking Solutions**

- Merger and Acquisitions -
- Equity Issue Advisory -
- Debt Issue Advisory -

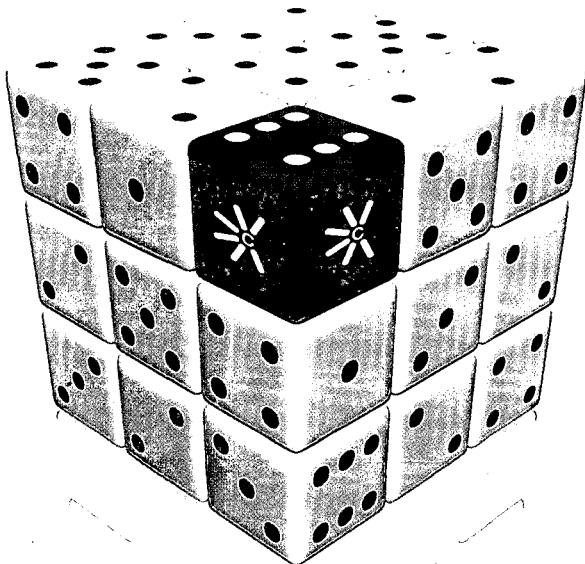
## **We Provide...**

## **Insurance Advisory For**

- Non Life Insurance -
- Asset / Property Insurance -
- Personal Insurance -
- Business Interruption Insurance -
- Special Contingency Insurance -

## **Our Services array extends to:**

- Risk Management and Assurance Services
- Accounting Outsourcing Services (BPO)
- Taxation Advisory and compliance



**When it  
comes to  
money,  
you ought  
to have a  
CHOICE**