



Choice International Ltd

Success is a matter of Choice

17th Annual Report 2009-10





From Desk of Managing Director



Dear Shareholders

It is my pleasure welcoming you for the Seventeenth Annual General Meeting of your Company.

Fiscal 2010 has been a year of renewal of confidence and optimism in the Indian economy, as it has rebounded strongly from the impact of the global financial crisis and demonstrated its inherent strength and growth potential. India's resilience has been admirable as it demonstrated that a domestic consumption driven economy is more immune to the vagaries of global uncertainties.

The Indian GDP registered a growth rate of 7.4 percent during 2009-10, against 6.7% growth rate during 2008-09. Recovery in the Industrial production remained robust with 10.4 percent growth rate for the year 2009-10. The financial year 2009-10 was an outstanding one for the Indian equity market. The Sensex rallied 77% and the Nifty surged 72%. Foreign Institutional Investors came back in droves, pumping approximately USD 25 billion into India's cash market. India, as a result was one of the best performing equity markets globally. Two major events aided the recovery in global markets resulting from the stimulus packages and establishment of a stable government in India after the Lok Sabha elections in May 2009.

While the Indian economy was slowly limping back to normalcy, 2009-10 was a landmark year for Choice International Limited. The turnover of the company has crossed Rs 34 crores mark for the first time with an assurance to set new benchmarks every year.

At a time when the economy was weak, Choice pooled capabilities, capitalized on opportunities and strengthened its presence. Choice, in line with its vision to become an integrated financial services provider has ventured into other areas of business such as Equity Broking, Currency Derivatives, Commodity Broking, Mutual Fund Distribution, Insurance Broking, Wealth Management and Outsourcing through its various subsidiaries along with its existing activities of investment banking, corporate advisory and fund syndication.



With great pleasure I inform you that Choice Equity Broking Private Limited is now a multi member of BSE and NSE in cash, futures and options and currency derivatives segment. Choice Merchandise Broking Private Limited is a trading member of MCX, NCDEX and ICEX. Choice Wealth Management Private Limited is a registered with AMFI as Mutual Fund Distributor and is empanelled with major Mutual Fund Houses. Your Company in its urge to have pan India presence, has also launched its operations in four metro cities i.e. Jaipur, Bengaluru, Kolkata and New Delhi.

Looking at the performance for the year, the profit after tax has increased to Rs 2.68 crores in 2010 against Rs 14.41 lakhs in the last year, consequently the earning per share has increased to Rs 4.39 in 2009-10 as against Rs 0.36 in 2008-09. With the current overall performance and growth outlook, your Board has recommended a dividend of 5%. The result was a combination of optimized costs, enriched product mix and enhanced profitability.

All the above indicates that your company is poised to reap the benefits of oncoming economic growth. Steady Government thrusts on infrastructure, increased spending on social measures as well as on employment generation are all factors that will provide further impetus to the growth of the Indian Economy. We are fully energized and committed towards playing our part in realizing the potential of India, empowering more and more Indians to participate in the growth process and creating value for all our stakeholders.

I take this opportunity to thank each one of you for the confidence reposed in us. I am confident that with your continue support your company will be able to survive all further challenges.

With Best Wishes

Kamal Poddar

Corporate Information

Board of Directors

Mr. Kamal Poddar

Mrs. Hemlata Poddar

Mr. Ajay Kejriwal

Dr. Satish Chandra Kulhari

Mr. Brijmohan Agarwal

Mr. Manak Chand Daga

Auditors

M/s Gupta Shyam & Co.

Chartered Accountants

Registered Office

202, Chartered House, Dr. C. H. Street,

Marine Lines, Mumbai-400002, India

Phone: 91. 22.43552100

Fax: 91. 22. 2206 8600

Email: info@choiceindia.com

Website: www.choiceindia.com

Bankers

The Bank of Rajasthan Ltd

HDFC Bank Limited

Registrar and Share Transfer Agent

Sharex Dynamic (India) Pvt. Limited

Unit-1 Luthra Industrial Premises,

Andheri- Kurla Road, Safed Pool,

Andheri (E), Mumbai-400072

Phone: 0222 851 5606 / 5644

www.sharexindia.com

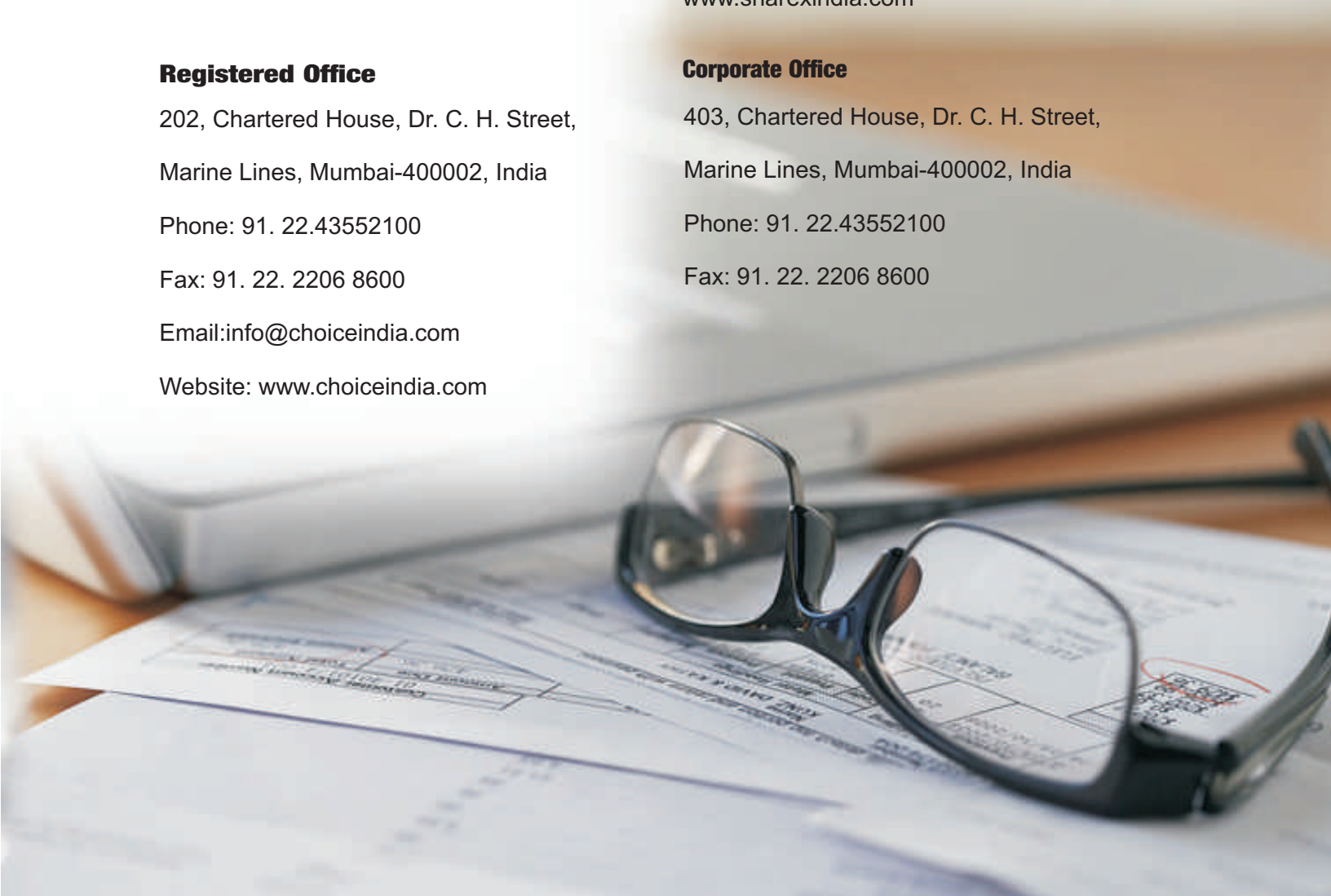
Corporate Office

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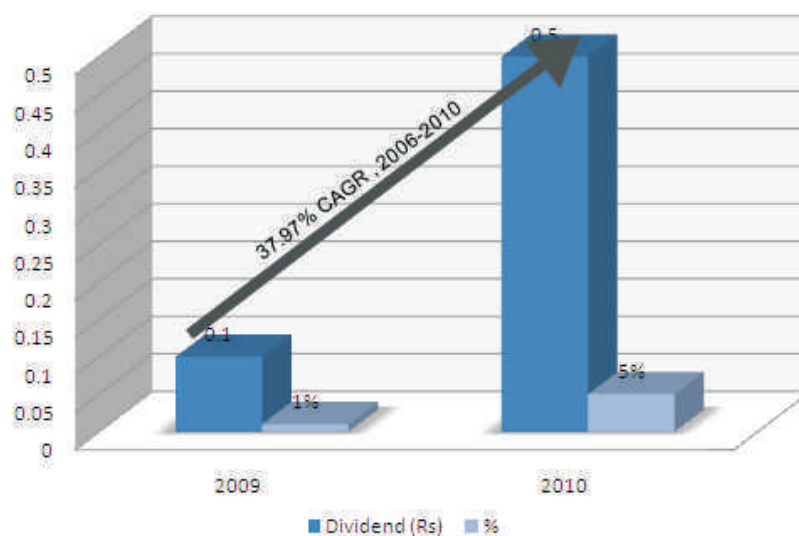
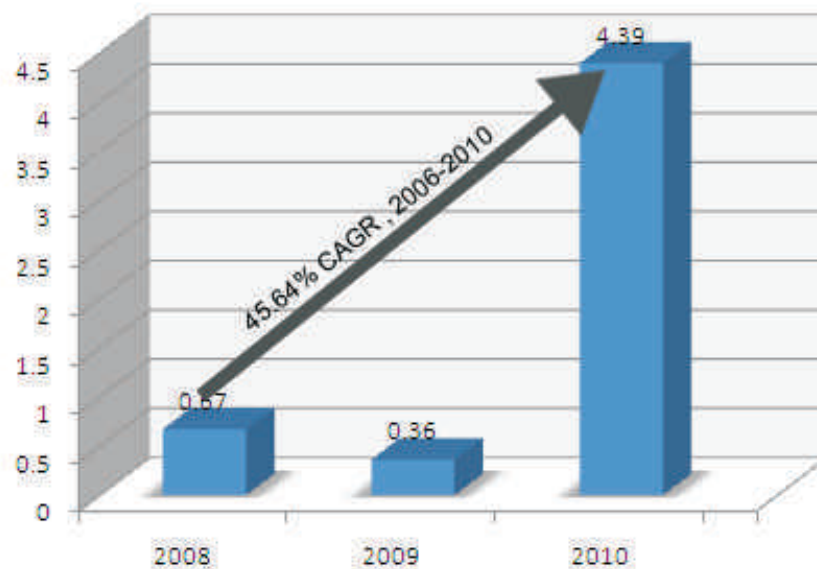
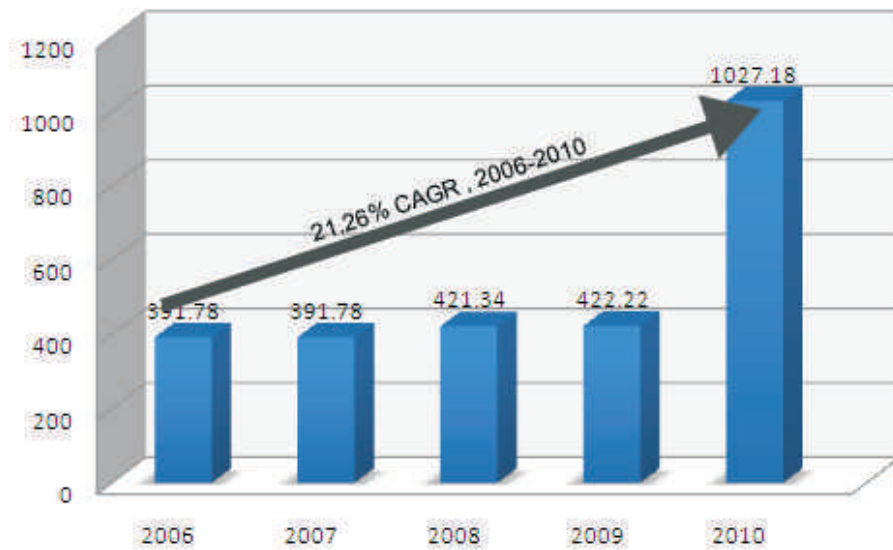


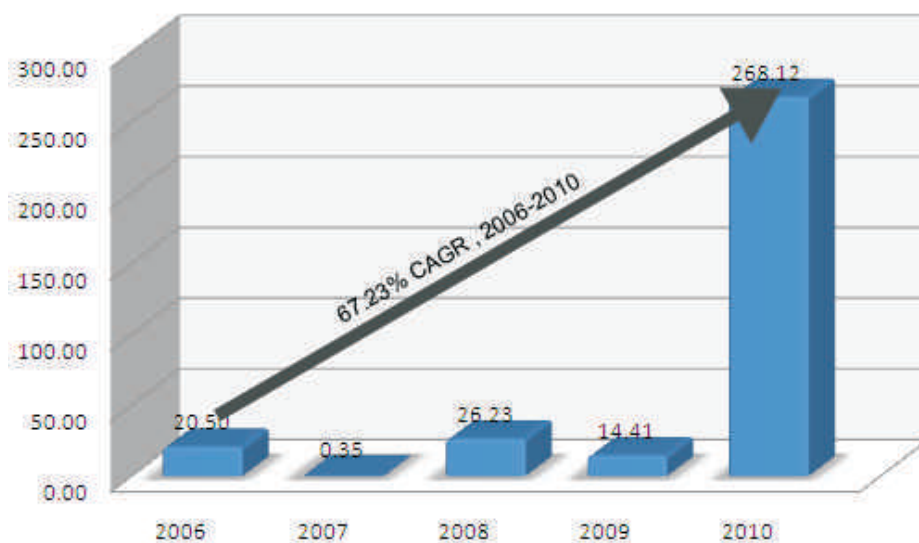
Financial Highlights

	2009-10 Rupees (In Lakhs)	2008-09 Rupees (In Lakhs)
Gross Revenue	3469.83	188.49
Profit Before Tax	399.45	20.25
Profit After Tax	268.12	14.41
Dividend	32.52	6.50
Retained Earnings	176.83	0.88
Funds Employed	1075.25	425.95
Net Worth	1027.18	422.22
Borrowings	18.00	0.00
Debt: Equity Ratio	0.02:1	0.00
Net Worth per Equity share of Rs 10/- each	15.79	10.54
Earnings per Equity Share (Basic) – In Rupees	4.39	0.36
Earnings per Equity Share (Diluted) – In Rupees	4.39	0.36
Dividend per Equity Share	0.50	0.10
Dividend %	5%	1%

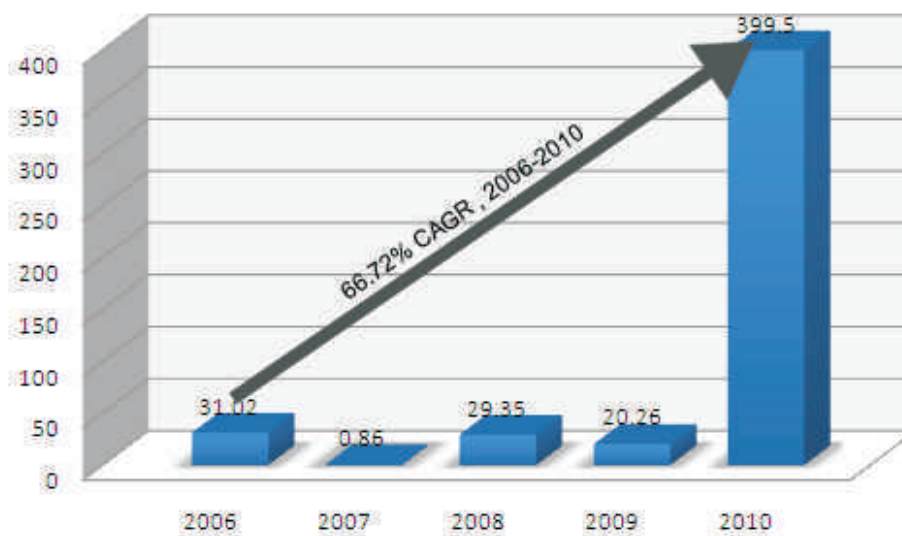


Performance at Glance

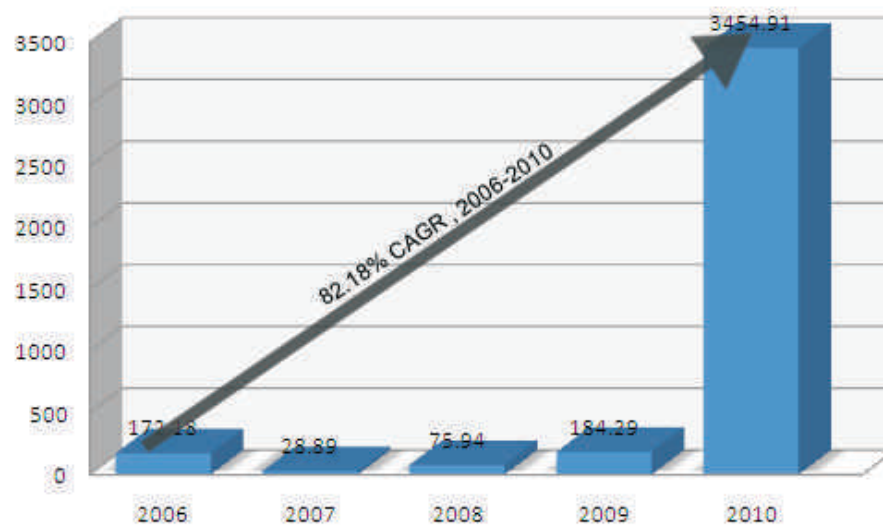




**Profit After Tax
(Rs. In Lakhs)**



**Profit Before Tax
(Rs. In Lakhs)**



**Turnover
(Rs. In Lakhs)**



Directors' Report to Member

To the Members of Choice International Limited

The Directors have the pleasure in presenting the Seventeenth Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended March 31, 2010.

In line with the requirement of the Listing Agreement with the Bombay Stock Exchange, your Company has been reporting consolidated results –taking into account the results of its subsidiaries. This discussion therefore covers the financial results and other developments during April 09- March 10 in respect of Choice Consolidated comprising-Choice International Limited and its subsidiaries. The consolidated entity has been referred to as 'Choice' or 'Group' or 'Your Group' in this discussion.

Financial Results

I) Consolidated Financial Results of Choice International Limited and its Subsidiaries: (Rs in Lakhs)

Particulars	2009-10
Total Income	3473.42
Total Expenditure	3102.31
Profit Before Tax	371.10
Provision for Tax (Including Deferred Tax and Fringe Benefit Tax)	131.44
Profit After Tax before Minority Interest	239.66
Less: Share of Minority Interest	(0.02)
Profit after Tax after Minority Interest	239.68
Earnings Per Equity Share (Face Value – Rs 10/-)	
Basic (Rs)	3.93
Diluted (Rs)	3.93

I) Standalone Financial Results of Choice International Limited: (Rs in Lakhs)

	2009-10	2008-09
Total Income	3469.83	188.49
Total Expenditure	3070.37	168.23
Profit Before Tax	399.46	20.25
Provision for Tax (including Deferred Tax and Fringe Benefit Tax)	131.33	5.84
Profit/Loss After Tax	268.13	14.41
Add: Surplus brought forward from previous year	0.88	(5.92)
Less: Short provision of tax in earlier years	0.12	0.00
Profit available for Appropriations	268.89	8.49
Appropriations:		
Transfer to Statutory Reserve	54.00	0.00
Proposed Dividend	32.52	6.50
Dividend Distribution Tax on Proposed Dividend	5.53	1.11
Surplus carried forward	176.84	0.88



Results of Operations

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

During the year, the Company has scaled new heights and set several new benchmarks in terms of profits, net worth and assets. Turnover for the year was Rs 3454 Lakhs against 184 Lakhs in the previous year. The income from NBFC activity was higher by 14.77 times at Rs 2645 lakhs. Your Company has ventured into new area of business such as Investment Banking, Corporate Advisory, Debt Syndication, etc,... The fee based income generated in the first year of operations of these activities is Rs 809 lakhs, which is commendable in itself.

The Profit after tax for the year was Rs 268 lakhs as against Rs 14 lakhs.

Reserves

The company in the year 2009-10 has appropriated a sum of Rs 54.00 Lakhs towards Reserve Fund under Sec 45-IC of Reserve Bank of India Act, 1934

Deferred Tax

In terms of Accounting Standard on 'Accounting for Taxes on Income' (AS-22) a sum of Rs 26.33 lakh has been debited to the Profit & Loss Account being Deferred Tax Liability for the year under review.

Dividend

The Earnings per Share (EPS) of the Company has risen to Rs 4.39 during the year 2009-10 from Rs 0.36 in the previous year. Looking to the overall improvement in performance and the growth outlook for the current year, the Directors recommend dividend of Rs 0.50 per share of Rs 10/- each for the year ended March 31, 2010. (Dividend for the year 2008-09 was Rs 0.10 per equity share of Rs 10/- each.) The Company shall pay tax on the amount of dividend paid, which will be tax-free in the hands of the shareholders.

Increase in Share Capital

During the year, we issued 25, 00,000 equity shares to promoters and others under the Securities Exchange Board of India (Disclosure and Investor Protection) guidelines on preferential basis. Due to this, the outstanding issued, subscribed and paid up equity share capital increased from 40, 04,800 to 65, 04,800 shares as at March 31, 2010.

Finance

During the year under review, the shareholders of the Company had approved borrowing upto an aggregate amount of Rs 50 crores, under section 293(1)(d) of the Companies Act, 1956.

Opening of Branches

During the fiscal 2009-10, your company in accomplishing its vision to become an integrated financial services provider having pan India presence has launched its operations in four metro cities of India through its Branches. Your Board expects our branches to become the key points of customer acquisition and service. The branch network is expected to serve as an integrated channel for retail asset origination and distribution of third party products.

Infrastructure Development

The company has entered into Memorandum of Understanding for purchase of Building with the intended use as Group Corporate Office located at J.B.Nagar, Andheri (East), New Commercial Hub in Mumbai.



Acquisition:

Choice Insurance Brokers Private Limited was formerly known as "Ryder Consultancy Private Limited". The company was almost dormant with no activity till May 2009, when a management takeover was done by Choice International Limited in June, 2009 with an idea of transforming the company into the most respected and reliable insurance service provider in India.

Presently, Choice International Limited holds 98.03% equity shareholding in the company, thus becoming subsidiary of your company.

Zenu Infotec Limited

Pursuant to Sale and Purchase Agreement dated September 25, 2009 (SPA) executed with promoters, your company has acquired 30.38% equity shareholding in the Company thus becoming a associate company. Presently, Zenu Infotec Limited is engaged in the business of Software sales and consultancy services. The consolidated statement does not include the figures pertaining of Zenu Infotec Limited as the accounts of the company have not being finalized.

Subsidiaries

During the year under review the following subsidiary companies were incorporated to enable the company to venture into other area of business .

Choice Equity Broking Private Limited

Choice Equity Broking Private Limited was incorporated as a wholly owned subsidiary of Choice International limited on January 9, 2010 to provide equity broking and currency derivatives and research services, as well as marketing of equity related products.

The subsidiary is the corporate member of both the Bombay stock Exchange Limited and the National Stock Exchange of India Limited in cash, Futures and options and currency derivatives segment.

The Company is also a member of MCX-Sx in the currency derivatives segment.

Choice Merchandise Broking Private Limited

Choice Merchandise Broking Private Limited was incorporated as a wholly owned subsidiary of Choice International Limited on January 12, 2010 to provide trading platform options in both agri and non agri commodities for Exchange based commodity trading backed by incisive dedicated research.

The subsidiary is the corporate member of Multi Commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited and Indian Commodity Exchange Limited.

Choice Capital Advisors Private Limited

Choice Capital Advisors Private limited was incorporated as a wholly owned subsidiary on January 1, 2010 with motto to venture into the area of merchant banking activities. In order to sustain the above plans, your Company contemplates to apply for the SEBI Merchant Banking Category 1 license in the near term.

Choice Wealth Management Private limited

Choice Wealth Management Private Limited was incorporated as a wholly owned on January 6, 2010. The subsidiary company is founded on a strong philosophy and a belief, that expertise and guidance is fundamental to wealth management. The subsidiary company was set up for providing investment advisory services, financial planning and distribution of Mutual fund to HNI and retail clients. The subsidiary company is an AMFI registered Mutual fund Distributor for providing the aforesaid services.