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CHOICE INTERNATIONAL LIMITED



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**8th ANNUAL REPORT
2000-01**

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CHOICE INTERNATIONAL LIMITED

BOARD OF DIRECTORS

1. Mr Shailendra Jindal
2. Mrs. Pallavi Jindal
3. Mr. Robert Pavrey
4. Mr. Devendra Agarwal
5. Mr. M. S. Bodhanwalla
6. Mr. Nilesh R. Shah
7. Mr. Nilesh S. Shah
8. Mr. Shailesh K. Khatri

AUDITORS

B. T. Bhomawat & Co.
R. No. 10, 1st Floor, "Court House",
L.T.Marg, Carnac Road,
Mumbai 400 002.

SOLICITORS

M. S. Bodhanwalla
Motlibhai Wadia Bldg, 1st Floor,
22D, S. A. Brelvi Road,
Fort, Mumbai 400 001.

BANKERS

Citibank N. A.
Global Trust Bank Ltd.
The Bharat Co-op. Bank (Mumbai) Ltd.

REGISTERED OFFICE

B-22, 1st Floor, Raj Industrial Complex,
Military Road, Marol, Andheri (E),
Mumbai 400 059.

Email Address : [cmd\(a\)choiceinternational.com](mailto:cmd(a)choiceinternational.com)

REGISTRARS AND SHARE TRANSFER AGENTS

Purva Sharegistry (India) Pvt. Ltd.
33, Printing House,
28-D, Police Court Lane,
Behind Old Handloom House, Fort,
Mumbai 400 001.

Email address : busicomp@vsnl.com

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CHOICE INTERNATIONAL LIMITED

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of **CHOICE INTERNATIONAL LIMITED** will be held on Tuesday, 25th September, 2001 at 4.30 p.m. at the Registered Office of the Company at B-22, 1st Floor, Raj Industrial Complex, Military Road, Marol, Andheri (E), Mumbai 400 059 to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and Profit and Loss Account for the year ended on that date and the reports of the Directors' and Auditors' thereon.
2. To elect a Director in place of Mrs. Pallavi Jindal, who retires by rotation under Article 131 of the Articles of Association of the Company and being eligible, offers herself for re-appointment.
3. To retire Mr. Devendra Agarwal, Director, who retires by rotation under Article 131 of the Articles of Association of the Company and does not offer himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting, with authority to the Board of Directors of the Company 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 Thursday, the 20th September, 2001 to Tuesday 25th September, 2001 (both days inclusive).
3. All members are requested to intimate the change, if any, in their registered address, immediately to the Registrar and Transfer Agents, M/s Purva Sharegistry (India) Pvt. Ltd.
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 of economy, 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 affix their signature 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.

on behalf of the Board of Directors

Mumbai, 21st August, 2001

Shallendra Jindal
Managing Director

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CHOICE INTERNATIONAL LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their Eighth Annual Report and Audited Financial Statement of the Company for the year ended 31st March, 2001.

FINANCIAL RESULTS	(Rs. in lacs)	
	Year ended 31.03.2001	Year ended 31.03.2000
Total Income	50.46	224.05
Total Expenditure	52.21	227.00
Profit / (Loss) before Interest, Depreciation and Taxation	(1.75)	(2.95)
Less: Interest	---	---
Depreciation & Write Offs	5.86	6.43
Provision for taxation	---	---
Profit / (Loss) after tax	(7.61)	(9.38)
Add: Balance brought forward	(41.50)	(32.07)
Less: Expenses pertaining to previous year	---	(0.05)
Appropriations :		
Carried forward to next year	(49.11)	(41.50)

DIVIDEND

Your Directors are unable to recommend any dividend for the current year in view of Loss during the year.

REVIEW OF OPERATIONS

Your directors are pleased to inform you that your Company has established its presence in the domestic software market in the very first year of its diversification into software business which has become its prime focus area. Despite the general slow down in the economy and software business, your Company could achieve Rs. 31.33 Lakhs revenue from its software division and a net profit of Rs. 3.44 Lakhs from its software business.

Your Company launched following software products during the year under review :

- (i) Choice3 - A Personal Accounting, Portfolio and Income Tax software.
- (ii) Paychoice - Payroll Management software.
- (iii) Choice F.A. (DOS) - A Business Accounting Software.
- (iv) Choice Sub-broker - A stock broker's back office accounting system.
- (v) Choice Web-broker - A web based stock broker's back office management system.
- (vi) Choice Web DP - Web based Depositories' back office management system.
- (vii) Choicemail - A multi-email software.

All the products were well received in the market and your Company also executed some prestigious software development contracts.

During the current year your Company entered into a strategic alliance with OAK Brook Technologies, a global ERP solutions company headquartered in U.S.A., for SAP R/3 implementation services. This alliance has put a highly qualified and experienced team of SAP consultants, at your Company's disposal for undertaking SAP Implementation Services.

Though the continued slow down of economy is an area of concern with your directors, your directors are confident of improved performance in the coming years.

SUBSIDIARY COMPANY

As required under Section 212 of the Companies Act, 1956, the Directors' Report, Audited Accounts and the Auditors' Report for the subsidiary company's accounts for the year ending 31st March, 2001 is annexed

DIRECTORS

Mrs. Pallavi Jindal retires at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. Your Directors recommend her re-appointment.

Mr. Devendra Agrawal retires at the ensuing Annual General Meeting and does not offer himself for re-appointment. Your Directors have decided not to fill up the vacancy so created and that the number of Directors be reduced accordingly

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors' confirm that :

1. In the preparation of the annual accounts, the applicable accounting standards have been followed;
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the affairs at the end of the financial year and of the loss of the Company for the financial year ended March 31, 2001;
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities;
4. The annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors, M/s B.T.Bhomawat & Co., Chartered Accountants, Mumbai retire and being eligible, offers themselves for re-appointment. Your directors recommend their appointment. Your Company has received a Certificate from the Auditors that their appointment, if made would be within the limits prescribed under Section 224 (1) of the Companies Act, 1956.

PUBLIC DEPOSITS

The Company has not accepted any deposits from Public within the meaning of Section 58 A of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are required to be given under Section 217(2)(a) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

Provisions of Section 217(1)(e) regarding information on conservation of energy, technology absorption are not applicable to the Company. Please refer to Schedule 'N' to the Balance Sheet for earnings & expenditure in foreign currency.

CORPORATE GOVERNANCE

The guidelines on Corporate Governance will be applicable to the Company w.e.f. financial year 2002-03.

DEMATERIALIZATION

As per the SEBI directives, your Company's shares have been included in the compulsory demat list for trading for all investors w.e.f. 30th October, 2000. Since then the total electronic holding in the Company's shares as on 31st March, 2001 is 26,83,900 equity shares which is 70% of total shares issued by the Company.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation of the continuous support received by the Company from its Customers, Bankers, Business Associates, Shareholders as well as the Employees of the Company.

For and on behalf of the Board

Mumbai, 21st August, 2001.

SHAIENDRA JINDAL
Managing Director

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CHOICE INTERNATIONAL LIMITED

AUDITORS' REPORT

To
THE MEMBERS OF
CHOICE INTERNATIONAL LIMITED :

We have audited the attached Balance Sheet of CHOICE INTERNATIONAL LIMITED as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act 1956 we enclose in Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
- (2) Further to our comments in the Annexure referred to in paragraph (1) 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 purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appeared from our examination of such books;
 - (c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts;
 - (d) In our opinion the Balance Sheet and Profit & Loss account comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of our review of the confirmation received from the companies or written representation received from the directors, and taken on records by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2001 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to explanations given to us the Accounts read together with the accounting policies and the other notes given in Schedule 'N' give the information required by the Companies Act 1956 in the manner so required and give a true and fair view :
 - (i) In the case of Balance Sheet of the State of affairs of the Company as at 31st March, 2001.
 - (ii) In the case of Profit and Loss Account of the LOSS of the Company for the year ended on that date.

For B.T.Bhomawat & Co.
Chartered Accountants

B.T.Bhomawat
Proprietor

Mumbai, 21st August, 2001.

ANNEXURE TO THE AUDITOR'S REPORT*

(*Referred to in paragraph (1) of our report of even date on the accounts of Choice International Limited for the year ended 31st March, 2001)

1. The Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets. As informed to us all the fixed assets have been physically verified by the management at reasonable intervals during the year, which in our opinion is reasonable as regards to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the year.
3. The Management has conducted physical verification at reasonable intervals in respect of inventory of finished goods. In our opinion and according to information and explanations given to us, the procedure of physical verification of stock adopted by management is reasonable and adequate according to the size of the Company and the nature of its business. No material discrepancy was noticed on physical verification as compared to the book records.
4. On the basis of our examination, the valuation of stock is fair and proper in accordance with the normally accepted principles and the basis of valuation is same as in the preceding year.

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CHOICE INTERNATIONAL LIMITED

5. The Company has not taken any loans, secured and unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of this section are not applicable to the Company w.e.f. October 31, 1998.
6. The Company has not granted any loans to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of this section are not applicable to the Company w.e.f. October 31, 1998.
7. The Parties to whom loans or advances in the nature of loans have been given are generally repaying the Principal amount as stipulated and interest wherever applicable, regularly except in one case of loan of Rs. 6.06 lakhs where the Company is trying to recover the amount involved. Installments and interest where applicable on loans granted to the staff are recovered regularly as per rules of the Company.
8. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for purchase and sale of finished goods.
9. In our opinion and according to the information and explanations given to us, there are no transactions of purchases of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 (1 of 1956) as aggregating during the year to Rs.50,000 or more in respect of each party.
10. 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 thereunder.
11. The Company has an adequate internal audit system commensurate with its size and nature of its business.
12. The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
13. Paragraph 4A (xvii) of the Order with respect to the Provident Fund Laws and the Employee's State Insurance Scheme are not presently applied to the Company.
14. There are no amounts outstanding as on 31st March, 2001 in respect of undisputed income tax, sales tax, customs duty and excise duty which were due for more than six months from the date they became payable.
15. According to the information and explanations given to us, the Company has maintained adequate records and documents in case where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and any other similar securities.
16. We are informed that the provision of any other special Statute applicable to Chittlunds, Nidhi or Mutual Benefit Society do not apply to the Company.
17. The Company has maintained proper records of transaction and contracts in respect of instruments and timely entries have been made therein. All shares have been held by the Company in its own name, except for certain shares which were either lodged for transfer or held with valid transfer forms.
18. No personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
19. The Company is not a sick industrial company within the meaning of Clause (O) of the Section 3 (1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. Other Provisions of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 do not apply to the Company.

For B.T.BHOMAWAT & CO.
Chartered Accountants

B. T. BHOMAWAT
Proprietor

Mumbai, 21st August, 2001.