



Choice International Ltd

Success is a matter of Choice





Vision

To be a leader in the Global Financial Services Industry by providing quality services in professional & time bound manner, while nurturing relationships

Mission

To persistently pursue the creation of superior stakeholder value by exceeding customer expectation profitably, unleashing employee potential, while being a responsible corporate citizen, adhering to our values



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message from Managing Director

Your Company is well poised to emerge as a leader in the financial services industry while clear focus on developing relationships with the entities on the brink of take-off

Dear Stakeholders,

In the year 2009, we the new management of the company had chartered out a growth plan for the next ten years for achieving our vision of becoming a leader in the financial services industry. The growth plan had been divided into three stages i.e. Immediate, Aspirations & Ambitions.

I take great pride in informing that your company in the last two years has been successful in achieving the immediate plans. The company had taken various steps in achieving the goal in the timeline set. The performance of your company in the year 2010-11 truly reflects the efforts taken by the team. Your company has registered a growth of 36% in income and 26.31% in Profit after Tax over previous year's performance on consolidated basis. The earnings per share of the company has increased by 18.07%, to ₹4.64 as compared to previous year. Further, we are pleased to inform that all the regulatory approvals have been received or

are in the advanced stage of the approval.

I strongly believe that what we achieved so far is the beginning of new era of growth. During the year 2010- 2011, we stepped up our commitment to build organizational competence, management bandwidth and the ability to execute our strategic initiatives. In addition, the Board has in place strategy for each of the business vertical of the company while catering to the diverse needs of its clients. This strategy is implemented keeping in mind the responsibility of the company towards the various stakeholders.

The future outlook for your company is quite positive as indicated by the current performance combined with the vast pool of expert knowledge. The company in the coming years has its focus to expand its presence both in terms of geographical reach and the business segments, it serves. We believe that India is a great land of opportunity and your company is well positioned to benefit from these opportunities.

Before I conclude, I would like to thank the entire Choice team for their consistent performance. I take great pride in the performance of our people.

Stepping into the New Year, we are confident of our way forward and are committed to delivering enhanced value to all our stakeholders. I would like to thank our valued clients and associates for their support, which has been critical and integral to our success. Last but not the least, I thank our shareholders for their continued confidence and faith; I assure you that my team and I will live upto the trust you have reposed in us.

We look forward to an exciting year ahead with new milestones and accomplishments. ■

Best Regards,

Kamal Poddar
Managing Director





our values

Stand by our words

We always keep promises - big or small. We work tirelessly to proactively address exceptional circumstances when we face challenges in keeping our commitments.

Valuing differences and respecting them

We are passionate about encouraging diversity and equal opportunity at Choice. We treat every person with respect and value his or her ideas and thoughts. We view constructive differences in opinion as learning opportunities and make decisions rationally.

Honour and develop expertise and apply it to uniquely benefit our customers

We value industry and functional expertise and recognize that our clients look to us to provide the best solutions. We make the investments needed to help our associates build and apply the expertise required.

Anticipate ideas and trends, not just follow them

Our success depends on our ability to innovate and outdo the competition. We think deeply about the new trends that impact our business and are not shy about developing new ideas and taking calculated risks to succeed in a rapidly changing environment. Being an early mover and anticipating trends are the keys to our success.

Recognize and fulfill our responsibilities to the communities around us

We are sensitive to the needs of the communities around us. We constantly look for ways to help them overcome challenges. Our contribution is an important corporate and individual priority.

financial highlights



Financial Highlights (Standalone)	₹ in Lakhs				
	2010-11	2009-10	2008-09	2007-08	2006-07
Total Income	4705.18	3469.83	188.49	110.68	29.21
Profit Before Tax	491.23	399.45	20.25	29.35	0.86
Profit After Tax	331.50	268.12	14.41	26.25	0.35
Retained Earnings	354.11	176.83	0.88	(5.93)	(32.17)
Dividend	75.04	32.52	4.04	0.00	0
Dividend per Equity Share	1.00	0.50	0.10	0.00	0
Dividend (%)	10	5	1	0	0
Equity Share Capital	750.48	650.48	400.48	400.48	391.79
Reserves and Surplus	2100.98	376.70	21.75	20.87	0
Net Worth	2851.46	1027.18	422.22	421.34	391.79
Borrowings	1837.06	18.00	0.00	0.00	0
Funds Employed	4808.93	1075.25	425.95	421.34	391.79
Market Capitalisation as at March 31,2011	6086.39	4868.84	501.80	483.77	35.81
Key Indicators					
Net Worth per Equity Share of Rs 10/-	38	15.79	10.54	10.52	10
Earnings per Equity Share (Basic) - In ₹	5.08	4.39	0.36	0.67	0
Earnings per Equity Share (Diluted) - In ₹	5.08	4.39	0.36	0.67	0
Debt Equity Ratio	0.64:1	0.02:1	0	0	0
Net Profit Margin (%)	7.05	7.73	7.64	23.72	1.20
Return on Net Worth (%)	11.63	26.10	3.41	6.23	0.09

corporate information

Board of Directors:

CA Kamal Poddar
CA Ajay Kejriwal
Mrs. Hemlata Poddar
Dr. Kali Mohan Bhattacharya
Mr. Debkumar Goswami
Dr. Satish Chandra Kulhari
CA Brijmohan Agarwal
CA Manak Chand Daga

Bankers:

HDFC Bank Limited
AXIS Bank Limited
State Bank of India

Auditors:

M/s. Gupta Shyam & Co.
Chartered Accountants

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: 022-28515606/5644
www.sharexindia.com

Registered Office:

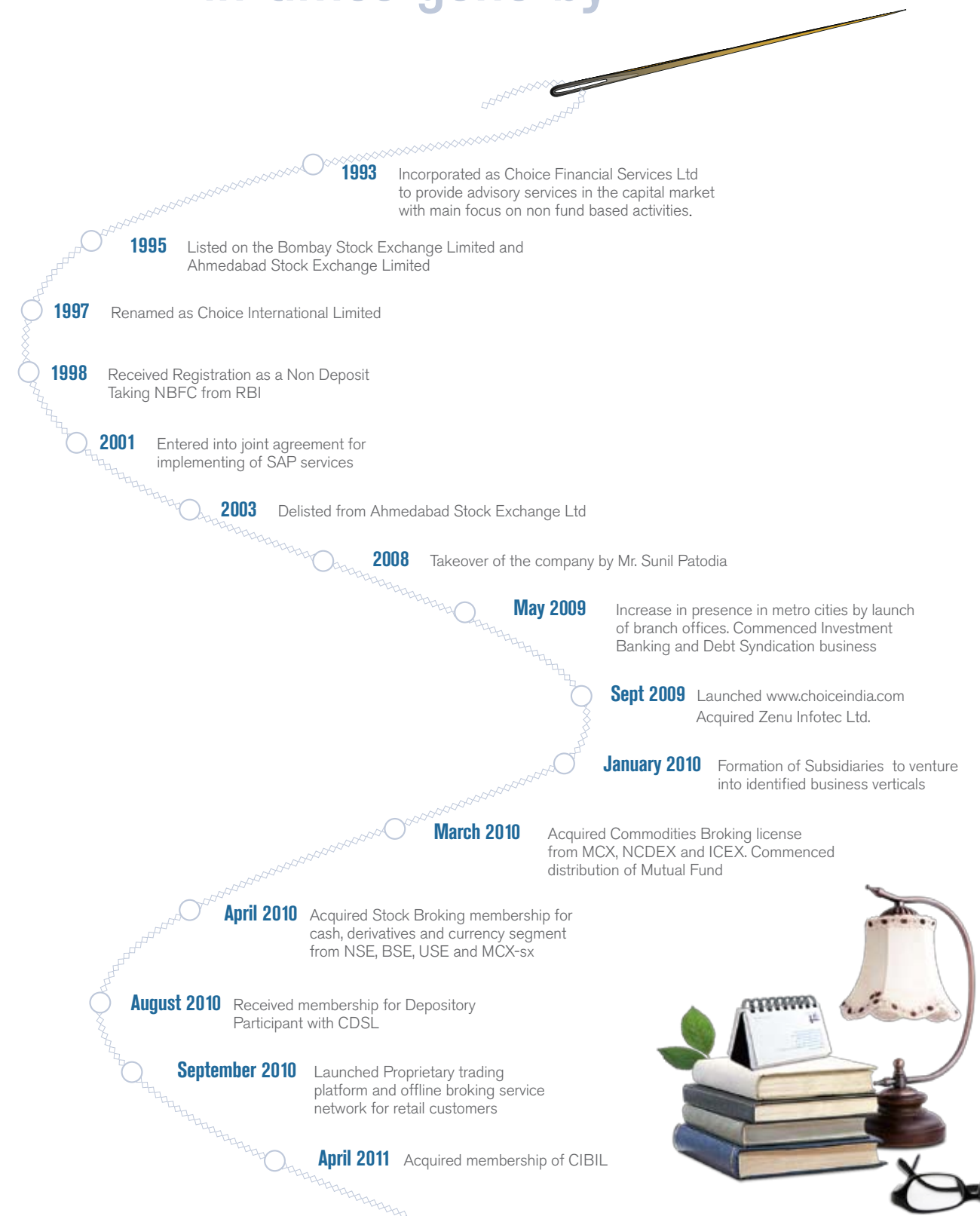
202, Chartered House,
Dr. C. H. Street,
Marine Lines,
Mumbai - 400002, India
Phone: 91-022-43552100 - 149
Fax: 91- 022- 2206 8600
Email: info@choiceindia.com
Website: www.choiceindia.com

Our Presence:

Mumbai
New Delhi
Jaipur
Ahmedabad
Kolkata
Bengaluru
Surat



your company in times gone by



the board

CA Kamal Poddar, Managing Director

CA Kamal Poddar, Chartered Accountant by profession, Mr. Kamal Poddar aged 32 years is a visionary with over 12 years of experience. Mr. Poddar has in-depth knowledge of the primary as well as the secondary market. With his tireless administrative efforts and adept technical expertise, Choice International Limited has seen a turnaround in the year 2009-10.

In addition to being an expert at the capital markets, Kamal Poddar has proven track record for successfully scaling Businesses to newer heights. Mr. Poddar is a strategic thinker, trainer and motivator who know the pulse of the market place. He has been able to identify and nurture talent required for the growth of business. Mr. Poddar is an acknowledged expert in the field of equity funding by way of private placements.



CA Ajay Kejriwal, Non Executive Director

CA Ajay Kejriwal is the fellow member of the Institute of Chartered Accountants of India, holds a Bachelor Degree in Commerce from University of Pune. He has also done a certification course on information systems audit with the Institute of Chartered Accountants of India (known as DISA)..

He is an acknowledged expert in the field on IFRS convergence, international taxation, and foreign investment consultancy and exchange control regulations. Mr. Kejriwal is also possesses experience as an investment advisor for its major clients in respect of their financial decisions.



Mrs. Hemlata Poddar, Non-Executive Director

Mrs. Hemlata Poddar holds a post graduate degree in political science from Rajasthan University. Mrs. Poddar is having vast experience in Management and Administrative functions. Her areas of interest include management training and leadership.



Dr. Kali Mohan Bhattacharya, Independent Director

Dr. K.M. Bhattacharya is an MA & Ph.D. in Economics, D.Litt. in Banking & Finance and CAIIB from Indian Institute of Banking & Finance. A versatile banker with forty one years of working experience in all facets of banking occupying Top Executive positions such as Chief General Manager in State Bank of India, Executive Director in IndusInd Bank and Managing Director of the Erstwhile Bank of Rajasthan Ltd. He has served as a Member of the Governing Body of the Indian Banks Association, Maharashtra State Financial Corporation, and Vice President, Rajasthan Chamber of Commerce. He was Economic consultant of Multi Commodity Exchange Ltd. (MCX) and Advisor, Asset Reconstruction Corporation of India Ltd. (ARCIL).



He is also a reputed academician. He was Dean, ICFAI Business School, Mumbai and Vice Principal State Bank Staff College, Hyderabad. Presently, he is connected with leading Management Institutes and Bankers' Training Institutes as Visiting Faculty. He is a prolific writer, contributed large number of articles on contemporary banking & financial issues in leading Journals, Magazines & Financial News Papers. He has authored a few books on Banking, Finance and Risk Management.

Mr. Debkumar Goswami, Independent Director



Mr. Debkumar Goswami is Bachelor of Mechanical Engineer, MBA and CAIIB having more than 40 years experience to the Banking & Financial Services Industry. Mr. Goswami believes in striking excellence continuously in pursuit of success. After serving SBI & SBI capital for 20 years, Mr. Goswami joined Ashok Leyland Investment services Limited where he was CEO & President. He has also held the position of senior Vice- President at UTI bank Ltd. for a period of approximately four years. He at various stages of time was advisor to Standard Chartered Bank, HSBC & ARCIL Limited. He is presently associated with Uttam Galwa Group of Companies as the Group Corporate Advisor. He was a guest faculty of IIM and a regular contributor as a guest columnist in well known financial dailies like Financial Express. Presently he is on the Board of few aspiring corporates. He is a great source of inspiration for the Company's young and dynamic professionals.

CA Brijmohan Agarwal, Independent Director

Mr. B.M. Agarwal is the fellow member of the Institute of Chartered Accountants of India by profession with over 25 years of experience; he started his career with Indian Rayon as Tax Manager. In the year 1984 he joined M/s Borkar & Muzumdar, Chartered Accountants, Mumbai in 1984 and since 1987 he is partner in the firm and practicing in the areas of Taxation & Litigations. Mr. B.M. Agarwal has been involved in special assignments such as investigation and special audit of large PSU clients and Foreign Banks. Besides above professional affiliation, he had been Chairman of WIRC, ICAI for the year 2008-09 and had been committee member of Local Advisory Board set up by Company Law Affairs- Ministry of Law and Justice.



CA Manak Chand Daga, Independent Director

CA Manak Chand Daga is the fellow member of the Institute of Chartered Accountant and the Institute of Company Secretaries of India. He has more than 20 years of experience in the field of Capital Market. Presently he is C.E.O & Whole Time Director of Mili Consultants & Investments Private Limited, Member of NSE, BSE, CDSL & MCX-sx. He has active participation & trustee of several charitable organizations. Presently, He is also President of Lions Club - Kandivali Thakur Complex, Mumbai.



Dr. Satish Chandra Kulhari, Independent Director

Dr. Satish Chandra Kulhari is an astute academician and a multi-faceted professional. A Doctorate in Management from University of Rajasthan, Jaipur, Dr. Kulhari he has done his M.Tech in Computer Science & Data Processing from IIT Kharagpur and MBA (Finance) from Andhra University. He also holds Post Graduate degree in Computer Management from Jamnalal Bajaj Institute of Management Studies, Mumbai. After having served in the Indian Navy for twenty years, Dr Satish was appointed Director at the Seedling Management College, Jaipur National University. Currently he is associated with Mahindra IT Consulting as Head, Corporate Trainer. He has vast expertise in the field of project management, H.R management, computer science and technology.



Mr. Mahavir Toshniwal, Company Secretary and Chief Operating Officer

Mr. Mahavir Toshniwal, with an expertise of more than 20 years in the Financial Services Industry, is a qualified Company Secretary and a Chartered Accountant. In his initial years of experience, he had been associated with Maheshwari Equity Broking (Member NSE and BSE) for 7 years and later proved his financial acumen as a practicing Company Secretary for more than 7 years. During his stint as a practicing CS; he was involved in a number of key assignments predominantly with financial services clients. His last role was that of Group Company Secretary at Nirmal Bang Group. He has been the prime mover to the overall growth of our company.



Investment Banking

Finance is a fine art of stretching scarce resources over conflicting demands for them.

We combine excellent execution capabilities, microscopic research, rich transaction experience and a wide network of global partnerships to help our clients choose a variety of strategic and financial transactions.

Our Product Offerings:

- Capital Raising through IPOs, QIPs, FPOs, ADRs etc.
- Private Placements
- Debt Issue Management
- Corporate Advisory and Restructuring
- IPOs
- Funds Syndication
- Open Offers /Preferential Issues/ Right issues/Buy-Backs
- Listing/Delisting of Securities
- Revocation of Suspended Companies



Key Strategies:

- * Establishing partnerships with our associate professionals to tap clients across length and breadth of the country.
- * Leverage our research capabilities to identify client's needs and offer appropriate solutions to them.
- * Continue to build the team along with the infrastructure having advanced technologies.

Broking services

Building Trust,



Building Scalability,



Our Product Offerings:

- Equities
- Derivatives
- Currencies
- Commodities
- Depository Services



Building Profitability

Key Strategies:

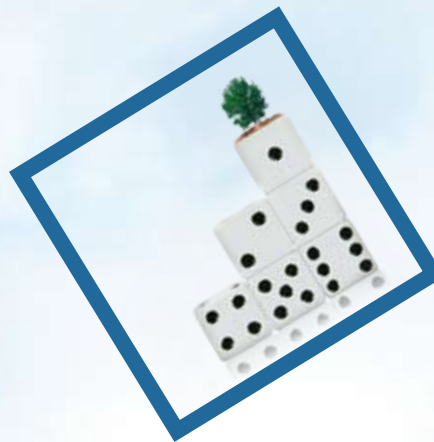
- * Deliver quality research to clients with regular market updates and actionable ideas across asset classes.
- * Increase in Distribution network through branches and sub-brokers across India
- * A well trained sales team for reaching the institutional clients.
- * Educating the customers about the various financial products available in the market and its advantages.
- * Leverage technology to create a advanced front end and accessibility for easier access for the MIS reports and portfolio reports.

Financial Products

Distribution:

Combining our Expertise with your aspirations is the most desired approach for wealth creation.

At Choice, we believe in making financial life simple and easy for our clients. We have put together a team of firm and veteran professionals who would not only assist you in your requirements, but also associate closely in your growth to bring your dreams to be fulfilled.



Our Product Offerings:

- Mutual Fund
- Insurance
- Bonds
- Fixed Deposits
- IPOs



Key Strategies:

- * Intensive training of the sales team to ensure the proper mix of products vis-à-vis the client's needs leading to increase in client conversion as well as retention.
- * Leveraging technology and research to ensure proper financial solutions to the clients.
- * Enhancing the distribution network

Outsourcing Services

Unleashing the knowledge services for your business

Choice Business Services operations are a seamless extension of our clients' operations. Our well-built operating culture defines our process effectiveness that aims at delivering the best business results and thus adding value to our clients. The team has over the period, developed wide network and relationships which are helping in rendering timely services at any place in India.

Our Product Offerings:

- Finance & Accounting
- International Taxation Management
- Credit Rating Consultancy
- Indirect Taxation
- Company Law Compliances
- Due Diligence Assistance
- Human Resource Services
- SEBI Compliances



Key Strategies:

- * Leveraging the knowledge and technology to provide best solutions to our clients.
- * Continue to partner with associate professionals to widen our presence across globe.
- * Building knowledge infrastructure through increasing the employee strength and training them to suit the client's needs and requirements.

our presence

REGISTERED OFFICE:

Mumbai

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New Delhi – 110 005, India
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Ahmedabad

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Near Naranpura Railway Crossing,
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Ahmedabad-380013
Tel: 079-30001864

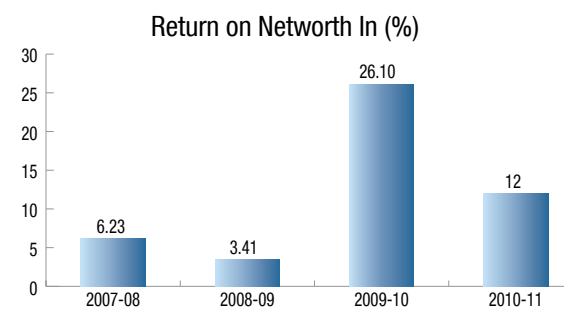
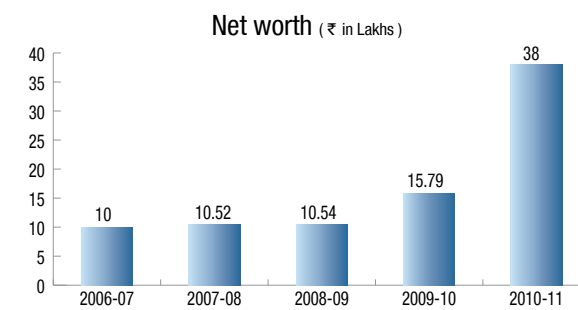
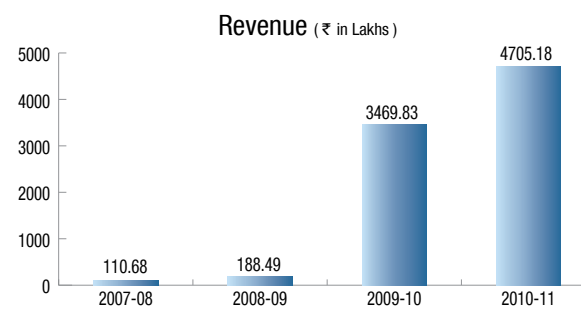
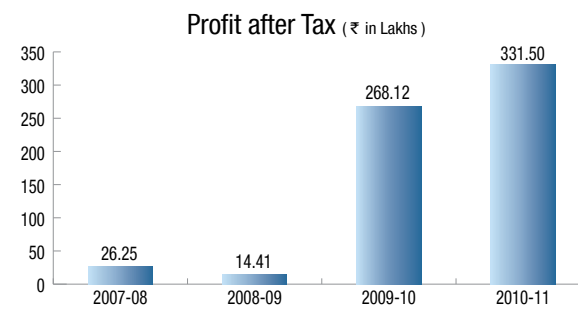
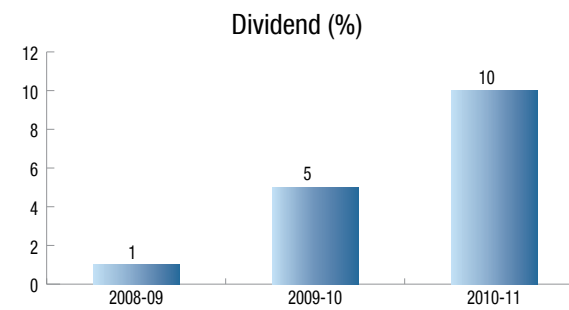
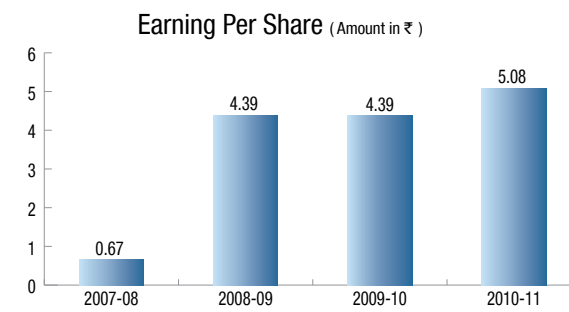
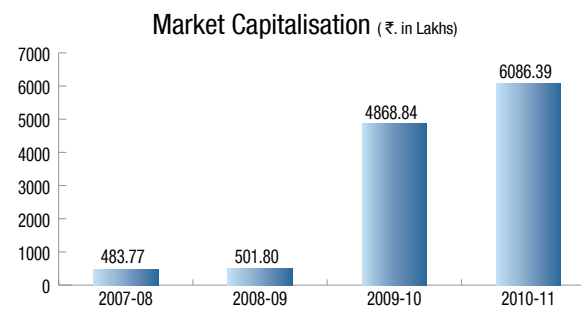
Surat

609, 6th Floor, 21st Century Building,
Nr. Udhana Darwaja, Ring Road,
Surat - 395002.
Tel. +91-261-3015795/ 2357951

Filings and Listings

- Choice International Limited, a company listed with BSE, is registered with the Reserve Bank of India as a non deposit taking Non Banking Financial Company.
- Choice International Limited is admitted with Central Depository Services (India) Limited and National Securities Depository Limited for dematerialization of its securities.
- Choice International Limited is a member of Credit Information Bureau (India) Limited
- Choice Equity Broking Private Limited, a wholly owned subsidiary is registered as a
 - * Trading-cum-Clearing member with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for trading of securities in cash and derivative segment.
 - * Trading Member with MCX-SX and United Stock Exchange of India Limited for currency derivative segment.
 - * Depository participant with Central Depository Services (India) Limited.
 - * Syndicate member for distribution of IPOs
- Choice Merchandise Broking Private Limited, the wholly owned subsidiary is registered as
 - * Trading-cum-Clearing member of Multi Commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited and Indian Commodity Exchange Limited for trading in commodities.
- Choice Wealth Management Private Limited, the wholly owned subsidiary is registered with the Association of Mutual Fund of India for distribution of Mutual Fund Products and is empanelled with all the top mutual fund houses.
- Choice Capital Advisors Private Limited, the wholly owned subsidiary to undertake the Category I- Merchant Banking activities as per the regulations laid by Securities and Exchange Board of India.
- Choice Insurance Brokers Private Ltd, a subsidiary to undertake the Direct Insurance Broker activities (both for life and non life) as per the regulations laid by Insurance Regulatory and Development Agency.

performance at a glance



highlights



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management discussion and analysis

Macro Economic Overview:

The 21st century is seeing a fundamental reshaping of the way business, society and government operate. In recent times, the economic crisis and its repercussions have accelerated the shift of economic power from the developed to the emerging nations and exposed a fragile world with limited capacity to respond to systematic risks. As a consequence, the global economic growth has stymied and likely to traverse in an uncertain zone for some years to come.

The major challenges besetting the world economy are managing the shift in balance of power from developed to emerging economies, increasing competition for securing natural resources, improving productivity in the wake of growing skill mismatches, non-inclusive growth in the emerging economies and above all, a looming economic uncertainty and socio-political fragility. Today the global economy is waiting a movement where governments define new ways of relating to each other; operate in new frameworks and business models, while coping with the ever-evolving challenges.

A more thoughtful analysis reveals that global rebalancing needs to be a long term, collaborative process. The recent economic crisis and socio-political tensions demonstrated that systematic risks can no longer be tidily contained and addressed in a single ecosystem but require a multi-disciplinary, multi-stakeholder effort to improve the global economic system's overall resilience.

Indian Economy Overview:

The financial year 2010-11, saw credit growth restored across the World. India saw the return of over 8% growth in GDP. The GDP growth in the first half of the financial year 2010-11 was a robust 8.9% y-o-y and moderated to 8.2% in the third quarter due to lower industrial growth. India's GDP is expected to grow at a rate of 8.5% in the financial year 2011-12, as per the estimates of Central Statistical Organization (CSO). The Indian economy continued to remain resilient owing to the proactive actions on the part of the country's policymakers. On the flip side, inflation remained the policy concern and major threat to the growth and stability of the economy. The inflation figures stood at 9.0 percent at the end of March 2011, 100 basis points (bps) above RBI's expectations,

which have been revised twice.. The RBI has revised the repo and reverse repo rates 8 times in the last one year. A similar episode of tight monetary control to curb inflation, which engineered a slowdown in growth in the late 1990s, may have a negative effect on the demand growth & earning capacity of companies.

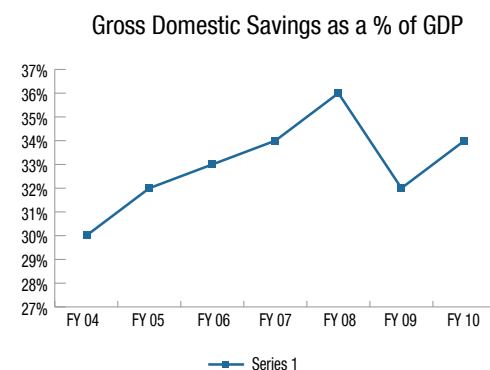
Industry Structure and Analysis:

The financial services sector in India has witnessed a fundamental transformation since the country was liberalized. India, in the last few years, has emerged as the one of the most rapidly growing economies across the globe. The financial services market is growing rapidly, and there is significant potential for further growth.

India has a strong financial regulatory system – controlled by RBI and supported by regulatory body such as Securities and Exchange Board of India (SEBI) and Insurance Regulatory and Development Authority, which govern capital markets, mutual funds and insurance companies. The government has taken many steps to encourage investments in the financial sector.

The Indian high savings rate offers noteworthy opportunity to put resources into the financial markets. The country has a favorable demographic profile with a large segment of the population under 30 years. The Census 2011 shows that 56.9 per cent of India's total population comes in the age group 15-59 years. The country will witness a sharp decline in the dependency ratio over the next thirty years which will be a great dividend. As the dividend begins to pay off, with the working age-group population rising disproportionately over the next two decades, the savings rate is likely to rise further.

Indian Demographic profile to boost the saving rates further:



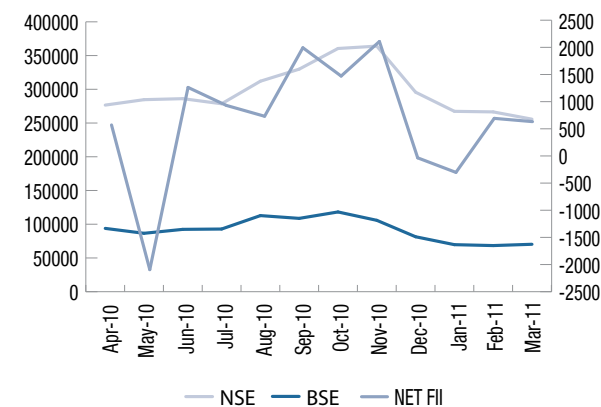
In an effort to support hedging of currency risks for non-resident exporters and importers, the RBI has issued norms permitting them to either use overseas banks or those in the country to settle foreign trade transactions invoiced in the Indian rupee.

Further, the Finance Ministry is stepping up its efforts to widen the class of foreign investors in the Indian stock market. This is evident from the fact that first, the government gave the green signal for Qualified Foreign Investors (QFIs) to invest in mutual funds, and now, individual investors from across the globe are expected to soon get the right to buy blue-chip Indian stocks. However, the tight monetary policy may have a negative affect on the demand growth & investment activity and the consequent degrading in the earning capacity of companies. This may have a negative impact on the stock markets. FDI flows in 2010-11 have seen a slowdown from the previous year, second time in a row, which is a matter of concern as high growth economies tend to have positive FDI flows which enhances the rate of economic growth.

Broking Industry

The broking industry has seen micro challenges of its own, let alone the macro concerns that exist at large. On one hand, competition has intensified, and on the other, the market product mix has undergone structural changes. There has been consistent slide in the cash market share, which is more indicative of the investment interest in the market. Further, the year saw preference for low yielding Index options which has seen its share in the overall volume increased to 86% of the total

Equity Market Volumes during the year

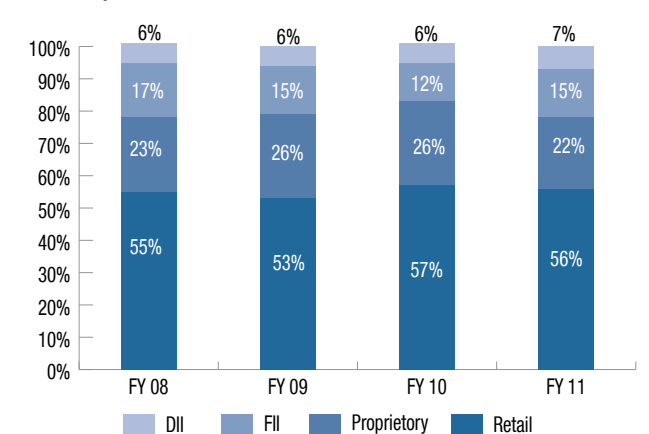


volumes from 76% in 2009-10 leading to further pressure on the yields. The competition is likely to lead to consolidation in the sector.

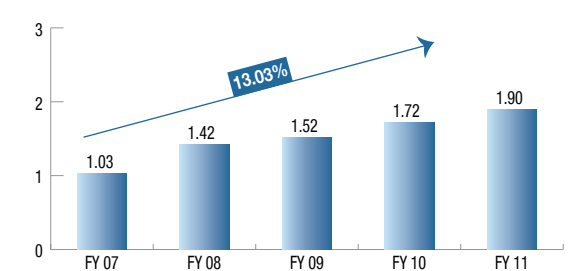
The net investments in equity by the FIIs remained almost the same as last year at around ₹ 1.10 lakh crore. Although the net investments increased substantially in the middle of the year, it was very minimal or negative in the later part of the year. Further the total assets under management of equity mutual fund schemes also went down from ₹ 1.74 lakh crore to ₹ 1.69 lakh crore.

The commodities market too witnesses an overall increase in volumes.. The total traded volumes in commodities exchanges rose 56% in 2010-11 on back of strong gold and silver prices and increased awareness of commodities trading. The combined commodities volumes recorded in both MCX and NCDEX increased by ₹ 39, 41,196 crores up from ₹ 73,10,887 crores in 2009-10 to ₹ 11252083 crores in the current year 2010-11.

Participation in Cash Market Volume



No of Demat Accounts in Crores (NSDL+CDSL)



Source: NSDL & CDSL

A total of ₹ 18.53 lakh active accounts were added in both the depositories during the year and the total number of depository accounts in the country was ₹ 190 lakh at the end of March 2011. Demat accounts still account for less than 2% of the country's population, as compared to the UK, which has 16% of its population having the same.

Investment Banking:

The demand for Indian equities from global investors is rising because of India's long term growth potential. The market capitalisation of Indian stocks increased in FY 11 with the market capitalisation on the S&P Nifty touching Rs 67,026 bn during the year. With robust economic growth and improved performance of earlier transactions, M&A deal activity picked up in the year under consideration. Domestic M&A and inbound deals also doubled in terms of total deal value, on a y-o-y basis. In terms of sectors, the large deal values this year were in telecom, oil & gas, healthcare and pharmaceuticals.

On a full year basis, approximately ₹ 962 bn was raised in the Indian capital markets in 2010-11. Of this, approximately ₹ 330 bn was raised across 52 IPOs in 2010-11, as against ₹ 248 bn raised by 40 companies in 2009-10. Similarly, ₹ 246 bn was raised across 49 QIPs as against ₹ 380 bn raised across 80 QIPs in fiscal year 2010-11.

India continues to be a very attractive destination for PE investments, locally and from abroad on the back of its young population, large domestic market, presence of structured financial and capital market mechanisms, a large and growing number of intellectuals, and healthy rate of economic growth.

Total PE investment in India increased by 71.5 per cent - from US\$ 1.83 billion in the second quarter of 2010 (July-September), to US\$ 3.14 billion in the second quarter of 2011. Volume of deals also increased by 52 per cent - from 90 to 137 during the same period. The median deal amount rose by 10 per cent - from US\$ 10 million in the second quarter of 2010 to US\$ 11 million in the second quarter of 2011. The average deal value rose by 21 per cent from US\$ 24 million to US\$ 29 million during the same period.

Financial Products Distribution

The macro economic scenario, changing demographics and increased disposable incomes in the hands of the people have pushed growth in the insurance and mutual fund industry. The year under consideration had been a tough year for this industry, with the changes in the regulations but proving to be beneficial to the investors at large.

Mutual Fund

The Indian mutual fund industry has witnessed significant growth in the last few years. Besides the demographic factors, growth has been driven by the increasing reach of Asset Management Companies (AMCs) and distributors. Further, relatively low penetration levels coupled with rapid growth in the assets under management (AUM) in recent years signifies a high growth potential of the Indian mutual fund industry.

The net inflow in mutual funds industry for the fiscal year 2010-11 was ₹ 9741bn, an increase of 91% over 2009-10. However, due to the abolition of the entry loads in 2010-11, mutual funds industry was not able to attract fresh inflows into the equity fund category. There was a net outflow in equity funds of ₹ 184bn in 2010-11. The mutual fund industry, which comprises 43 fund houses, witnessed an increase of 6.07 per cent to ₹ 425.46 billion (US\$ 9.6 billion) on average AUM.

However, the Indian mutual fund industry is expected to register robust growth, given the growing aspirations of retail customers.

Insurance

The insurance industry in India has a big opportunity for national as well as foreign investors. As Indians are getting richer; the desire to save for retirement is growing. India ranks at number 11, in terms of ranking by premium volume in 2010, according to Swiss Re's sigma study, "World insurance in 2010". India has surpassed Spain to become the 11th largest insurance market in the world, according to the study. In the life insurance business itself, India has surpassed ten major markets in the last ten years. The Indian insurance sector has witnessed significant growth - the number of life policies in force has increased nearly 12-fold over 2000-2010, and health insurance policies nearly 25-fold. Factors like better terms, availability of a wide variety of products (like unit-linked insurance products, whole life, maximum net asset value (NAV) guarantee etc), and government incentives have boosted the growth of the industry.

The total gross premium of 23 players in the non-life insurance market increased by 27 per cent in May 2011, from ₹ 3,151.41 crore (US\$ 710.73 million) in May 2010, according to the Insurance Regulatory and Development Authority (IRDA). The four Public Sector Units (PSUs), which account for about 59 per cent of the total general insurance industry, had their gross premium collections rise by 23 per cent to ₹ 2,358.60 crore (US\$ 531.9 million) in the same period.

The change in commission structure of insurance business served as a dampener to the insurance industry.

This affected the sales of ULIP policies primarily. Currently, the insurance industry, including life and non-life companies, has deployed a capital of about ₹ 35,000 crore (US\$ 7.8 billion) out of which ₹ 26,000 crore (US\$ 5.8 billion) comes from the life insurance segment. Foreign players have contributed about ₹ 9,000 crore (US\$ 2 billion).

Outsourcing

There has been a tremendous upsurge in the outsourcing industry in many developing countries, like India which aid in reducing costs and increasing service quality. India is a rapidly growing and maturing market and - along with other emerging markets in Africa, the Middle East and Asia-Pacific - will provide the base for our next wave of growth this year. The Indian outsourcing market has rebounded faster than its global counterparts. The domestic Indian outsourcing services market is expected to grow at the rate of 19% by 2013. This growth is expected to be driven by the changing market trends such as changing demographics and affluence levels, consumption of value based services, increasing focus on service quality. Thus giving your company immense opportunities to capture the market share in the industry.

Future Outlook:

Indian capital markets witnessed a challenging year with volatile FII net flows, muted retail participation in equities, growing shift towards low-yielding options and lower value of ECM deals. These were reflected in the overall market performance as well as in our own business performance.

We strongly believe that India is a great growth story and is likely to become a US\$ 5 trillion economy by 2020. Backed by strong savings, there would be tremendous growth opportunities for firms operating in the financial services space.

During the current year, we have laid a strong foundation for each of our business to scale up and grab a meaningful share of these opportunities.

Business Overview:

A diversified Financial Services Company

The Choice Group, consisting of seven subsidiaries and one associate company, conducted its operations from five centres as on March 31, 2011. The current business of your company has been divided into five broad categories - Investment activities, Broking Services, Investment Banking, Financial Product Distribution and Outsourcing services. A brief

snapshot of the different services rendered through various subsidiaries is given below:

Company	Services	CIL's Holding
Choice Capital Advisors Pvt Ltd	Investment Banking, Corporate Advisory, Debt Syndication	100 %
Choice Equity Broking Pvt Ltd	Equity, Currency, Derivatives and Depository Services	100%
Choice Wealth Management Pvt Ltd	Distribution of Mutual Fund, IPO, fixed deposits, debentures and bonds	100%
Choice Merchandise Pvt Ltd	Commodities	100%
Choice Business Services Pvt Ltd	Knowledge Process Outsourcing	100%
Choice Realty Pvt Ltd*	Real Estate	52.38%
Choice Insurance Brokers Pvt Ltd	Insurance (both life and non life)	98.03%

**It ceases to be subsidiary from July 2011*

Since the management takeover of the company, Your Company has successfully chartered out a growth strategy of diversifying into newer asset classes, newer client segments and newer products. This strategy of the company has supported the operations of Choice while bringing stability to its performance. This strategy is complemented by the following Choice Strengths:

- Experienced top management
- Diverse product portfolio
- Strong risk management
- People and talent.
- Client Centric Approach

As a result, the company has truly on the path of becoming an integrated financial solution provider thus having a niche in the industry it serves.

Segment Overview:

In this section, the discussion pertains to the consolidated financials of Choice International Limited along with all its subsidiaries. As the company is providing most of its services through its subsidiaries, your company believes that the consolidated accounts provide a more accurate representation of the performance of your Company as compared to the standalone performance. Therefore management's discussion and analysis pertains to the consolidated results.

Business Income Highlights:

The composition of the consolidated income has been as follows:

(₹ in Lakhs)

NBFC Operations	3147.87
Broking Services	10.57
Investment Banking Services	1556.08
Unallocated	7.90
	4722.42
Less: Inter Segment Revenue	0.11
Net Income from Operations	4722.31
Add. Other Income	10.88
Total Income	4733.19

Income from Investment:

Choice International Limited, the parent company being a registered NBFC with RBI has been primarily engaged in the business of investing in securities of listed and unlisted companies. The investment portfolio of your company is diversified across various sectors like financial services, information technology, real estate, etc.

The income from the investing activity stood at ₹ 3147.87 lakhs as compared to ₹ 2645.85 lakhs, up 18.97% from the year 2009-10. The company's investment stood at ₹ 235.88 lakhs, a 235.19% increase of over ₹ 70.37 lakhs as at March 31, 2010.

Investment Banking:

During the year under review, the investment banking team has been successful in scaling up the advisory business of the Company. The team comprises multi-disciplinary professionals having an extensive understanding of different sectors, backed by strong corporate finance and banking experience enables it to provide customized financial solutions to the clients across industries.

During the year under review, the income from investment banking activities stood at ₹ 1556.08 As at March 31, 2011. The Company is in the process of launching the merchant banking activities, further boosting the growth of investment banking arm. The company believes that in medium to long term, the business will have greater pricing power and better relationships with clients.

Table A

(₹ in Lakhs)

	2010-11
Operating Expenses	3459.29
Personnel Expenses	470.06
Administrative & Other Expenses	357.70
Depreciation	79.71
Interest Expenses	103.63
Increase in Inventories	(199.29)
Total	4271.10

Broking

It comprises, the income received from broking and related activities in cash and derivatives segments of equities on BSE and NSE. The related income includes distribution of IPOs, bonds and mutual funds.

Our broking services in the first year of its operations stood at ₹ 10.57 lakhs. The product mix on the exchange has changed in favour of Futures & Options segment, which accounted for 86% of volumes for the year under review as compared to 76% in the previous year, with a corresponding fall in the relative share of cash market.

Your company has recently launched its trading platform for commodities trading and believes that the growth in this segment looks good.

Costs:

Table A sets forth the costs that the company has incurred during the year:

During 2010-11, Your Company has incurred an expenditure of ₹ 4271.10 lakhs as compared to ₹ 3102.32 lakhs in the previous year 2009-10.

Employees Costs were ₹ 470.06 lakhs for the year 2010-11. This increase in employee cost is primarily on account of rise in average salary levels owing to inflation, competitive pressures and relative strengthening of the team.

The depreciation expense has been primarily increased due to the addition of the infrastructure in form of corporate building. The administrative expense comprises of rent, electricity, technology, infrastructure, legal and professional fees, marketing and promotional expenses. Our administrative costs have increased prima facie on the expenditure towards the marketing and advertisement expenses on account of launch of new services

Financial Condition

A summary of our consolidated financial position as at March 31, 2011 and 2010 is as follows:

(₹ in Lakhs)

	2011	2010
Sources of funds		
Shareholders' funds :		
Share Capital	750.48	650.48
Reserves and Surplus	2415.11	683.59
Loan funds :		
Secured Loans	1819.96	-
Unsecured Loans	17.10	-
Minority Interest	313.06	315.74
Deferred Tax	122.71	30.06
Total	5438.43	1679.88
Application of funds		
Net Fixed Assets	2953.66	261.51
Investments	235.88	70.37
Current assets & Loans and Advances	3187.93	1473.03
Less: Current Liabilities & Provisions	939.05	125.02
Net Current Assets	2248.88	1348.00
Total	5438.43	1679.88

Your Company's share capital has increased from ₹ 650.48 lakhs last year to ₹ 750.48 lakhs as a net result of exercise and allotment of 1000000 equity shares to promoters and others on preferential basis. Further the company's book value per share grew from ₹ 15.79 to ₹ 38. The secured loans outstanding as on March 31, 2011 were ₹ 1819.96 lakhs. The company availed of long term fund to meet the requirement for its new building at Andheri.

During the year, the Company's net block rose from ₹ 261.51 lakhs to ₹ 2953.66, almost 10 times as compared to previous year. The new addition to fixed assets included the Company's new corporate building at Andheri, where the Company has invested in the state-of-the-art technology to support interalia its back office and customer service.

Marketing Initiatives - Growing Network:

Your company is in the service industry wherein relationships have equal importance. To create awareness about the services we provide and to sustain the intense competition in the industry, the company has been participating and organising various conferences and seminars.

Vibrant Gujarat 2011

The company had participated in the Global Investors Conference – Vibrant Gujarat 2011 by exhibiting the services we render for a continuous period of 5 days.

Choice Summit 2011- A networking event for professionals

The company had organised an event for the associate professionals from across the country to create awareness about the segments we serve and to identify prospective business partners to meet the goal of having presence countrywide. It attracted participation of over 100 professionals from across the country.

Human Resources:

The financial services industry is an ever evolving industry with its dynamism and volatility. In such an environment, Choice recognizes the significance of building its talent to manage change effectively. We believe that great projects are developed only who bring a variety of skill, knowledge and experience to the table. Building momentum and motivation were the key focus areas during the year, supported by relevant initiatives.

We began the year with a workshop conducted for the employees 'Mission Control Productivity and accomplishment workshop' for effective management of time, consequently increasing the overall productivity for the company. This was combined with a group picnic at 'The Byke Resort – Pride of Matheran' for promoting and developing a lifelong bond and to understand them and remove the hesitations, if any. We believe that leisure and enjoyment are equally important to improve the relationships among employees.

Your Company believes that its human resources are its greatest wealth. This intellectual resource is integral

to the Company's ongoing operations and enables the Company to deliver superior performance year after year. Therefore, it is the endeavour of your company to nurture and develop this wealth. The Company has put in some of the best practices in place to attract and retain skilled talent and its HR processes and policies are aligned to enable employees meet their career objectives.

Corporate Social Responsibility:

Choice embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at Choice encourages all its employees and other participants to ensure positive impact and its commitment towards corporate social responsibility.

Being a part of the service industry, we have unique scope and opportunity to develop raw, potential candidates into skilled workforce that are employable by the financial service industry. The world population will soon reach the 7 billion mark this year, posing greater challenges to humanity than ever before. This puts enormous pressure on the finite resources of the universe.

Your Company's major interventions in the lives of the underprivileged are through health, education and skill building. These have been implemented through the Choice's management and employees, these initiatives are undertaken in partnership with NGOs to foster a holistic, sustained approach.

A Snapshot of your Company's work –

1. Choice joins hands with Lions Club, a Non-Profit Organisation.

• Mega Eye & Multipurpose Medical Check up Camp

The company in association with the club, organised the medical camp which was held on July 30, 2011 at 'Lakshyadham High School, Goregoan' for the students of the school around the vicinity.

• Leadership Seminar – 'I Can'

This event had been organised with a motto to continue the spirit of leadership among the people at large and encourage them to emerge as entrepreneurs of tomorrow while converting their dreams into reality.

• Dandiya Raas – A Fund Raising Drive

The company had organised dandiya raas at Lokhandwala Garden, Andheri which was held on October 19, 2010 with a mission to raise funds for the critical social service programmes to help children with special needs, people with disabilities.

2. Choice Go Green Program

At Choice, we believe that volunteering for a societal cause is an enriching experience and allows the human values and self worth of individuals and teams to flourish. As our industry and operations do not directly cause harm to natural environment, our commitment to the environment is primarily through reduction of the impact of our daily operations on critical natural resources. In view of the above, your company has started "CHOICE GO GREEN PROGRAM" which is in accordance with the MCA green initiatives wherein the communication to the shareholders shall be sent in the electronic form.

3. Education

Choice firmly believes that every child in India should obtain excellent education and is playing its role to support the cause. Your company has been involved in the sponsorship of events in various educational institutions to develop and build the talent present in the community.

Investor Relations:



Regd. Office: 202, Chartered House, Dr. C. H. Street, Marine Lines, Mumbai – 400 002.
Tel: 022- 4355 2100 – 2149, Fax: 022- 2206 8600 Email: info@choiceindia.com
Website: www.choiceindia.com

June 20, 2011

Dear Shareholder,

Subject:- Sending correspondence through Electronic Mode

As part of Green Initiative in Corporate Governance, the Ministry of Corporate Affairs (MCA) Government of India, through its circular No. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 allowed the corporate to send their Notices, Annual Reports, Postal Ballot Notices, etc., to their shareholders in electronic form and it will be deemed to have complied with the provisions of Companies Act, 1956.

This initiative by the Government is indeed commendable and your Company supports the same. It will go a long way in conservation of the environment. We are sure, that as a responsible citizen, you will be able to receive such notices / documents, etc. promptly and without loss in postal transit.

Accordingly, to support this initiative and as a part of "Choice Go Green Program", this year onwards the Company proposes to send all the future Notices, Annual Reports, Postal Ballot Notices etc., including for the financial year ended 31/03/2011 in electronic form to the members of the Company.

In view of the above, we kindly request you to register the e-mail ids with the Company to the following e-mail id viz, choicego@green@shareindia.com stating your Folio No. or DPID and Client ID number on or before July 16, 2011 for serving of Annual Report for the Financial Year 2010-2011. Shareholders holding shares in the dematerialized form should ensure that their e-mail ids appear in the Depository Participant ("DP") also.

Please note that these documents will also be available on the Company's website www.choiceindia.com for download by the shareholders. The physical copies of the Annual Reports will also be available at our Registered Office of the Company for inspection during office hours. In case you desire to receive the above mentioned documents in physical form, you are requested to send an email to choicego@green@shareindia.com.

Thanking you,

Yours faithfully
For Choice International Limited

Sd/-
Mahavir Toshniwal
(COO & Company Secretary)



We view Investor Relations as an important bridge between the firm and the investing community. We continue to enhance our disclosure levels and provide our investors and stakeholders with the information on our performance, strategies and prospects. We also update the information on our website www.choiceindia.com. We are committed to adopting best investor relation practices to further enhance communication with the investing community so that we are perceived as a responsive and transparent organisation.

Information Technology:

Being in the service sector delivering across several locations, IT is critical to the operational performance of the group as whole in meeting its business objectives. Thus, the Company has invested significantly in technology and continuously strives to have the best-in-class infrastructure and expertise to support and augment the efficiency of its operations.

Risks and Concerns:

1) Market Risk

Financial markets, as is known, are the pulse of a nation's economic and financial health. Man-made boundaries no longer seem to exist in financial markets, and events across the globe affect financial markets in no time. Any economic event across the globe can have a direct or indirect impact on your company. To mitigate this we have diversified our revenue streams across multiple product lines and business.

2) Compliance Risk

Your company operates primarily in financial services space. Each of these businesses is regulated by a different regulator and as such compliance forms a critical part of operations of the group. Your Company has a full-fledged compliance department which ensures all the regulatory requirements and reporting's of the group. The compliance requirements across the various service points have been communicated comprehensively to all through compliance manuals and circulars. To ensure the same, the Board reviews the quarterly compliance report and submit it to the regulatory bodies as per the requirement.

3) Operational Risk

Operational risks mainly relate to meeting customer expectation in terms of quality of service and maintaining a balance between the quality & delivery of assignments and growth of customers. In addition to the above, your company has operations only in India. Hence, the Company is vulnerable to domestic socio-political and economic conditions. Another operational risk is the ability to consistently attract, retain and motivate managerial talent and other skilled personnel, especially in a high growth industry like ours.

4) Technology Risk

The company has been investing in cutting edge technologies with a single minded objective to enrich end-user experience and better controls. The Company's servers have been provided with built-in redundancy, auto switch-over capability and stand by servers. Our business is intensively linked to technology and hence to mitigate risk of technology failure we have multiple options for internet bandwidth and internet connectivity and back end service providers.

5) Finance Risk

The company's business involves significant investments for its operations. These expose the Company to risks in terms of timely and adequate availability of funds at competitive rates to finance its growth.

6) Project Execution Risk

Your company is in the process of setting up new business divisions. The project execution is contingent upon several external factors including but not limited to project management skills, regulatory approvals, changes in government policies, inflationary factors, etc. Any delay or change in these activities could result in change in implementation schedule and affect the financial performance of the company. Your company is continuously monitoring the progress to ensure that the implementation schedules are adhered.

7) Liquidity Risk

In a business like ours, liquidity is required on day to day basis. The major risk factor associated with it is the rising inflation and interest rate which increases the cost of borrowing finance for the company.

Risk Management Framework:

The Company's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment and measurement procedures and continuous monitoring. The policies and procedures established for this purpose are continuously benchmarked and international best practice. Our experienced compliance team also plays a vital role in ensuring that the rule and regulations are followed, not just in letter but also in spirit. The risk management discipline is centrally initiated but prudently decentralised percolating to the line managers and helping them mitigate risks at the transaction level, the most effective form of risk management.

Internal Control Systems:

The company has an adequate internal control system, commensurate with the size and nature of its business. The system is supported by documented policies, guidelines and procedure to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational performance.

Clearly defined roles and responsibilities for all managerial positions have been institutionalized. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

The Management Information Systems (MIS) is the backbone of your Company's control mechanism. All operating parameters are monitored and controlled regularly. Any material change in the business outlook is reported to the Board of Directors. Material deviations from the annual planning and budgeting, if any, are reported on a quarterly basis to the Board of Directors. An effective budgetary control on all capital expenditure ensures that actual spending is in line with capital budget.

Outlook:

During the year 2011-12, the focus of the Company will be to expand its presence both in terms of geography and the socio economic segments that it addresses. Your company is well placed to take hold of the long term opportunity in financial services space in India.

The sector has a distinct characteristic of being cyclical in nature. However your company do not find this as an hindrance to the growth of the company. It is said that

tough times do not last but tough people do. Hence the Company's outlook in the coming years is optimistic.

Therefore, the Company's outlook for 2011-12 is optimistic. In addition to that your company is confident of progressing on the laid out strategic path and achieves the desired global footprints and scale.

Cautionary Statements:

This Report contains forward – looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward –looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are materially from those projected in any such forward –looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

director's report

To

The Members of Choice International Limited

The Directors have the pleasure in presenting the Eighteenth Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended March 31, 2011.

In line with the requirement of the Listing Agreement with the Bombay Stock Exchange Limited, your

company has been reporting consolidated results taking into account the results of its subsidiaries. The discussion therefore covers the financial results and other developments during April 1, 2010 to March 31, 2011 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 Highlights:

1) The Consolidated Financial Performance of Choice International Limited and its subsidiaries:

	(₹ in Lakhs)	
	2010-11	2009-10
Total Income	4733.19	3473.43
Total Expenditure	4271.10	3102.32
Profit Before Tax	462.09	371.11
Provision for Tax (Including Deferred Tax)	162.02	131.45
Profit After Tax before Minority Interest	300.07	239.66
Less: Share of Minority Interest	(2.67)	(0.02)
Profit after Tax after Minority Interest	302.74	239.68
Add: Surplus brought forward from previous year	148.49	0.84
Less: Short provision of tax in earlier years /pre-acquisition profit & loss of subsidiaries	NIL	(0.02)
Profit available for Appropriations	451.23	240.54
Appropriations:		
Transfer to Statutory Reserve	67.00	54.00
Proposed Dividend	75.04	32.52
Dividend Distribution Tax on Proposed Dividend	12.17	5.53
Surplus carried forward	297.01	148.49

Segment wise information is as under:

	(₹ in Lakhs)	
	2010-11	
NBFC Operations	3147.87	
Broking Services	10.57	
Investment Banking Services	1556.08	
Unallocated	7.90	
	4722.42	
Less: Inter Segment Revenue	0.11	
Net Income from Operations	4722.31	
Add. Other Income	10.88	
Total Income	4733.19	

2) A snapshot of the standalone financial performance of Choice International Limited is as under:

	(₹ in Lakhs)	
	2010-11	2009-10
Total Income	4705.17	3469.84
Total Expenditure	4213.94	3070.38
Profit Before Tax	491.23	399.46
Provision for Tax (including Deferred Tax)	159.73	131.34
Profit After Tax	331.50	268.12
Add: Surplus brought forward from previous year	176.83	0.88
Less: Short provision of tax in earlier years	NIL	0.12
Profit available for Appropriations	508.33	268.89
Appropriations:		
Transfer to Statutory Reserve	67.00	54.00
Proposed Dividend	75.04	32.52
Dividend Distribution Tax on Proposed Dividend	12.17	5.53
Surplus carried forward	354.11	176.84

Results of Operations:

On Consolidated basis, the Company's income increased by 36.27% to Rs 4733.19 Lakhs and the EBITDA increased by 58.37% to Rs 645.15 lakhs. The growth is primarily driven by our core investment activities and the investment banking business. The broking business had commenced in the mid of the fiscal 2010-11, hence the income from broking business is minuscule.

The profit after tax has increased by 26.31% to ₹ 302.74. Further the marketing and distribution expense increased from ₹ 64.59 lakhs to ₹ 125.77 lakhs with a strategy to increase the awareness about the services provided by the company.

The consolidated financial statements prepared in accordance with the 'Accounting Standard 21 – Consolidated Financial Statements' prescribed by the Companies (Accounting Standards) Rules, 2006, forms part of this Annual Report and are reflected in the consolidated accounts of the company.

Dividend:

Your Directors are pleased to recommend a dividend of 10% i.e. ₹ 1/-per Equity Share for the financial year ended March 31, 2011, amounting to ₹ 75.04 lakhs. The dividend, as recommended by the Board, if sanctioned at the meeting, will be paid after September 30, 2011 to those members or their mandates whose names are registered on the Company's Register of Members:

- As beneficial owner as the end of business on September 26, 2011, as per the lists to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) in respect of the shares held in electronic form, and
- As members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before September 26, 2011.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accruals and the shareholders' aspirations.

Reserves:

The company in the year 2010-11 has appropriated a sum of ₹ 67.00 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 90.35 lakhs has been debited to the Profit & Loss Account being Deferred Tax Liability for the year under review.

Increase in Share Capital:

During the year, we issued 10,00,000 warrants convertible into equity shares of ₹ 10/- each at a price of ₹ 158/- to promoters and others under the SEBI (ICDR) Regulations, 2009 on preferential basis. On March 25, 2011, the promoters and others had been allotted equity shares on conversion of warrants. Due to this, the outstanding issued, subscribed and paid up equity share capital increased from ₹ 65048000 to ₹ 75048000 as at March 31, 2011.

Increase in Presence:

We are pleased to inform that during the period under consideration, the company has launched its operations in Ahmedabad with opening its branch office. The branch network is expected to serve as an integrated channel for retail asset origination and distribution of third party products.

New Memberships:

Choice Equity Broking Private Limited, a wholly owned subsidiary of the Company, received the membership as Depository Participant with CDSL from SEBI during the year under review. Further the company also became members of Credit Information Bureau of India.

Subsidiaries:

The company has seven subsidiaries during the year under review. They are

- Choice Capital Advisors Private Limited
- Choice Equity Broking Private Limited
- Choice Merchandise Broking Private Limited
- Choice Wealth Management Private Limited
- Choice Business Services Private Limited
- Choice Insurance Brokers Private Limited
- Choice Realty Private Limited

During the year under review, the company has made further investments of ₹ 504 lakhs and ₹ 40 lakhs in Choice Capital Advisors Private Limited and Choice Equity Broking Private Limited. The company disposed off its equity stake of 52.38% in Choice Realty Private Limited to Choice Infra Ventures Limited (i.e. Formerly known as Zenu Infotec Limited) in July 2011. Consequently, Choice Realty Private Limited ceases to be a subsidiary of the company.

As per Section 212 of the Companies Act, 1956, we are required to attach the Directors' Report, Balance Sheet, and Profit & Loss Account of our subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, the Annual Report 2010-11 does not contain the financial statements of our subsidiaries.

Further, as required under the circular, the Board of Directors has, at its meeting held on August 12, 2011, passed a resolution giving consent for not attaching the balance sheet of the subsidiary companies. The audited annual accounts and related information of our subsidiaries, where applicable upon request. These documents will also be available for inspection during business hours at our registered office in Mumbai, India. The same will also be published on our website, www.choiceindia.com

Management Discussion and Analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange in India, is presented in a separate section forming part of the Annual report.

Directors:

Following are the changes in the Directorate of the company:-

- Mr. Ajay Kejriwal and Mrs. Hemlata Poddar were appointed as a Non-Executive Director of the Company at the 17th Annual General Meeting held on July 30, 2010.
- Mr. Brij Mohan Agarwal and Mr. Manak Chand Daga were appointed as an Independent Director of the Company at the 17th Annual General Meeting held on July 30, 2011.
- Mr. Debkumar Goswami and Dr. Kali Mohan Bhattacharya was appointed as an Additional Director of the company at the Board Meeting held on May 30, 2011 and holds office till the ensuing Annual General Meeting and being eligible, offers themselves for appointment at the ensuing Annual General Meeting.

Resolutions seeking your approval for the appointment of Mr. Debkumar Goswami and Dr. Kali Mohan Bhattacharya have been incorporated in the Notice of the forthcoming Annual General Meeting along with brief about them.

Listing of Equity Shares:

Your Company, at present, is listed at the following stock exchange:

- The Bombay Stock Exchange Limited
P. J. Towers, Dalal Street
Fort, Mumbai – 400 001.

Fixed Deposits:

Your Company has not accepted any fixed deposits from public and is therefore not required to furnish information in respect of outstanding deposits under Non Banking Non Financial Companies (Reserve Bank) Directions, 1966 and the Companies (Acceptance of Deposits) Rules, 1975.

Auditors' Report:

The Auditors Report to the shareholders does not contain any qualifications. A company, whose securities are listed on the Stock Exchanges, is compulsorily required to follow the accounting standards prescribed by the Institute of Chartered Accountants of India. In accordance with the Accounting Standards AS 21 on consolidated financial statement read with Accounting Standard 23 on Accounting for Investments in Associates, the Directors have provided the Audited consolidated financial statements in the Annual Report. In the year under review provisions have been made for deferred tax liabilities/ (assets).

Auditors:

The auditors, Gupta Shyam & Co, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

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:

In view of the nature of activities which are being carried on by the company, Rules 2A and 2B of the companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 concerning conservation of energy and technology absorption respectively are not applicable to the company.

There was no inflow of foreign exchange during the year under review. Details of the foreign exchange outflow are given in the Notes to Accounts.

Corporate Governance:

Your Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance. A report on the corporate governance practices, the Auditors' Certificate on compliance of mandatory requirements thereof, forms part of the Annual Report.

Directors' Responsibility Statement:

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

- i. In preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and that there are no material departures from the same;
- ii. The Directors have been selected such accounting policies and applied them consistently and made judgements 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, 2011, 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, 2011 on a 'going concern' basis.

Loans and Advances:

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc, required to be disclosed in the annual accounts of the company pursuant to clause 32 of the Listing Agreement with the Company, are furnished separately.

Green Initiative:

In the current year, we have started a sustainability initiative with the aim of being green and minimizing our impact on the environment. From this year onwards, we are publishing only the statutory disclosures in the print version of the Annual Report prepared in compliance of the Companies Act, 1956. Additional details are available on our website www.choiceindia.com

Acknowledgement:

Your Directors wish to place on record their appreciation to the employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to achieve remarkable growth. The Board also acknowledges the unstinted support of the customers, suppliers, investors, bankers, Central and State Governments and other statutory authorities and others associated with the Company. The company is looking forward for continued support in the future.

On behalf of the Board of Directors

Sd/-

Kamal Poddar

Managing Director

Mumbai, August 12, 2011

Statement pursuant to Section 212 of the Companies Act ,1956 relating to Subsidiary Companies
(Currency: Indian ₹)

	Choice Insurance Brokers Private Limited	Choice Equity Broking Private Limited	Choice Merchandise Broking Private Limited	Choice Wealth Management Private Limited	Choice Realty Private Limited*	Choice Business Services Private Limited	Choice Capital Advisors Private Limited
The Financial year/period of the Subsidiary Company.	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011
Extent of interest in Subsidiary Company							
Equity Share Capital	5,100,000	30,800,000	10,000,000	100,000	2,100,000	100,000	50,500,000
% Shares held by Choice International Limited	98.03%	100%	100%	100%	52.38%	100%	100%
Net aggregate amount of the profits/(losses) of the Subsidiary Company for the period, so far as it concerns members of Choice International Limited							
a) not dealt with in the Accounts of the Company							
(i) For the financial year of the subsidiary	(5,798)	(1,734,405)	(95,852)	(2,528)	(261,458)	(15,057)	(450,832)
(ii) For the previous financial years since it became the subsidiary of the Company	15,689	(739,894)	(1,938,252)	(31,729)	(70,103)	(40,564)	(39,335)
b) dealt with in the Accounts of the Company							
(i) For the financial year of the subsidiary	0	0	0	0	0	0	0
(ii) For the previous financial years since it became the subsidiary of the Company	0	0	0	0	0	0	0
Additional Information u/s 212 (5)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Notes: * The company has disposed off its entire equity stake in Choice Realty Pvt Ltd, a subsidiary, in July 2011 and there is no material impact on the financial statements on account of the same. Thus, its ceases to be subsidiary of the company w.e.f July 2011.

**The above details are as on March 31, 2011.

For and On Behalf of the Board of Directors

Sd/- Kamal Poddar Managing Director
Sd/- Ajay Kejriwal Director
Sd/- Mahavir Prasad Toshniwal Company Secretary

Mumbai, August 12, 2011

Statement pursuant to Section 212 of the Companies Act ,1956 relating to Subsidiary Companies
(Figures in ₹)

	Choice Insurance Brokers Private Limited	Choice Equity Broking Private Limited	Choice Merchandise Broking Private Limited	Choice Wealth Management Private Limited	Choice Realty Private Limited **	Choice Business Services Private Limited	Choice Capital Advisors Private Limited
The financial year/period of the Subsidiary Company	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011	April 1, 2010 to March 31, 2011
Share Capital (Equity & Preference)	5,100,000	30,800,000	10,000,000	100,000	2,100,000	100,000	50,500,000
Reserve & Surplus (Net of debit balance of profit & Loss Account & Miscellaneous expenditure to the extent not written off)	0	1,125,701	0	0	63,378,209	0	0
Total Assets (Fixed Assets+Current Assets)	4,967,864	41,564,296	7,980,787	143,546	66,045,600	631,246	50,141,298
Total Liabilities (Debts+Currents Liabilities & Provisions)	151,330	9,992,271	14,891	71,179	567,391	562,074	131,465
Details of investments (excluding investments in subsidiary companies)	0	551,509	0	0	0	0	0
Turnover	90,612	1,569,007	203,653	64,582	41,610	790,250	138,799
Profit Before Taxation	(295,712)	(1,536,572)	(95,852)	4,096	(549,062)	9,736	(450,832)
Provision for Taxation	0	197,833	0	6,624	0	24,793	0
Profit after Taxation	(295,712)	(1,734,405)	(95,852)	(2,528)	(549,062)	(15,057)	(450,832)
Proposed/interim Dividend (including Dividend (Tax) (including on Preference Share)	0	0	0	0	0	0	0

Notes: *Information on subsidiaries is provided in compliance with the circular no. 2/2011 dated February 8,2011 of the Ministry of Corporate Affairs, Government of India. We undertake to make available the audited annual accounts and related information of subsidiaries, where applicable, upon request by any of the shareholders. The annual accounts will also be available for inspection during business hours at our registered office in Mumbai, India. The same will also be available on our website, www.choiceindia.com

** The company has disposed off its entire equity stake in Choice Realty Pvt Ltd, a subsidiary, in July 2011 and there is no material impact on the financial statements on account of the same. Thus, its ceases to be subsidiary of the company w.e.f July 2011.

***The turnover here only represents only the interest income earned from the fixed deposit and there is no activity in the company.

For and On Behalf of the Board of Directors

Sd/- Kamal Poddar Managing Director
Sd/- Ajay Kejriwal Director
Sd/- Mahavir Prasad Toshniwal Company Secretary

Mumbai, August 12, 2011

corporate governance

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”

- Sir Adrian Cadbury

Our Company Philosophy:

Good Governance practices stem from the culture and mindset of the organization. At Choice, it is our belief as we move closer towards our aspirations of becoming a global corporation; our corporate governance standards must be globally benchmarked. Corporate Governance at Choice is a value based framework to manage our company affairs in fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all its affairs, and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the company.

We believe that corporate governance is a framework to encourage the efficient use of resources and have accountability for the stewardship of those resources. The aims are to align, as nearly as possible the interest of all stakeholders. The Board of Directors is the core of our corporate governance practice and oversees how the management serves and protects the long term interest of the company. We believe that an active and well informed and independent board is necessary to ensure the highest standards of corporate governance. The majority of our Board, five out of eight directors, are independent. Further, we have audit, remuneration, investor grievance committees which comprises of independent directors.

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target. We have undertaken several initiatives towards maintaining the highest standards. The Company has complied with the provisions of Clause 49 of the Listing Agreement of the Stock Exchange, which deals with the compliance of corporate governance requirements.

Corporate Governance Guidelines:

The Board has developed corporate governance guidelines to help fulfill, our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines from time to time to effectively achieve our stated objectives.

A. Board Composition :

The current policy is to have proper mix of executive and independent directors so as to maintain the independence of the Board from the management and to separate its functions of governance and management.

The Board believes the present size is appropriate keeping in mind the present circumstances. The Board constantly evaluates the need for change in its composition and size.

The Board reviews and approves strategy and oversees the action and results of management to ensure that the long term objectives of enhancing stakeholder value are met.

Board Definition of Independent Director

According to clause 49 of the Listing Agreement with the Indian Stock Exchanges, an independent director means a person who is not an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationships or transactions with the Company which in the opinion of our Board of Directors, would interfere with the exercise of independent judgement in carrying out the responsibilities of a director.

Composition of the Board and Directorships as at August 12, 2011

Name of the Director	Age	Directorships held in Public Ltd cos. ⁽¹⁾	Committee Memberships ⁽³⁾	Chairperson of Committees ⁽³⁾
Managing Director				
Kamal Poddar	32	1	3	1
Non Executive Directors				
Ajay Kejriwal	32	-	-	-
Hemlata Poddar	29	-	-	-
Independent Director				
Dr. Satish Chandra Kulhari	54	1	1	-
Brij Mohan Agarwal	55	2	-	-
Manak Chand Daga	41	-	-	-
Dr. Kali Mohan Bhattacharya ⁽²⁾	73	3	2	1
Deb Kumar Goswami ⁽²⁾	65	2	-	-

* No Director is related to any other Director on the Board, except for Mr. Kamal Poddar and Mrs. Hemlata Poddar, who are husband and wife respectively.

(1)Excluding directorship in Choice International Limited & its subsidiaries, private companies, foreign companies and companies under Section 25 of the Companies Act, 1956

(2)Mr. Deb Kumar Goswami and Mr. Kali Mohan Bhattacharya have been appointed as the Additional Director with effect from May 30, 2011.

(3)As required by Clause 49 of the listing agreement, the disclosure includes memberships of audit committee and investor grievance committee in Indian public companies (listed and unlisted). Further none of the directors on the board serves as members of more than 10 committees nor are they chairman of more than 5 committees.

Membership Term

The Board constantly evaluates the contribution of its members and periodically shares updates with the shareholders about re-appointments as per statute. The current law in India mandates the retirement of one third of the Board members (who are liable to retire by rotation) every year, qualifies the retiring members for re-appointment. 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 Director does not have a specified term, but retire by rotation as per law.

Dr. Satish Chandra Kulhari, Mrs. Hemlata Poddar, and Mr. Brij Mohan Agarwal retires and being eligible seeks re-appointment at the ensuing Annual general Meeting. The details of Directors seeking appointment/re-appointment have been attached along with the Notice of the Annual General Meeting.

Remuneration Policy

The remuneration committee determines and recommends to the Board the remuneration payable to the directors. All the Board level remuneration is approved by the Shareholders and separately disclosed in the

financial statements. The details of the remuneration paid are as follows:

a) Managing and Executive Director

The company pays remuneration to its Managing and executive Director by way of salary, commission and perquisites. The detail of the remuneration paid to the Managing Director during the year is as follows:

Name of the Director	Salary & Perquisites
Kamal Poddar	₹ 6,00,000

b) Non – Executive Directors

The Non Executive Directors are paid remuneration by way of sitting fees & commission. The company pays sitting fees of ₹ 10000 per meeting of the Board to the Non Executive Directors for attending the meetings of the Board. During the year, the company did not pay any commission to the Non Executive Directors.

The Board believes that the above remuneration structure is commensurate with the industry practices in terms of remunerating non executive/independent directors of a company of a similar size and adequately compensates for the time and contribution made by our non-executive/independent directors.

Shares and Convertible instruments held by the Non- Executive Directors:

The details of the shares and convertible instruments held by the Non-Executive Directors as on March 31, 2011 are as follows:

Name of the Directors	No of Shares held
Hemlata Poddar	100000
Ajay Kejriwal	3000
Manak Chand Daga	Nil
Brij Mohan Agarwal	Nil
Dr. Kali Mohan Bhattacharya	Nil
Deb Kumar Goswami	Nil
Dr. Satish Chandra Kulhari	Nil

B. Board Meetings

1. The dates of the Board Meetings in the ensuing year are decided well in advance and communicated to the Directors. The agenda along with the explanatory notes are sent in advance to the Directors. The Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings of the Board are held when deemed necessary by the Board. Committees of the Board usually meet the day before the formal Board meeting, or whenever the need arises for transacting business. During the year under review, the Board of Directors of the Company met seven times and the period between any of the meetings did not exceed three months. These were held on April 8, 2010; May 29, 2010; June 24, 2010; August 14, 2010; November 11, 2010; February 12, 2011 and March 25, 2011.

Attendance of directors during the fiscal 2011:

Name of the Director	No of the Board Meetings		Attendance at the last AGM
	Held	Attended	
Kamal Poddar	7	7	Yes
Hemlata Poddar	7	7	Yes
Ajay Kejriwal	7	6	Yes
Dr. Satish Chandra Kulhari	7	5	Yes
Brij Mohan Agarwal	7	5	Yes
Manak Chand Daga	7	5	Yes

Note: Dr. Kali Mohan Bhattacharya and Mr. Debkumar Goswami have been appointed w.e.f May 30, 2011

Information to the Board:

The Board of Directors has complete access to the information within the Company which inter-alia includes:-

- Annual revenue budgets and capital expenditure plans
- Quarterly results and results of operations of business segments
- Financing plans of the Company
- Minutes of meeting of the Board of Directors, Audit Committee, Remuneration Committee, Shareholders Grievance Committee and its subsidiaries.
- General notices of interest received from directors
- Dividend Data
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important litigations show cause notices, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences and issues related to material effluent or pollution.
- Sale of material nature, of investments, subsidiaries and assets, which are not in the normal course of business.
- Non- compliance of any regulatory, statutory or listing requirements, as well as shareholder services such as non- payment of dividend and delays in share transfer.

Code of Conduct:

The Company has adopted a Code of Conduct for its Executive and Non Executive Directors and all Non –Executive Directors have affirmed compliance with the said code. All the Senior Management of the Company has affirmed compliance with the Choice Code of Conduct. The Code of Conduct is also displayed on the Company's website. The Annual Report of the Company contains a Certificate duly signed by the Managing Director (CEO) in this regard.

Materially Significant Related Party Transactions:

There have been no materially significant related party transactions, monetary transactions or relationships between the Company and directors, the management, subsidiary or relatives, except for those disclosed in the financial statements for the year ended March 31, 2011.

Risk Management Framework:

The Company has a well defined risk management framework in place. The Risk Management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter of this Annual Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

C. Board Committees:

Your Company has three major Board level Committees:

- Audit Committee
- Remuneration Committee
- Shareholders/ Investor Grievance Committee

All the decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. Recommendations of the committees are submitted to the entire Board for approval. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

i. Audit Committee

Our Audit Committee comprises of two independent directors:-

- Brij Mohan Agarwal - Chairman
- Dr. Satish Kulhari
- Kamal Poddar

Mr. Mahavir Prasad Toshniwal, the Company Secretary is the Secretary to the Committee. All the members of the Audit Committee possess strong accounting and financial management expertise.

Terms of Reference

The terms of reference of this Committee are very wide. It is empowered to review Financial Statements and investments of unlisted subsidiary companies, management discussion and analysis, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C.

Audit Committee attendance during fiscal 2011.

The Committee had 5 meetings during the year under review, i.e. May 29, 2010, August 14, 2010, November 11, 2010, February 12, 2011 and March 25, 2011.

Name of the Directors	No of Meetings	
	Held	Attended
Brij Mohan Agarwal	5	5
Dr. Satish Chandra Kulhari	5	5
Kamal Poddar	5	5

ii. Remuneration Committee

Our Remuneration Committee comprises of three non-executive directors:

- Mrs. Hemlata Poddar
- B. M. Agarwal
- Dr. Satish Kulhari

Terms of Reference

The purpose of this committee of the Board of Directors ('the Board') is to discharge the Board's responsibilities related to remuneration of the Company's executive directors and senior management. The Remuneration Committee has responsibility of formulating policies on specific remuneration packages and designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the Board of Directors.

The details of the remuneration paid to the directors are provided in the section remuneration policy stated above.

Remuneration Committee Attendance during the fiscal 2011

The remuneration committee meets annually and this year they met on May 29, 2011. All the members of the committee were present.

iii. Shareholders/Investor Grievance Committee

Our Shareholder/Investor Grievance Committee comprises of two non- executive directors:

- Mrs. Hemlata Poddar- Chairperson
- Dr. Satish Chandra Kulhari –Member

CS Mahavir Toshniwal, Company Secretary is the secretary of the Committee.

Terms of Reference

The committee looks into the redressal of complaints of investor such as transfer or credit of shares, non- receipt of dividend/notices/annual reports, etc. The committee oversees the performance of the Registrars and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

Shareholders/Investor Grievance Committee Attendance during the year

The committee met four times during the year under review i.e. May 29, 2010; August 14, 2010; November 11, 2010 and February 12, 2011. All the members of the committee were present in all the meetings.

Name and designation of Compliance Officer:

Mahavir Toshniwal – Company Secretary
Phone: 022 43552100
Email Id: info@choiceindia.com

Status Report of Investor's Complaints for the year ended March 31, 2011

No of Complaints Received – 17
No of Complaints Resolved – 17
No of Complaints Pending – Nil

D. General Body Meetings:

The details of the Annual General Meetings held in the past three years and the special resolutions passed thereat are as follows:

Year	Date	Venue	Time	No of Special Resolution Passed
2007-08	Sept 22, 2008	Kailash Parbhat, 7A/8A, A wing, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 53	11.00 hrs	Nil
2008-09	Sept 30, 2009	Sahara Star, Domestic Airport, Vile Parle (East), Mumbai - 99	11.00 hrs	Nil
2009-10	July 30, 2010	Ambassador Hotel, Veer Nariman Road, Churchgate, Mumbai - 01	11.00 hrs	Two

E. Postal Ballot:

One Special resolution and two ordinary resolutions were passed on April 27, 2010 through the postal ballot, pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001, in respect of the following items of business:

1. Ordinary resolution for increase in the Borrowing Limits of the Company, pursuant to section 293(1)(d) of the Companies Act, 1956.
2. Ordinary resolution to create charge and /or mortgage the movable /immovable properties of the Company, pursuant to section 293(1) (a) of the Companies Act, 1956.
3. Special resolution for inter corporate loans and investments and guarantee or security in excess of the prescribed limits.

F. Disclosures:

- i. The Company did not have any material significant related party transactions which do not have any potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in the Notes to the accounts forming part of the Annual Report.
- ii. The financial statements have been prepared in accordance with the accounting standards and policies generally accepted in India.
- iii. The CEO/CFO certification of the financial statements for the year is enclosed after Director's Report.
- iv. The Company has implemented the mandatory

requirements of Corporate Governance as set out in the Listing Agreement. In respect of compliance with the non-mandatory requirements, the Company has constituted a Remuneration Committee, the details whereof are given under the heading "Remuneration Committee". The quarterly and half yearly financial results are displayed on the Company's website and are published in the newspapers.

v. As required by Clause 49 of the Listing Agreement, a certificate from Auditor certifying the compliance by the

Company with the provisions of Corporate Governance of the Listing Agreement is given as at the beginning of this Report.

G. Reconciliation of Share Capital Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with

National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held by the NSDL and CDSL.

H. Means of Communication

- i. The quarterly un-audited financial results are published in leading English and Vernacular newspapers. The half yearly report is not sent separately to the Shareholders. Annual Reports are sent to the shareholders at their registered address with the company and also put up on Company's website www.choiceindia.com.
- ii. The Management Discussion and Analysis Report, in compliance with the requirements of Clause 49 of the Listing Agreement is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.
- iii. The Company's website is a comprehensive reference on Choice International's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on 'Investor Relations' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and share transfer agents.

iv. The consolidated financial statements of the Company and its subsidiaries form part of this Annual Report

I. Subsidiary Companies

The company does not have a 'material non-listed subsidiary' as defined in Clause 49 of the Listing

Agreement. Currently, the company has six subsidiaries under its umbrella. However, the Audit Committee of the Company has reviewed the financial statements and investments of the subsidiaries. The minutes of the Board Meetings of the subsidiary have been placed before the Board of the Company.

Shareholder's Information:**1. Annual General Meeting**

- Date and Time : September 30, 2011, 11.00 a.m
 - Venue : Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai – 400099

2. Financial Year (Tentative)

- Financial reporting for the quarter ending June 30,2011 : 2nd week of August, 2011
 - Financial reporting for the half year ending September 30,2011 : 2nd week of November, 2011
 - Financial reporting for the quarter ending December 31, 2011 : 2nd week of February, 2012
 - Financial reporting for the year ending March 31, 2012 : 2nd week of May, 2012
 - Annual General Meeting for the year ended March 31, 2012 : Last week of September, 2012

3. Dates of Book Closure

: September 26,2011 to September 30,2011 (both days inclusive)

4. Dividend Payment Date

: Upto October 30,2011

5. Registered Office

: 202, Chartered House ,
 Dr. C. H. Street,
 Marine Lines,
 Mumbai – 400 002
 Tel: (91-22) 4355 2100
 Fax:(91-22) 2206 8600
 Email : info@choiceindia.com
 Website: www.choiceindia.com

6. Listing on Stock Exchanges

: Bombay Stock Exchange Limited

7. Stock Code

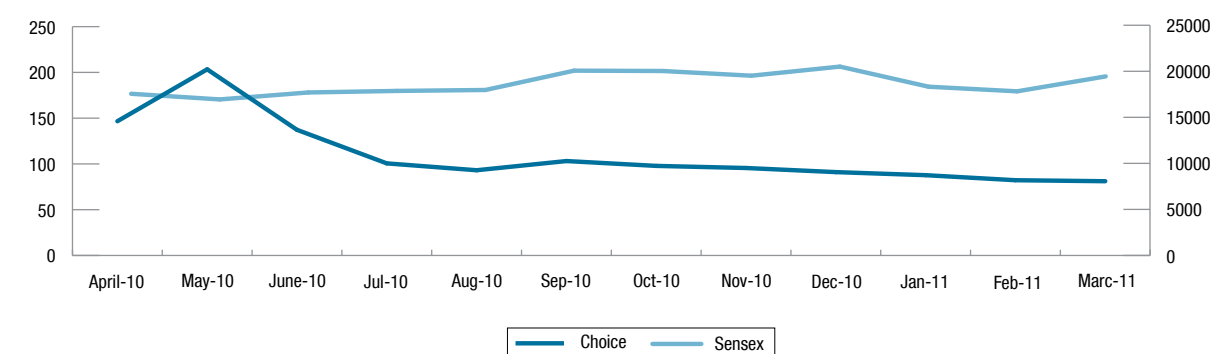
: Bombay Stock Exchange Limited – 531358

8. Payment of Annual Listing fees

: Listing fees for the financial year 2011-12 has been paid to the Bombay Stock Exchange Limited.

Market Price Data: High /Low of daily closing market price of the Company's shares traded at BSE during each month during the financial year ended March 31, 2011 are as under:

Month	High	Low	Close Price	Trade Quantity	Sensex
April -2010	154.35	141.00	146.65	7414442.00	17558.71
May – 2010	203.35	187.00	203.35	3027324.00	16944.63
June -2010	150.04	136.01	137.25	8040778.00	17700.90
July - 2010	107.00	99.65	100.06	6090687.00	17868.29
August – 2010	95.15	91.65	93.01	779318.00	17971.12
September – 2010	106.00	101.02	103.15	15439185.00	20069.12
October-2010	102.45	97.05	97.85	8231350.00	20032.34
November-2010	98.00	89.05	95.55	757073.00	19521.25
December-2010	92.35	90.01	91.05	1490182.00	20509.09
January-2011	89.35	86.00	87.07	1608863.00	18327.76
February-2011	84.09	81.04	82.02	7874122.00	17823.40
March-2011	83.00	81.00	81.01	3895603.00	19445.22

Share Price Performance in comparison with Sensex.**Distribution of Shareholding as on March 31, 2011.**

Number of Shares	Number of Shareholders	% to total No of Shareholders	Share Amount (in ₹)	% to total share capital
1-100	825.00	39.82	50863.00	0.68
101-200	289.00	13.95	52541.00	0.70
201-500	394.00	19.02	154719.00	2.06
501-1000	224.00	10.81	179348.00	2.39
1001-5000	203.00	9.80	474876.00	6.33
5001-10000	45.00	2.17	326111.00	4.35
10001-100000	81.00	3.91	3039835.00	40.51
100001 to Above	11.00	0.53	3226507.00	42.99
Total	2072.00	100.00	7504800.00	100.00

Categories of Shareholders as at March 31, 2011.

Sr.No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group	2,396,527	31.93
B.	Public Shareholding		
	- NRI/OCBs	3,426	0.046
	- Bodies Corporate	2,408,333	32.09
	- Individuals	2,660,567	35.45
	- Clearing Member	35,947	0.48
	Total	7,504,800	100.00

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 5606/44
Website: www.sharexindia.com

Dematerialization of Shares and liquidity:

The shares of the company are traded on the Bombay Stock Exchange Limited only in the dematerialized form. As on March 31, 2011, 85.53% of the Company's shares were in dematerialized form.

Plant Location:

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

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 CS Mahavir Toshniwal, Company Secretary and 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 43552100
Fax No: +91 022 2206 8600

Other Useful Information for Shareholders:

Unpaid/Unclaimed Dividends:

Demand Drafts in respect of the Dividend declared in July 2010 have been dispatched to the shareholders at the addresses registered with the Company. Those shareholders who have not yet received the demand

drafts may please write to the Company or its RTA for further information in this behalf. Shareholders who have not encashed the demand drafts are requested to do so by getting them revalidated from the Registered Office of the Company or its RTA.

ECS/NECS Facility:

The Company uses "Electronic Clearing Service (ECS) facility for remitting dividend to its shareholders wherever available.

In terms of notification issued by the Reserve Bank of India, with effect from October 1, 2009, remittance of dividend through ECS is replaced by National Electronic Clearing Service (NECS). Banks have been instructed to move to the NECS over ECS include faster credit of remittance to the beneficiary's account, coverage of more bank branches and ease of operations.

NECS essentially operates on the new and unique bank account number, allotted by banks post implementation of Core Banking Solutions (CBS) for Centralized processing of inward instructions and efficiency in handling bulk transactions.

To enable remittance of dividend through NECS, Members are requested to provide their new account number allotted to them by their respective banks after implementation of CBS. The account number must be provided to the Company or its RTA in respect of shares held in physical form and to the Depository Participants in respect of shares held in electronic form.

Share Transfer/Dematerialization:

Equity Shares of the Company are under compulsory demat trading by all investors. Considering the advantages of scrip less trading, shareholders are requested to consider dematerialization of their shareholding so as to avoid inconvenience in future.

The equity shares of the Company have been admitted with the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) bearing ISIN No. INE102B01014.

Correspondence with the Company:

Shareholders/Beneficial Owners are requested to quote their folio no/DP & Client Id Numbers as the case may be, in all correspondence with the Company/its RTA

Non Resident Shareholders:

Non-resident shareholders are requested to immediately notify their Indian address for sending all communications, if not provided so far changes in their residential status on return to India for permanent settlement and particulars of their NRE Bank Account with a bank in India, if not furnished earlier.

For Choice International Limited

Sd/-
Kamal Poddar
Managing Director
Mumbai, August 12, 2011

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To,
The Members of Choice International Limited

We have examined the compliance of conditions of Corporate Governance by Choice International Limited for the year ended 31 March 2011, as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges in India.

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that further 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 & Co**
Chartered Accountants
F. R. No.103450W

Sd/-
Shyamsundar Gupta
Proprietor
Membership No.038484
Mumbai, August 12, 2011

Certification by the Managing Director on Code of Conduct

To,
The Members of Choice International Limited

I, Kamal Poddar, Managing Director 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
Managing Director
Mumbai, August 12, 2011

Chief Executive Officer's Certification

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of their 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 regulations.
- (b) To the best of their knowledge and belief, no transactions entered into by the company during the year ended March 31, 2011 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for 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 and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which I might be aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You

Yours faithfully,

Sd/-
Kamal Poddar
 Managing Director & Chief Executive Officer

August 12, 2011, Mumbai

AUDITOR'S REPORT

To,
 The Stakeholders of
 Choice International Limited.
 Mumbai

1. We have audited the attached Balance Sheet as at 31st March, 2011 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 the 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 (as amended) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement, on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in 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 appear from our examination of the books of the Company;
 - (c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (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 sub section 3 (C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 the explanations given to us, the said financial statements, read together with the accounting policies and other notes given in Schedule "R" 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 Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - 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
 FRN: 103450W

Sd/-
Shyamsunder Gupta
 (Proprietor)
 Membership No. 038484
 Mumbai, May 30, 2011

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, 2011)

- 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. No material discrepancies were noticed on such verification.
- c) During the year, in our opinion, no substantial part of fixed assets has 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 procedure of physical verification of inventories followed by the management is 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. No discrepancies were noticed on such verification.
- iii. a) The company has granted unsecured loan to three subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 108.58 Lacs and the year-end balance of loans granted to such parties was ₹ 10.63 Lacs.
- b) In our opinion, and according to the information and explanations given to us, the rate of interest and other terms & conditions for such loans are not, prima facie, prejudicial to the interest of the company.
- c) The loans are repayable on demand and whenever the loans are called for the company has received the principle amount accordingly.
- d) Since there is no stipulation as regards payment schedule, clause 4(iii)(d) is not applicable.
- e) The Company had taken loan from six parties covered in register maintained in under section 301 of the Companies Act, 1956 during the year. The maximum amount involved during the year was ₹ 439 Lacs and the year-end balance of loans taken from such parties was ₹ 17.10 Lacs.
- f) In respect of loan taken, the terms and conditions are not, prima facie, prejudicial to the interest of the company.
- g) As informed by the management there is no stipulation regarding the repayment.
- 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, these contract and arrangement have been made at prices, which are reasonable having regard to the prevailing market prices, for such goods, materials or services at the relevant time. However, wherever no similar transaction taken place during the year with other parties, we are unable to comment whether the same is on prevailing prices or not.
- 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 and as per the information given to us, the company does not have a formal internal audit system, however it has adequate internal control system in 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) According to the information and explanations given to us, the company is generally regular, except few cases, in depositing the undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty and other statutory dues with the appropriate authorities, applicable to it. According to the information and explanations given to us, there are no significant undisputed amount payable in respect of aforesaid statutory dues which have remained outstanding as at 31st March, 2011 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 company examined by us there were no disputed statutory dues outstanding as at 31st March, 2011.
- x. As per the record examined by us, the companies do not have accumulated losses at the end of the financial year and it has not incurred cash losses during the current and in the immediately preceding financial year.
- xi. In our opinion and according to information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- xii. According to the information and explanation given and based on documents produced before us, the company has not granted loans and advances on the security by way of pledge of shares, debentures or any other securities
- xiii. 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.
- xiv. 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.
- xv. In our opinion and according to the information and the management representation given to us, the terms and conditions on which the company has given guarantees for loans taken by its subsidiaries from banks are, prima facie, not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanation given to us, the term loans have been applied for the purpose for which they are raised.
- xvii. On examination of records, funds raised for short term basis have not been utilized for long term purpose.
- xviii. According to the information and explanation given to us, the Company had made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
- xix. The company has not issued any secured debentures during the year under review.
- xx. 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.
- xxi. 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.

For **Gupta Shyam & Company**

Chartered Accountants

FRN: 103450W

Sd/-

Shyamsunder Gupta

(Proprietor)

Membership No. 038484

Mumbai, May 30, 2011

Standalone Financial Statements

BALANCE SHEET AS AT 31ST MARCH, 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	'A'	75,048,000	65,048,000
Reserves & Surplus	'B'	210,098,284	285,146,284
			37,670,287
			102,718,287
Loan Funds:			
Secured Loans	'C'	181,996,021	-
Unsecured Loans	'D'	1,710,000	1,800,000
		183,706,021	1,800,000
Deferred Tax Liability			
		12,041,476	3,006,395
Total		480,893,781	107,524,682
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	'E'	272,740,588	30,258,700
Less: Depreciation		11,908,167	4,121,577
Net Block		260,832,421	26,137,123
Capital Work-In-Progress		28,379,263	-
		289,211,684	26,137,123
Investments			
	'F'	124,236,945	53,836,985
Current Assets, Loans & Advances:			
Inventories	'G'	24,278,646	4,349,394
Sundry Debtors	'H'	122,888,134	18,070,174
Cash & Bank Balances	'I'	996,929	5,658,519
Other Current Assets	'J'	-	8,250,000
Loans & Advances	'K'	4,978,778	3,668,569
		153,142,487	39,996,656
Less: Current Liabilities & Provisions			
Current Liabilities	'L'	74,639,580	5,134,775
Provisions	'M'	11,057,755	7,311,307
		85,697,335	12,446,082
Net Current Assets:		67,445,152	27,550,574
Miscellaneous Expenditure:			
(to the extent not written off or adjusted)		-	-
Total		480,893,781	107,524,682

Significant Accounting Policies & Notes to Accounts as per Schedule - 'R'

As per our report of even date attached.

By and On behalf of Board of Directors

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-
Kamal Poddar
Managing Director

Sd/-
Ajay Kejriwal
Director

Sd/-
Mahavir Toshniwal
Company Secretary

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
INCOME:			
Income from Operations	'N'	470,480,964	345,491,366
Other Income	'O'	36,743	1,492,095
Total		470,517,707	346,983,461
EXPENDITURE:			
Operating Expenses	'P'	345,939,612	250,137,400
(Increase) / Decrease in Inventories		(19,929,252)	(1,849,394)
Personnel Expenses		44,717,979	19,765,139
Administrative & Other Expenses	'Q'	32,537,899	35,358,371
Depreciation		7,786,590	2,944,813
Interest Expenses		10,341,395	681,177
Total		421,394,223	307,037,506
Profit/(Loss) Before Tax		49,123,484	39,945,955
Provision for Current Tax		9,800,000	10,500,000
MAT Credit Availed		(2,861,860)	-
		6,938,140	10,500,000
Provision for Deferred Tax		9,035,081	2,633,632
Profit/(Loss) After Tax		33,150,263	26,812,323
Profit/(Loss) Brought Forward		17,683,487	87,809
Short Provision of Taxes in Earlier Years		-	11,500
APPROPRIATIONS			
Transfer to Statutory Reserve		6,700,000	5,400,000
Proposed Dividend		7,504,800	3,252,400
Dividend Distribution Tax on Proposed Dividend		1,217,466	552,745
Balance Carried to Balance Sheet		35,411,484	17,683,487
Basic Earning Per Share of face value of ₹ 10 each		5.08	4.39
Diluted Earning Per Share of face value of ₹ 10 each		5.08	4.39

Significant Accounting Policies & Notes to Accounts as per Schedule - 'R'

As per our report of even date attached.

By and On behalf of Board of Directors

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-
Kamal Poddar
Managing Director

Sd/-
Ajay Kejriwal
Director

Sd/-
Mahavir Toshniwal
Company Secretary

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

CASH FLOW STATEMENT FOR THE YEAR 2010-11

(Figures in ₹)

Particulars	March 31, 2011	March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit and Loss Account	49,123,484	39,945,955
Adjusted for:		
Depreciation	7,786,590	2,944,813
Interest Expense	10,341,395	681,177
Profit on Sale of Investment	-	(750,000)
Interest Income	(6,793)	(726,495)
Operating Profit before Working Capital Changes	67,244,676	42,095,450
Adjusted for:		
Receivables, Deposits and Advances	(95,984,311)	(18,461,306)
Inventories	(19,929,252)	(1,849,394)
Current Liabilities	69,119,805	4,764,943
Taxes paid	(10,585,673)	(6,714,354)
Net Cash from Operating Activities	9,865,245	19,835,339
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	650,933	188,596
Movement in Loans and Advances	2,075,000	15,992,870
Deposits	(34,000)	(505,000)
Investment in an Associate	-	(7,036,985)
Investments / Loans in Subsidiaries	(55,463,000)	(46,800,000)
Sale / (Purchase) of Investments in Shares	(15,999,960)	1,000
Purchase of Fixed Assets	(270,861,151)	(25,616,313)
Net Cash used in Investing Activities	(339,632,178)	(63,775,832)
CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(10,341,395)	(681,177)
Dividend paid (including Dividend Distribution Tax)	(3,805,145)	(761,029)
Proceeds from Long Term Borrowings	183,706,021	-
Loan taken / (repaid) from / to Subsidiaries	(1,800,000)	1,800,000
Proceeds from Issue of Share Capital	158,000,000	37,500,000
Net Cash from Financing Activities	325,759,481	37,857,794
Net Increase / (Decrease) in Cash and Cash Equivalents	(4,007,452)	(6,082,699)
Cash and Cash Equivalents at beginning of period	5,004,381	11,087,080
Cash and Cash Equivalents at end of period	996,929	5,004,381

As per our report of even date attached.

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/-
Kamal Poddar
Managing Director

Sd/-
Ajay Kejriwal
Director

Sd/-
Mahavir Toshniwal
Company Secretary

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
SHARE CAPITAL:			
'A'			
Authorised -			
7,600,000 (P.Y. 6,600,000) Equity Shares of ₹ 10/- each		76,000,000	66,000,000
		<u>76,000,000</u>	<u>66,000,000</u>
Issued, Subscribed and Paid-up -			
7,504,800 (P.Y. 6,504,800) Equity Shares of ₹ 10/- each fully paid-up		75,048,000	65,048,000
Total		<u>75,048,000</u>	<u>65,048,000</u>
RESERVES AND SURPLUS:			
'B'			
Statutory Reserve			
Opening Balance		5,400,000	-
Additions during the year		6,700,000	5,400,000
		<u>12,100,000</u>	<u>5,400,000</u>
Securities Premium			
Opening Balance		13,717,300	1,217,300
Additions during the year		148,000,000	12,500,000
		<u>161,717,300</u>	<u>13,717,300</u>
Capital Reserves		869,500	869,500
Profit & Loss Account		35,411,484	17,683,487
Total		<u>210,098,284</u>	<u>37,670,287</u>
SECURED LOANS:			
'C'			
State Bank of India (Secured against Land & Building)		181,996,021	-
Total		<u>181,996,021</u>	<u>-</u>
UNSECURED LOANS:			
'D'			
Loan from Subsidiary		-	1,800,000
Loan from Director		1,710,000	-
Total		<u>1,710,000</u>	<u>1,800,000</u>

BALANCE SHEET AS AT 31ST MARCH, 2011

SCHEDULE 'E' - FIXED ASSETS

Particulars	Gross Block				Depreciation			Net Block	
	As on April 1, 2010	Additions	Deductions	As on March 31, 2011	Additions	Deductions	As on March 31, 2011	As on March 31, 2010	
Freehold Land	6,377,910	21,600,000	-	27,977,910	-	-	27,977,910	6,377,910	
Building	-	202,753,360	-	202,753,360	2,084,454	-	200,668,906	-	
Office Equipments	1,082,758	52,628	-	1,135,386	51,672	-	779,399	778,443	
Computers & Softwares	21,398,486	16,397,120	-	37,795,606	5,471,857	-	28,943,504	18,018,241	
Vehicles	-	1,667,380	-	1,667,380	89,943	-	1,577,437	-	
Furniture & Fixtures	1,399,546	11,400	-	1,410,946	88,664	-	885,265	962,529	
Total	30,258,700	242,481,888	-	272,740,588	7,786,590	-	260,832,421	26,137,123	
Previous Year	4,642,387	25,616,313	-	30,258,700	2,944,813	-	26,137,123	3,465,623	
Capital Work-in-Progress							28,379,263	-	

(Figures in ₹)

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Schedules	March 31, 2011	March 31, 2010
(Figures in ₹)			
INVESTMENTS:	'F'		
Long Term Investments -			
Quoted Investments in Equity Shares fully paid-up -			
1,557,850 (1,557,850) shares of ₹10/- each of Zenu Infotech Ltd.		7,036,985	7,036,985
533,332 (Nil) shares of ₹10/- each of Shekhavati Poly-yarn Ltd.		15,999,960	-
(Aggregate Market Value - ₹49,020,511/-, P.Y. - ₹51,019,588/-)			
Unquoted Investments in Subsidiary Companies, Equity Shares fully paid-up -			
5,050,000 (10000) shares of ₹10/- each of Choice Capital Advisors P. Ltd.		50,500,000	100,000
3,080,000 (3,040,000) shares of ₹10/- each of Choice Equity Broking P. Ltd.		34,400,000	30,400,000
1,000,000 (1,000,000) shares of ₹10/- each of Choice Merch. Broking P. Ltd.		10,000,000	10,000,000
500,000 (500,000) shares of ₹10/- each of Choice Insurance Brokers P. Ltd.		5,000,000	5,000,000
110,000 (110,000) shares of ₹10/- each of Choice Realty P. Ltd.		1,100,000	1,100,000
10,000 (10,000) shares of ₹10/- each of Choice Business Services P. Ltd.		100,000	100,000
10,000 (10,000) shares of ₹10/- each of Choice Wealth Mgmt. P. Ltd.		100,000	100,000
Total		124,236,945	53,836,985
INVENTORIES:	'G'		
Shares & Securities		24,278,646	4,349,394
(Market Value - ₹24,278,646/-, P.Y. ₹5,875,035/-)			
Total		24,278,646	4,349,394
SUNDRY DEBTORS:	'H'		
(Unsecured, considered good)			
Dues Outstanding for the period in excess of Six Months		34,190,624	-
Other Outstanding Debts		88,697,510	18,070,174
Total		122,888,134	18,070,174
CASH AND BANK BALANCES:	'I'		
Cash on Hand		97,162	184,290
Balance with Scheduled Banks -			
- In Fixed Deposit Accounts*		-	6,149,138
- In Current Accounts*		899,767	(674,909)
Total		996,929	5,658,519

1) Previous year's fixed deposit of ₹5,500,000/- was mortgaged against overdraft facility.

2) Fixed deposit includes accrued interest NIL (P.Y. ₹654,138/-)

3) Current accounts includes debit balance in overdraft account NIL (P.Y. ₹8,712/-)

4) Previous year's current accounts shows credit balance due to cheques overdrawn.

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
OTHER CURRENT ASSETS:	'J'		
Other Receivables		-	8,250,000
Total		-	8,250,000
LOANS AND ADVANCES:	'K'		
Sundry Loans (Unsecured, considered good)		-	2,075,000
Advances Recoverable in Cash or for Value to be received		58,920	683,569
Loans to Subsidiaries		1,063,000	-
Employee Advances		41,000	-
Sundry Deposits		444,000	405,000
Deposit with Credit Society		509,998	505,000
Minimum Alternative Tax Credit Entitlement		2,861,860	-
Total		4,978,778	3,668,569
CURRENT LIABILITIES:	'L'		
Sundry Creditors -			
- Due to Micro and Small Enterprises		-	-
- Due to Others		41,117,779	1,203,472
Other Liabilities		32,393,456	3,480,838
Advance from Clients		1,062,630	450,465
Unclaimed Dividend		65,715	-
Total		74,639,580	5,134,775
PROVISIONS:	'M'		
Income Tax (net of Advance Taxes)		2,335,489	3,121,162
Proposed Dividend		7,504,800	3,252,400
Dividend Distribution Tax		1,217,466	552,745
Other Provisions			385,000
Total		11,057,755	7,311,307
INCOME FROM OPERATIONS:	'N'		
Sale of Shares & Securities		314,873,441	235,997,305
Consultancy & Professional Fees		155,607,523	80,905,995
Income from Derivatives Business (net)		-	28,588,066
Total		470,480,964	345,491,366

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
OTHER INCOME:	'O'		
Interest Income		6,793	726,495
Dividend		29,950	15,600
Profit on Sale of Investment		-	750,000
Total		36,743	1,492,095
OPERATING EXPENSES:	'P'		
Purchase of Shares & Securities		324,677,112	233,117,400
Service Charges		11,542,500	13,275,000
Equity Research Charges		9,720,000	3,745,000
Total		345,939,612	250,137,400
ADMINISTRATIVE AND OTHER EXPENSES:	'Q'		
Auditors Remuneration (net of Service Tax)		149,500	145,750
Director Sitting Fees		40,000	-
Legal & Professional Fees		2,800,234	4,118,431
Conference & Meeting Expenses		2,021,750	3,295,000
Books & Periodicals		362,918	865,177
Computer Expenses		2,010,048	2,676,899
Donation		33,600	510,100
Electricity Charges		265,843	326,493
General Expenses		592,671	820,640
Insurance Charges		63,032	-
Bank Charges		21,684	8,072
DP & Broker Charges		43,260	-
Postage & Courier Expenses		355,992	652,690
Printing & Stationery		5,640,722	5,936,006
Rent & Rates		944,000	707,500
Repairs & Maintenance		581,995	1,720,742
Telephone & Internet Expenses		416,459	711,237
Conveyance Expenses		1,028,584	2,357,958
Traveling Expenses		2,190,550	2,370,857
Business Promotion Expenses		401,240	1,675,838
Marketing & Advertisement Expenses		12,573,817	6,458,981
Total		32,537,899	35,358,371

SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

Schedule 'R' - Notes on Accounts & Significant Accounting Policies :

Significant Accounting Policies -

A. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on a going concern and accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified Under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof and the applicable guidelines issued by the Reserve Bank of India.

B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable, future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

C. Revenue Recognition

Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.

- Fees are recognised when reasonable right of recovery is established and the revenue can be reliably measured and on accrual basis. The performance of services is measured under the proportionate completion method which relates the revenue to the work accomplished.
- Profit/Loss from dealing in Shares & Securities are recognised on the day of confirmation of transaction.
- Dividend is accounted when the right to receive payment is established.
- Interest and Other Income are accounted on accrual basis.
- Revenue figures exclude Service Tax component, if recoverable.

D. Fixed Assets

All Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes any amount attributable

for bringing the asset to its present location and working condition, less accumulated depreciation and impairment loss, if any. All costs, including borrowing costs till the assets are ready for their intended use, attributable to the fixed assets are capitalised.

E. Depreciation

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed by schedule XIV of the Companies Act, 1956. Depreciation on additions to fixed assets is provided on pro-rata basis from the date of addition.

F. Inventories

Shares and Securities are valued at cost or net realisable value whichever is lower cumulatively for all shares. Cost is taken on FIFO basis and cost includes all incidental cost of acquisition.

G. Investments

The company is regulated as Non-Banking Finance Company (NBFC) by the RBI. Accordingly, investments are classified under two categories viz. Current and Long Term and are valued in accordance with the RBI Guidelines and Accounting Standard 13 on "Accounting for Investments".

- Long Term Investments are carried at cost of acquisition including incidental charges less provision for permanent diminution, if any, in value of such investments.
- Current Investments are carried at cost of acquisition or net realisable value, whichever is lower.

H. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined, based on estimate required to settle the obligation on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. 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. Contingent Assets are neither recognized nor disclosed in the financial statements.

I. Provision for Current and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred Tax Assets/

Liabilities represents timing differences between accounting income and taxable income are accounted for using the tax rates and laws that are enacted as on the balance sheet date, and are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

J. Earning Per Share

Basic Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earning per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are Anti-Dilutive.

K. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. Cash and cash equivalents include cash in hand, balances with banks and money at call and short notice but does not include interest accrued on fixed deposits.

L. Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

M. Employee Benefits

Short-Term Employee Benefits are recognised as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered. Long Term Employee Benefits and Post Employment Benefits, both funded and unfunded, are recognised as an expense in the profit and loss account for the year in which the employee has rendered services based on actuarial valuation at the end of the year using the Projected Unit Credit Method.

N. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of transactions settled during the year are recognised in the profit and loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reported using the closing rates, the exchange differences, if any, are recognised in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet.

Notes on accounts -

- 1) Previous year's figures have been regrouped / reclassified / rearranged / recast wherever necessary. Amounts and other disclosures for the preceeding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 2) Balances of the Debtors, Creditors, Advances and balances of Deposits are subject to confirmation, reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 3) In the opinion of management, the Current Assets and Advances have the value as stated in the balance sheet, if realised in the ordinary course of business.
- 4) There is no outstanding dues of Micro and Small Enterprises suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.
- 5) Based on the guiding principles stated in Accounting Standard 17 "Segment Reporting", the management does not recognise any distinguishable component of the company that is engaged in providing an individual product or service or a group of related products or services. Hence the disclosure requirements of AS-17 in this regard is not applicable.

6) Contingent Liabilities:

The company has given Corporate Guarantees of ₹3 crore to the Axis Bank for its subsidiary Choice Equity Broking Pvt. Ltd. and ₹1 crore to the Axis Bank for its subsidiary Choice Merchandise Broking Pvt. Ltd. Since this is a contingent liability no provision has been made in the financial statements.

7) The Company has Unclaimed Dividend of ₹65,715/- as on 31st March 2011 (P.Y. ₹21,866/-

represented by the demand drafts issued but not presented in bank.)

8) The management has created a Statutory Reserve of ₹6,700,000/-, (P.Y. ₹5,400,000/-) as per the provisions of Section 45-IC of Reserve Bank of India Act, 1934.

(Figures in ₹)

	2010-11	2009-10
9) Auditors Remuneration:		
Statutory Audit Fees	66,180	55,150
Tax Audit Fees	27,575	11,030
Certification Fees	71,147	91,777
Total -	164,902	157,957
10) Directors Remuneration:		
Salary & Perquisites	600,000	600,000
11) The net Deferred Tax Liability/(Asset) as on 31st March 2011 has been worked out as follows:		
Deferred Tax Liabilities/(Assets) on account of -		
- Depreciation	12,041,476	3,006,395
Total -	12,041,476	3,006,395
12) Earning Per Share (EPS):		
Net Profit after tax as per Profit and Loss Account attributable to Equity Shareholders (₹)	33,150,263	26,812,323
Weighted average number of Equity Shares used as denominator for calculating EPS	6,523,978	6,100,690
Basic and Diluted Earning per share (₹)	5.08	4.39
Face value per Equity Share (₹)	10	10

13) Related Party Disclosures:**List of Related Parties -****A. Key Management Personnel & their relatives -**

Kamal Poddar (Managing Director)
Hemlata Poddar (Non-Executive Director)
Arun Poddar

B. Subsidiaries -

Choice Equity Broking Private Limited
Choice Merchandise Broking Private Limited
Choice Insurance Brokers Private Limited
Choice Business Services Private Limited
Choice Capital Advisors Private Limited
Choice Wealth Management Private Limited
Choice Realty Private Limited

C. Associates -

Zenu Infotech Limited

D. Individuals owning directly or indirectly interest in voting power that gives them control & their relatives -

Vinita Patodia
Sunil Patodia
Anil Patodia
Archana Patodia

E. Enterprises over which (A) & (D) are able to exercise Significant Influence -

Sunil C. Patodia HUF
Anil C. Patodia HUF
S. K. Patodia & Associates
Hotel Relax Private Limited
S. K. Patodia Advisory Services Pvt. Ltd.
Manbhari Biofuel Private Limited
Upton Infrastructure Private Limited
M/s. Shree Shakambhari Exim
Aqua Pumps Private Limited

Related Party Transactions -

Revenue Transactions	Nature of Transactions	2010-11	2009-10
Key Management Personnel & their relatives -	Salary & Perquisites	600,000	725,000
Subsidiary -	Broker Charges	11,174	-
	DP Charges	1,103	-
Individuals owning directly or indirectly interest in voting power that gives them control & their relatives -	Salary & Perquisites	-	200,000
Enterprises over which (A) & (D) are able to exercise significant influence -	Consultancy & Professional Fees	-	6,500,000

	2010-11	2009-10
Capital Transactions:		
Infusion of Equity in -		
Choice Equity Broking Private Limited	4,000,000	30,400,000
Choice Merchandise Broking Private Limited	-	10,000,000
Choice Insurance Brokers Private Limited	-	5,000,000
Choice Realty Private Limited	-	1,100,000
Choice Capital Advisors Private Limited	50,400,000	100,000
Choice Wealth Management Private Limited	-	100,000
Choice Business Services Private Limited	-	100,000
Loan taken from -		
Choice Insurance Brokers Private Limited	3,800,000	500,000
Choice Realty Private Limited	26,000,000	-
S. K. Patodia Advisory Services Private Limited	6,700,000	-
Aqua Pumps Private Limited	1,500,000	-
Choice Capital Advisors Private Limited	3,100,000	-
Choice Equity Broking Private Limited	-	1,800,000
Kamal Poddar	4,400,000	-
Loan given to -		
Choice Equity Broking Private Limited	6,015,000	-
Choice Merchandise Broking Private Limited	4,525,000	-
Choice Business Services Private Limited	318,000	-
Outstanding Loan amount at year end -		
Choice Insurance Brokers Private Limited	-	-
Choice Equity Broking Private Limited	800,000	1,800,000
Choice Merchandise Broking Private Limited	-	-
Choice Business Services Private Limited	263,000	-
Choice Capital Advisors Private Limited	-	-
Choice Realty Private Limited	-	-
S. K. Patodia Advisory Services Private Limited	-	-
Aqua Pumps Private Limited	-	-
Kamal Poddar	1,710,000	-
Maximum Outstanding Loan amount -		
Choice Insurance Brokers Private Limited	3,800,000	500,000
Choice Equity Broking Private Limited	6,015,000	1,800,000
Choice Merchandise Broking Private Limited	4,525,000	-
Choice Business Services Private Limited	318,000	-
Choice Capital Advisors Private Limited	3,100,000	-
Choice Realty Private Limited	26,000,000	-
S. K. Patodia Advisory Services Private Limited	6,700,000	-
Aqua Pumps Private Limited	1,500,000	-
Kamal Poddar	2,800,000	-
Outstanding balance in debtors -		
Choice Equity Broking Private Limited	2,018,109	-

14) Inventories (Valued at Cost or Net Realisable Value whichever is lower on cumulative basis):

Name of the Scrips	March 31, 2011		March 31, 2010	
	Quantity	Rupees	Quantity	Rupees
Duncan Inds. Ltd.	-	-	25,000	328,395
Elegant Flor. & Agro. (I) Ltd.	221,363	1,534,046	6,069	17,599
Gangotri Iron & Steel Compnay Ltd.	156,000	7,566,000	-	-
GSL Securities Ltd.	18,930	120,395	-	-
Indo Bonito Multin. Ltd.	-	-	4,985	44,803
Ladderup Finance Ltd.	-	-	8,449	200,664
Lawreshwar Polymers Ltd.	405,359	2,796,977	-	-
Maars Software International Ltd.	78,900	74,955	-	-
RLF Ltd.	25,323	118,765	-	-
Rock Hard Petro. Chem. Inds. Ltd.	17,102	48,741	13,765	41,301
Santosh Fine-Feb Ltd.	33,157	547,090	-	-
Shalibhadra Finance Ltd.	-	-	106,232	2,200,192
SVART Corporation Ltd.	458,282	3,024,661	-	-
Unimers India Ltd.	745,400	8,437,928	-	-
Vakrangee Softwares Ltd.	-	-	20,000	1,516,440
Vivid Global Industries Ltd.	1,600	9,088	-	-
Total	2,161,416	24,278,646	184,500	4,349,394

15) Quantitative details of Shares traded

	2010-11		2009-10	
	Quantity	Rupees	Quantity	Rupees
Opening Stock	184,500	4,349,394	12,500	2,500,000
Purchases	2,565,657	324,677,112	1,005,711	233,117,400
Sales	588,741	314,873,441	833,711	235,997,305
Closing Stock	2,161,416	24,278,646	184,500	4,349,394

16) Capital work-in progress includes R1,280,246- paid in foreign currency towards import of capital goods on C.I.F. basis (P.Y. - Nil).

Additional information pursuant to the provisions of Part-IV to Schedule-VI to the Companies Act, 1956:

Balance Sheet Abstract and Company's General Business Profile -**I. Registration Details:**

Registration Number	L67190MH1993PLC071117
State Code	11
Balance Sheet Date	31st March 2011

II. Capital Raised During The Year:

Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	10,000

III. Position of Mobilisation and Deployment of Funds:	(₹ In '000)
Total Liabilities	566,591
Total Assets	566,591

Sources of Funds -

Paid-up Capital	75,048
Reserves & Surplus	210,098
Secured Loan	181,996
Unsecured Loan	1,710
Deferred Tax Liability	12,041

Application of Funds -

Net Fixed Assets	289,212
Investments	124,237
Net Current Assets	67,445
Miscellaneous Expenditure	0
Accumulated Losses	0

IV. Performance of Company: (₹ In '000)

Turnover/Gross receipts	470,518
Total Expenditure	421,394
Profit Before Tax	49,123
Profit After Tax	33,150
Earning Per Share (in ₹)	5.08
Dividend Rate	10%

V. Generic Names of Principle Products / Service of Company:

Name of the Product / Service	Non-Banking Finance Company
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As per our report of even date attached.

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/- Kamal Poddar Managing Director	Sd/- Ajay Kejriwal Director	Sd/- Mahavir Toshniwal Company Secretary
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To,
The Board of Directors of
Choice International Limited.

As required by the "Non-Banking Financial Companies Auditor's Report (Reserve Bank) Direction, 1998" vide notification No.DFC.117/DG (SPT)-98 dated January 2, 1998 duly updated as on June 30, 2008 issued by Reserve Bank of India (RBI), and based on the books and records verified by us and according to the information and explanation given to us during the course of our audit, we give hereunder our report on matters specified in paragraphs 3 of the said Directions.

1. The company has applied for the registration on July 7, 1997 as provided in the section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and the company has received certificate of Registration No.13.00128 dated February 26,1998 from Reserve Bank of India, Department of Non-Banking Supervision, Mumbai Regional Office.
2. The Board of Directors in their meeting held on 25th March, 2011 has passed a resolution for non-acceptance of any public deposit in the financial year 2011-12 without prior approval of Reserve Bank of India in writing.
3. As per the information and explanation given to us and as appears from the books of account of the company, company has not accepted any deposit from public during the year ended on March 31,2011
4. In our opinion and as per the information and explanation given to us the company has complied with prudential norms relating to income recognition, accounting standard, asset classification, and provisioning of bad and doubtful debt as applicable to it for the year ended on March 31,2011.

For **Gupta Shyam & Company**
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
(Proprietor)
Membership No. 038484
Mumbai, May 30, 2011

CONSOLIDATED AUDITOR'S REPORT

To,
The Board of Directors of
Choice International Limited.
Mumbai.

- We have examined the attached Consolidated Balance Sheet of Choice International Limited, its Subsidiaries and Associates as at 31st March, 2011 and also the Consolidated Profit and Loss Account and Consolidated 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 and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components.
- 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We have not audited the financial statements of any of the Subsidiaries and Associates, whose financial statements reflect the total assets of ₹ 711.57 lacs, revenue of ₹ 28.99 lacs and the loss of ₹ 29.14 lacs and cash outflows of ₹ 4.81 lacs in these financial statements. These financial statements and other financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
- We report that the Consolidated Financial statements have been prepared by the Choice International Limited Management in accordance with the requirement of Accounting Standard (AS) 21 – "Consolidated Financial statements" notified pursuant to the Companies (Accounting Standard) Rules, 2006 on the basis of the separate audited financial statement of the Choice Group included in the consolidated financial statements.
- On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Choice International Limited and its aforesaid Subsidiaries. We are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - In the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March, 2011
 - In the case of the Consolidated Profit & Loss Account, of the profit for the year ended on that date; and
 - In the case of consolidated Cash Flow Statement, of the cash flows of the group for the year ended on that date.

For **Gupta Shyam & Company**
Chartered Accountants
FR.W. No. 103450W

Sd/-
Shyamsunder Gupta
(Proprietor)
Membership No. 038484

Mumbai, May 30, 2011

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	'A'	75,048,000	65,048,000
Reserves & Surplus	'B'	241,511,446	68,359,641
		316,559,446	133,407,641
Loan Funds:			
Secured Loans	'C'	181,996,021	-
Unsecured Loans	'D'	1,710,000	-
		183,706,021	-
		12,270,726	3,006,395
Deferred Tax Liability			
Minority Interest		31,306,548	31,573,804
Total		543,842,741	167,987,840
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	'E'	279,080,182	30,272,115
Less: Depreciation		12,093,013	4,121,577
Net Block		266,987,169	26,150,538
Capital Work-In-Progress		28,379,263	-
		295,366,432	26,150,538
Investments	'F'	23,588,454	7,036,985
Current Assets, Loans & Advances:			
Inventories	'G'	24,278,646	4,349,394
Sundry Debtors	'H'	126,608,865	18,070,174
Cash & Bank Balances	'I'	22,053,280	40,407,808
Other Current Assets	'J'	-	8,250,000
Loans & Advances	'K'	145,852,477	76,225,180
		318,793,268	147,302,556
Less: Current Liabilities & Provisions -			
Current Liabilities	'L'	83,041,541	5,213,975
Provisions	'M'	10,863,872	7,288,264
		93,905,413	12,502,239
Net Current Assets:		224,887,855	134,800,317
Miscellaneous Expenditure: (to the extent not written off or adjusted)		-	-
Total		543,842,741	167,987,840

Significant Accounting Policies & Notes to Accounts as per Schedule - 'R'

As per our report of even date attached.

For **Gupta Shyam & Co.**
Chartered Accountants
FR.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/-
Kamal Poddar
Managing Director

Sd/-
Ajay Kejriwal
Director

Sd/-
Mahavir Toshniwal
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
INCOME:			
Income from Operations	'N'	472,231,198	345,491,366
Other Income	'O'	1,088,366	1,851,410
Total		473,319,564	347,342,776
EXPENDITURE:			
Operating Expenses	'P'	345,928,974	250,137,400
(Increase) / Decrease in Inventories		(19,929,252)	(1,849,394)
Personnel Expenses		47,006,424	19,817,139
Administrative & Other Expenses	'Q'	35,770,042	38,500,689
Depreciation		7,971,436	2,944,813
Interest Expenses		10,362,654	681,177
Total		427,110,278	310,231,824
Profit/(Loss) Before Tax		46,209,286	37,110,952
Provision for Current Tax		9,809,336	10,511,303
MAT Credit Availed		(2,871,196)	-
		6,938,140	10,511,303
Provision for Deferred Tax		9,264,331	2,633,632
Profit/(Loss) After Tax (before adjustment for Minority Interest)		30,006,815	23,966,017
Share of Minority Interest in Profit/(Loss) for the year		(267,256)	(2,118)
Profit/(Loss) After Tax (after adjustment for Minority Interest)		30,274,071	23,968,135
Profit/(Loss) Brought Forward		14,849,031	83,858
Short Provision of taxes in Earlier Years		-	11,500
Pre-acquisition Profit/(Loss) of Subsidiaries		-	(13,683)
APPROPRIATIONS			
Transfer to Statutory Reserve		6,700,000	5,400,000
Proposed Dividend		7,504,800	3,252,400
Dividend Distribution Tax on Proposed Dividend		1,217,466	552,745
Balance Carried to Balance Sheet		29,700,836	14,849,031
Basic Earning Per Share of face value of ₹ 10 each		4.64	3.93
Diluted Earning Per Share of face value of ₹ 10 each		4.64	3.93

Significant Accounting Policies & Notes to Accounts as per Schedule - 'R'

As per our report of even date attached.

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/- Kamal Poddar Managing Director
Sd/- Ajay Kejriwal Director
Sd/- Mahavir Toshniwal Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2011

(Figures in ₹)

Particulars	March 31, 2011	March 31, 2010
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Profit and Loss Account	46,209,286	37,110,952
Adjusted for:		
Depreciation	7,971,436	2,944,813
Interest Expense	10,362,654	681,177
Profit on Sale of Investment	-	(750,000)
Preliminary Expenses Written Off	-	10,080
Dividend Received	(29,950)	
Interest Income	(1,058,416)	(1,085,810)
Operating Profit before Working Capital Changes	63,455,010	38,911,212
Adjusted for:		
Receivables, Deposits and Advances	(181,357,936)	(19,242,917)
Inventories	(19,929,252)	(1,849,394)
Current Liabilities	77,376,851	4,844,143
Taxes paid	(10,765,849)	(6,725,657)
Net Cash from Operating Activities	(71,221,176)	15,937,387
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	1,647,379	277,737
Dividend Received	29,950	-
Movement in Sundry Loans	18,329,014	(71,032,130)
Deposits with Credit Society	(3,238,692)	(505,000)
Investment in an Associate	-	(7,036,985)
Sale / (Purchase) of Investments in Shares	(16,551,469)	1,000
Purchase of Fixed Assets	(273,587,330)	(25,616,313)
Net Cash used in Investing Activities	(273,371,148)	(103,911,691)
CASH FLOW FROM FINANCING ACTIVITIES:		
Interest paid	(10,362,654)	(681,177)
Dividend paid (including Dividend Distribution Tax)	(3,739,430)	(761,029)
Proceeds from Long Term Borrowings	183,706,021	-
Proceeds from Issue of Share Capital	158,000,000	102,500,000
Net Cash from Financing Activities	327,603,937	101,057,794
Net Increase / (Decrease) in Cash and Cash Equivalents	(16,988,387)	13,083,490
Cash and Cash Equivalents at beginning of period	24,256,539	11,173,049
Cash and Cash Equivalents at end of period	7,268,152	24,256,539

As per our report of even date attached.

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/- Kamal Poddar Managing Director
Sd/- Ajay Kejriwal Director
Sd/- Mahavir Toshniwal Company Secretary

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
SHARE CAPITAL:	'A'		
Authorised - 7,600,000 (P.Y. 6,600,000) Equity Shares of ₹ 10/- each		76,000,000	66,000,000
		76,000,000	66,000,000
Issued, Subscribed and Paid-up - 7,504,800 (P.Y. 6,504,800) Equity Shares of ₹ 10/- each fully paid-up		75,048,000	65,048,000
Total		75,048,000	65,048,000
RESERVES AND SURPLUS:	'B'		
Statutory Reserve			
Opening Balance		5,400,000	-
Additions during the year		6,700,000	5,400,000
		12,100,000	5,400,000
Securities Premium			
Opening Balance		47,241,110	1,217,300
Additions during the year		151,600,000	46,023,810
		198,841,110	47,241,110
Capital Reserves		869,500	869,500
Profit & Loss Account		29,700,836	14,849,031
Total		241,511,446	68,359,641
SECURED LOANS:	'C'		
State Bank of India (Secured against Land & Building)		181,996,021	-
Total		181,996,021	-
UNSECURED LOANS:	'D'		
Loan from Director		1,710,000	-
Total		1,710,000	-

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE 'E' - FIXED ASSETS

Particulars	Gross Block		Depreciation		Net Block	
	As on April 1, 2010	Additions	Deductions	As on March 31, 2011	As on March 31, 2010	As on March 31, 2010
Goodwill on consolidation	13,415	3,600,000	-	3,613,415	-	13,415
Freehold Land	6,377,910	21,600,000	-	27,977,910	-	6,377,910
Building	-	202,753,360	-	202,753,360	-	-
Office Equipments	1,082,758	137,228	-	1,219,986	304,315	778,443
Computers & Softwares	21,398,486	19,038,699	-	40,437,185	5,654,578	18,018,241
Vehicles	-	1,667,380	-	1,667,380	89,943	-
Furniture & Fixtures	1,399,546	11,400	-	1,410,946	88,664	962,529
Total	30,272,115	248,808,067	-	279,080,182	4,121,577	26,150,538
Previous Year	4,642,387	25,629,728	-	30,272,115	1,176,764	3,465,623
Capital Work-in-Progress	-	-	-	-	-	-
						28,379,263

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
INVESTMENTS:	'F'		
Long Term Investments -			
Quoted Investments in Equity Shares fully paid-up -			
1,557,850 (1,557,850) shares of ₹10/- each of Zenu Infotech Ltd.		7,036,985	7,036,985
533,332 (Nil) shares of ₹10/- each of Shekhawati Polyarn Ltd.		15,999,960	-
980 shares of ₹10/- each of GSL Securities Ltd.		5,740	-
5 shares of ₹10/- each of Sesa Goa Ltd.		1,853	-
62,516 shares of ₹10/- each of Lawreshwar Polymers Ltd.		543,916	-
(Aggregate Market Value - C.Y. ₹49,459,556/-, P.Y. ₹51,019,588/-)			
Total		23,588,454	7,036,985
INVENTORIES:	'G'		
Shares & Securities		24,278,646	4,349,394
(Market Value - C.Y. ₹ 24,278,646/-, P.Y. ₹5,875,035/-)			
		24,278,646	4,349,394
SUNDRY DEBTORS:	'H'		
(Unsecured, considered good)			
Dues Outstanding for the period in excess of Six Months		34,190,624	-
Other Outstanding Debts		92,418,241	18,070,174
Total		126,608,865	18,070,174
CASH AND BANK BALANCES:	'I'		
Cash on Hand		176,645	440,023
Balance with Scheduled Banks -			
- In Fixed Deposit Accounts*		17,885,128	38,646,269
- In Current Accounts*		3,991,507	1,321,516
Total		22,053,280	40,407,808
1) Fixed deposit of ₹5,937,500/- is kept as security with BSE Ltd. (P.Y. ₹ 10,500,000/-)			
2) Fixed deposit of ₹1,625,000/- is kept as security with MCX Stock Exchange Ltd. (P.Y. ₹ 3,250,000/-)			
3) Fixed deposit of ₹400,000/- is kept as security with MCX-SX Stock Exchange Ltd. (P.Y. NIL)			
4) Fixed deposit of ₹750,000/- is kept as security with NCDEX (P.Y. ₹1,500,000/-)			
5) Fixed deposit of ₹5,650,000/- is kept as security with NSE Ltd. (P.Y. NIL)			
6) Fixed deposit of ₹250,000/- is kept as security with ICEX (P.Y. NIL)			
7) Fixed deposit mortgaged against overdraft facility- NIL, (P.Y. ₹ 5,500,000/-)			
8) Current accounts includes debit balance in overdraft account of ₹776/- (P.Y. ₹ 8,712/-)			

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
OTHER CURRENT ASSETS:	'J'		
Other Receivables		-	8,250,000
Total		-	8,250,000
LOANS AND ADVANCES:	'K'		
Sundry Loans (Unsecured, considered good)		48,745,986	67,075,000
Advances Recoverable in Cash or for Value to be received		31,988,603	1,465,180
Sundry Deposits		58,197,000	7,180,000
Employee Advances		306,000	-
Deposit with Credit Society		3,743,692	505,000
Minimum Alternative Tax Credit Entitlement		2,871,196	-
Total		145,852,477	76,225,180
CURRENT LIABILITIES:	'L'		
Sundry Creditors -			
- Due to Micro and Small Enterprises		-	-
- Due to Others		48,937,946	1,266,531
Other Liabilities		32,475,250	3,496,979
Advance from Clients		1,562,630	450,465
Unclaimed Dividend		65,715	-
Total		83,041,541	5,213,975
PROVISIONS:	'M'		
Income Tax (net of Advance Taxes)		2,141,606	3,098,119
Proposed Dividend		7,504,800	3,252,400
Dividend Distribution Tax		1,217,466	552,745
Other Provisions		-	385,000
Total		10,863,872	7,288,264
INCOME FROM OPERATIONS:	'N'		
Brokerage Income		1,045,466	-
Sale of Shares & Securities		314,873,977	235,997,305
Consultancy & Professional Fees		156,397,773	80,905,995
Income from Derivatives Business (net)		(86,018)	28,588,066
Total		472,231,198	345,491,366

SCHEDULES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Figures in ₹)

Particulars	Schedules	March 31, 2011	March 31, 2010
OTHER INCOME:	'O'		
Interest Income		1,058,416	1,085,810
Dividend		29,950	15,600
Profit on Sale of Investment		-	750,000
Total		1,088,366	1,851,410
OPERATING EXPENSES:	'P'		
Purchase of Shares & Securities		324,666,474	233,117,400
Service Charges		11,542,500	13,275,000
Equity Research Charges		9,720,000	3,745,000
Total		345,928,974	250,137,400
ADMINISTRATIVE AND OTHER EXPENSES:	'Q'		
Auditors Remuneration		186,560	184,355
Director sitting fees		40,000	-
Legal & professional fees		3,976,541	6,466,279
Conference & meeting expenses		2,021,750	3,295,000
Books & Periodicals		365,078	865,177
Computer expenses		2,143,862	2,676,899
Donation		33,600	510,100
Electricity charges		337,320	326,493
General expenses		659,860	744,001
Insurance Charges		95,746	-
Bank charges		254,349	8,359
DP & Broker Charges		135,472	-
Postage & courier expenses		359,737	652,705
Printing & stationery		5,807,401	5,942,851
Rent & rates		1,747,440	792,500
Repairs & maintenance		585,545	1,720,742
Security expenses		-	78,000
Sub brokerage		160,155	-
Lease line expense		149,451	-
Telephone & internet expenses		435,986	711,237
Conveyance expenses		1,099,784	2,357,958
Traveling expenses		2,196,348	2,370,857
Preliminary expenses written off		-	662,357
Business promotion expenses		401,240	1,675,838
Marketing & advertisement expenses		12,576,817	6,458,981
Total		35,770,042	38,500,689

Schedules forming part of Consolidated Financial Statements

Schedule 'R' - Notes on Accounts & Significant Accounting Policies :

Significant Accounting Policies -

A. Basis for Accounting

The consolidated financial statements are prepared under the historical cost convention on a going concern and accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified Under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof and the applicable guidelines issued by the Reserve Bank of India.

B. Principles of Consolidation

The consolidated financial statements relate to Choice International Ltd. (the holding company) and its subsidiary companies (together the group). The consolidated financial statements have been prepared on the following basis:

- the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard 21 - "Consolidated Financial Statements" prescribed by Companies (Accounting Standards) Rules, 2006.
- the difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.

- the share of minority interest in the net profit/ (loss) of subsidiaries for the year is identified and adjusted against the income of the group to arrive at the net income attributable to the shareholders of the holding Company.

- the share of minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the holding company's shareholders.

- the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.

- investments other than in subsidiaries have been accounted as per Accounting Standard - 13 on "Accounting for Investments" prescribed by the Companies (Accounting Standard) Rules, 2006.

- the financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting dates as that of the holding company i.e. 31st March 2011.

- the subsidiaries considered in the consolidated financial statements are as follows:

Sr No.	Name of the entity	Country	Ownership as on 31.3.2011
1	Choice Equity Broking Private Limited	India	100.00%
2	Choice Merchandise Broking Private Limited	India	100.00%
3	Choice Business Services Private Limited	India	100.00%
4	Choice Capital Advisors Private Limited	India	100.00%
5	Choice Wealth Management Private Limited	India	100.00%
6	Choice Insurance Brokers Private Limited	India	98.04%
7	Choice Realty Private Limited	India	52.38%

C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of financial statements and the reported amount of income and expenses during the reporting period. Management believes that the estimates used in preparation of financial statements are prudent and reasonable, future results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

D. Revenue recognition

Revenue/Income and Cost/Expenditure are generally accounted on accrual as they are earned or incurred, except in case of significant uncertainties.

- Fees are recognised when reasonable right of recovery is established and the revenue can be reliably measured and on accrual basis. The performance of services is measured under the proportionate completion method which relates the revenue to the work accomplished.
- Profit/Loss from dealing in Shares & Securities are recognised on the day of confirmation of transaction.
- Brokerage Income from dealing in Shares & Securities are recognised on the settlement date basis.
- Dividend is accounted when the right to receive payment is established.
- Profit/Loss on equity derivatives transactions are recorded on settlement or squaring-up the transactions. As at the balance sheet date, the mark to market unrealised profit/loss is recognised in profit & loss account.
- Interest and Other Income are accounted on accrual basis.
- Revenue figures excludes Service Tax Component, if recoverable.

E. Fixed Assets

All Fixed Assets are stated at cost of acquisition net of recoverable taxes and includes any amount attributable for bringing the asset to its present location and working condition, less accumulated depreciation and impairment loss, if any. All costs, including borrowing costs till the assets are ready for their intended use, attributable to the fixed assets are capitalised.

F. Depreciation

Depreciation on fixed assets is provided on straight line method at the rates prescribed by schedule XIV of the Companies Act, 1956. However, in case of subsidiary companies, computer software (intangible assets) is amortized on Straight Line Method basis over a period of 5 years in accordance with Accounting Standard - 26 "Intangibles Assets". Depreciation on additions to fixed assets is provided on pro-rata basis from the date of addition.

G. Inventories

Shares and Securities are valued at cost or net realisable value whichever is lower cumulatively for all shares. Cost is taken on FIFO basis and cost includes all incidental cost of acquisition.

H. Investments

The company is regulated as Non-Banking Finance Company (NBFC) by the RBI. Accordingly, investments are classified under two categories viz. current and long term and are valued in accordance with the RBI guidelines and accounting standard 13 on "Accounting for investments".

- Long term investments are carried at cost of acquisition including incidental charges less provision for permanent diminution, if any, in value of such investments.
- Current Investments are carried at cost of acquisition or net realisable value, whichever is lower.

I. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the company has a present obligation as a result of past events, for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined, based on estimate required to settle the obligation on the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. 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. Contingent Assets are neither recognized nor disclosed in the financial statements.

J. Provision for Current and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred Tax Assets/Liabilities represents timing differences

between accounting income and taxable income are accounted for using the tax rates and laws that are enacted as on the balance sheet date, and are recognised to the extent considered capable of being reversed in subsequent years. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available, except that deferred tax assets arising due to unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

K. Earning Per Share

Basic Earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted Earning per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are Anti-Dilutive.

L. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated. Cash and cash equivalents include cash in hand, balances with banks and money at call and short notice but does not include interest accrued on fixed deposits and fixed deposits which are given as a security to stock exchanges since they are not freely remissible to the company, those fixed deposits are included in balances with bank in fixed deposit accounts.

M. Impairment of Assets

The carrying amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price or value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised

carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

N. Employee benefits

Short-Term Employee Benefits are recognised as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered. Long Term Employee Benefits and Post Employment Benefits, both funded and unfunded, are recognised as an expense in the profit and loss account for the year in which the employee has rendered services based on actuarial valuation at the end of the year using the Projected Unit Credit Method.

O. Foreign Currency Transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of transactions settled during the year are recognised in the profit & loss account. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are reported using the closing rates, the exchange differences, if any, are recognised in the profit and loss account and related assets and liabilities are accordingly restated in the balance sheet.

Notes on accounts -

- 1) Previous year's figures have been regrouped / reclassified / rearranged / recast wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.
- 2) Balances of the Debtors, Creditors, Advances and balances of Deposits are subject to confirmation, reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial statements.
- 3) In the opinion of management, the Current Assets and Advances have the value as stated in the balance sheet, if realised in the ordinary course of business.
- 4) There is no outstanding dues of Micro and Small Enterprises suppliers as defined under The Micro, Small and Medium Enterprises Development Act, 2006.

- 5) Open interest in individual stock futures as on 31st March 2011 is in one contract of Moser Baer (I) Ltd. long position having 4000 units expiry date 28th April 2011. Choice Merchandise Broking Pvt. Ltd. has provided bank guarantees to the Axis Bank Ltd. aggregating to ₹5,250,000/- as on 31st March, 2011.
- 6) Contingent Liabilities not provided for: The Holding Company has given Corporate Guarantee to the Axis Bank Ltd. of ₹30,000,000/- for its subsidiary Choice Equity Broking Pvt. Ltd. and ₹10,000,000/- for its subsidiary Choice Merchandise Broking Pvt. Ltd. as on 31st March, 2011. Choice Equity Broking Pvt. Ltd. has provided bank guarantees to the Axis Bank Ltd. aggregating to ₹23,975,000/- as on 31st March, 2011.
- 7) The company has Unclaimed Dividend of ₹65,715/- as on 31st March 2011 (P.Y. - ₹21,866/- represented by the demand drafts issued but not presented in bank).
- 8) The management has created a Statutory Reserve of ₹6,700,000/-, (P.Y. ₹ 5,400,000/-) as per the provisions of Section 45-IC of Reserve Bank of India Act, 1934.

(Figures in ₹)

	2010-11	2009-10
9) Auditors Remuneration:		
Statutory Audit Fees	103,240	93,755
Tax Audit Fees	27,575	11,030
Certification Fees	71,147	91,777
Total	201,962	196,562
10) Directors Remuneration:		
Salary & Perquisites	600,000	600,000
11) The net Deferred Tax Liability/(Asset) as on 31st March 2011 has been worked out as follows:		
Deferred Tax Liabilities/(Assets) on account of -		
- Depreciation	12,270,726	3,006,395
Total	12,270,726	3,006,395
12) Earning Per Share (EPS):		
Net Profit after tax as per Profit and Loss Account attributable to Equity Shareholders (₹)	30,274,071	23,968,135
Weighted average number of Equity Shares used as denominator for calculating EPS	6,523,978	6,100,690
Basic and Diluted Earning per share (₹)	4.64	3.93
Face value per Equity Share (₹)	10	10

13) Segment reporting:

(₹)

Particulars	2010-2011
Segment Revenue	
NBFC Operations	314,787,423
Broking Services	1,056,640
Investment Banking Services	155,607,523
Unallocated	790,250
Total -	472,241,836
Less - Inter Segment Revenue	10,638
Net Income from Operations	472,231,198
Segment Results Profit/(Loss) before tax and interest from each segment	
NBFC Operations	9,964,183
Broking Services	(1,816,763)
Investment Banking Services	133,894,191
Unallocated	(539,326)
Total -	141,502,285
Less - Interest	10,334,303
Other unallocable expenditure net off	84,995,439
Add - Unallocable income	36,743
Total Profit/(Loss) before tax	46,209,286

The group predominately relates to three business segments i.e. NBFC Operations, Broking Services and Investment Banking Services. Business segments have been identified as separable primary segment in accordance with Accounting Standard 17 'Segment Reporting' as prescribed under Companies (Accounting Standards) Rules, 2006, taking into account the organisational and internal reporting structure as well as evaluation of risks and returns of these segments the balance is shown as unallocated items.

Some assets & liabilities used in Group's Business have not been identified to any reportable segment, as the fixed assets are used interchangeably between segments hence it is not feasible to furnish segment disclosure relating to total assets and liabilities.

14) Quantitative details of Shares traded

	2010-11		2009-10	
	Quantity	₹	Quantity	₹
Opening Stock	184,500	4,349,394	125,000	2,500,000
Purchases	2,565,657	324,666,474	1,005,711	233,117,400
Sales	588,741	314,873,977	833,711	235,997,305
Closing Stock	2,161,416	24,278,646	184,500	4,349,394

15) Inventories (Valued at cost or net realisable value whichever is lower on cumulative basis):

Name of the Scripts	March 31, 2011		March 31, 2010	
	Quantity	Rupees	Quantity	Rupees
Duncan Inds. Ltd.	-	-	25,000	328,395
Elegant Flor. & Agro. (I) Ltd.	221,363	1,534,046	6,069	17,599
Gangotri Iron & Steel Compnay Ltd.	156,000	7,566,000	-	-
GSL Securities Ltd.	18,930	120,395	-	-
Indo Bonito Multin. Ltd.	-	-	4,985	44,803
Ladderup Finance Ltd.	-	-	8,449	200,664
Lawreshwar Polymers Ltd.	405,359	2,796,977	-	-
Maars Software International Ltd.	78,900	74,955	-	-
RLF Ltd.	25,323	118,765	-	-
Rock Hard Petro. Chem. Inds. Ltd.	17,102	48,741	13,765	41,301
Santosh Fine-Feb Ltd.	33,157	547,090	-	-
Shalibhadra Finance Ltd.	-	-	106,232	2,200,192
SVART Corporation Ltd.	458,282	3,024,661	-	-
Unimers India Ltd.	745,400	8,437,928	-	-
Vakrangee Softwares Ltd.	-	-	20,000	1,516,440
Vivid Global Industries Ltd.	1,600	9,088	-	-
Total	2,161,416	24,278,646	184,500	4,349,394

16) Related Party Disclosures:

List of Related Parties -

A. Key Management Personnel & their relatives -

Kamal Poddar (Managing Director)
Hemlata Poddar (Non-Executive Director)
Arun Poddar

B. Associates -

Zenu Infotech Limited

C. Individuals owning directly or indirectly interest in voting power that gives them control & their relatives -

Vinita Patodia
Sunil Patodia
Anil Patodia
Archana Patodia

D. Enterprises over which (A) & (C) are able to exercise Significant Influence -

Sunil C. Patodia HUF
Anil C. Patodia HUF
S. K. Patodia & Associates
Suave Hotels Limited
Hotel Relax Private Limited
S. K. Patodia Advisory Services Pvt. Ltd.
Manbhari Biofuel Private Limited
Upton Infrastructure Private Limited
M/s. Shree Shakambhari Exim
Aqua Pumps Private Limited

Related Party Transactions - (₹)

Revenue Transactions	Nature of Transactions	2010-11	2009-10
Key Management Personnel & their relatives -	Salary & Perquisites	600,000	600,000
Individuals owning directly or indirectly interest in voting power that gives them control & their relatives -	Salary & Perquisites	-	200,000
Enterprises over which (A) & (D) are able to exercise significant influence -	Consultancy & Professional Fees	-	6,500,000
Capital Transactions:			
Loan taken from -			
S. K. Patodia Advisory Services Private Limited		6,700,000	-
Aqua Pumps Private Limited		1,500,000	-
Kamal Poddar		4,400,000	-
Outstanding Loan amount at year end -			
S. K. Patodia Advisory Services Private Limited		-	-
Aqua Pumps Private Limited		-	-
Kamal Poddar		1,710,000	-
Maximum Outstanding Loan amount -			
S. K. Patodia Advisory Services Private Limited		6,700,000	-
Aqua Pumps Private Limited		1,500,000	-
Kamal Poddar		2,800,000	-

17) Capital work-in-progress includes ₹ 1,280,246/- paid in foreign currency towards import of capital goods on C.I.F. basis (P.Y. - NIL).

As per our report of even date attached.

For Gupta Shyam & Co.
Chartered Accountants
F.R.No.103450W

Sd/-

Shyamsunder Gupta
Proprietor
Membership No.038484

Mumbai, May 30, 2011

By and On behalf of Board of Directors

Sd/- Kamal Poddar Managing Director
Sd/- Ajay Kejriwal Director
Sd/- Mahavir Toshniwal Company Secretary

notice

Notice is hereby given that the Eighteenth Annual General Meeting of the members of the Company will be held at Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai – 400099 on Friday, September 30, 2011 at 11.00 A.M. to transact the following Businesses:

Ordinary Business:

1. To Consider and adopt the audited Balance Sheet as at March 31, 2011, the 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 final dividend of 10% i.e. ₹ 1/- per share on equity shares of the Company for the financial year 2010-2011.
3. To appoint a Director in place of Dr. Satish Chandra Kulhari who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Hemlata Poddar who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint a Director in place of CA Brij Mohan Agarwal who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Gupta Shyam & Company, Chartered Accountants, who retire but, being eligible, offer themselves for re-appointment, be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration, plus service tax as applicable and reimbursement of out-of-pocket expenses in connection with the audit as the Board of Directors may fix in this behalf.”

Special Business:

7. To consider, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

“RESOLVED THAT Clause V of the Memorandum of Association of the Company relating to the Authorized Capital of the Company be amended as follows:

The Authorized Share Capital of the Company is ₹ 10,10,00,000 (Rupees Ten Crores Ten Lakhs only) divided into 1,01,00,000 (One Crore One Lakh only) equity shares of ₹ 10/- (Rupees Ten) each, with the rights, privileges and conditions attached thereto as are provided by the Articles of Association for the time being with the power to increase or reduce the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may determined by or in accordance with the Articles of Association of the Company for the time being and to modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, or provided by the Articles of Association for the time being”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956 (including statutory modification(s), amendments or re-enactment thereof for the time being in force) and in accordance with the enabling provisions in the Memorandum and Articles of Association of the company and the Listing Agreement entered into between the Company with the Stock Exchanges, the subsisting guidelines, regulations, and clarifications issued by the Government of India / Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI) or any other relevant authority

and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the company, consent of the company be and is hereby accorded to the board of directors of the company and / or a duly authorized committee thereof for the time being exercising the powers conferred by the board of directors (hereinafter referred to as “the board”) in its absolute discretion, to offer /issue and allot not more than 25,00,000 warrants, convertible, at the option of the warrant holders within an aggregate time period of 18 months from the date of allotment of the warrants into equity shares of ₹ 10 each, at the price as determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the promoters of the company & others as per the list mentioned in the explanatory statement attached to the notice convening this meeting, on a preferential basis, as the Board may in its absolute discretion decide, in one or more tranches and on such terms and conditions, as the Board considers fit, subject to the following:

- (i) The warrants and the equity shares to be offered and allotted upon conversion shall be subject to the provisions of the Memorandum and Articles of Association of the Company in all respects.
- (ii) The relevant date for calculating the price for issue and allotment of the above warrants is August 31, 2011.
- (iii) The equity shares to be allotted upon conversion of the warrants shall rank pari passu with the existing equity shares of the company in all respects.
- (iv) The allotment of these warrants is subject to the condition that no conversion of warrants issued under the sanction of this resolution shall be admissible after a period of 18 months from the date of allotment.
- (v) An amount not less than 25% of the price fixed in relation to each of the warrant shall be paid upfront by the person to whom the allotment is being made, at the time of allotment of the warrant and the same shall be adjusted against the price payable for the subsequent allotment of equity shares against the warrants. Further, in the event the option of conversion of warrant into equity share is not exercised by the warrant holder, in terms of this resolution the upfront payment of 25% shall stand forfeited.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / committee be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/ issue, allotment and utilization of the proceeds.

RESOLVED FURTHER THAT the Board is hereby authorized to accept such terms and conditions as the Government of India, SEBI, The Reserve Bank of India, Financial Institutions and / or Stock Exchanges may stipulate in that behalf.

RESOLVED FURTHER THAT the Board is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any Director or Directors or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution.”

9. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Dr. K.M. Bhattacharya who was appointed as an Additional Director of the Company with effect from May 30, 2011, by the Board of Directors and who holds office up to the date of the ensuing 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 Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.

10. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Deb Kumar Goswami who was appointed as an Additional Director of the Company with effect from May 30, 2011, by the Board of Directors and who holds office up to the date of the ensuing 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 Companies Act 1956 from a member proposing his candidature, for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.

11. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 198, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies

Act, 1956, the remuneration of Mr. Kamal Poddar, Managing Director of the Company be and is hereby revised with effect from 1st April, 2011 for the remaining period of his tenure i.e. upto 31st October, 2013, on the remuneration and terms & conditions mentioned in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT pursuant to Section 198 and all other applicable provisions of the Companies Act, 1956, the remuneration as set out in the enclosed Explanatory Statement be paid as minimum remuneration to Mr. Kamal Poddar notwithstanding that in any financial year of the Company during his tenure as Managing Director, the Company has made no profits or profits are inadequate."

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

12. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314 (1) and (1B) of the Companies Act, 1956, the consent of the Company be and is hereby accorded to Mrs. Babita Kejriwal, relative of Mr. Ajay Kejriwal, Director of Choice International Limited for holding office or place of profit under Choice Capital Advisors Pvt. Ltd, a 100% subsidiary of Choice International Ltd at the monthly remuneration not exceeding ₹ 45,000/- (Rupees Forty Five Thousand only) as set out in the explanatory statement annexed to this notice seeking approval of the members with authority to the Managing Director to sanction at his discretion the remuneration as approved by the remuneration committee, in due course, as the Managing Director may deem fit and proper.

On behalf of the Board of Directors

Sd/-

Kamal Poddar

Managing Director
Mumbai, August 12, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business as set above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Transfer Register and the Register of Members shall remain closed from 26th September, 2011 to 30th September, 2011 (both days inclusive)
5. Members are requested to intimate changes, if any, immediately to the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Pvt. Ltd, in their registered address, in case of shares held in physical form and to the respective Depository Participants in case of shares held in electronic mode.
6. All documents referred to in the notice are open for inspection at the registered office of the companies during office hours.
7. 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.
8. 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 of the company so that the information required may be made available at the meeting
9. Members are requested to bring the Attendance Slip sent herewith duly filled for attending the meeting along with identity proof.
10. Pursuant to clause 49 of the Listing Agreement, the particulars of Directors seeking appointment/ reappointment at the meeting are annexed.

11. Members may note that the Company' website is **www.choiceindia.com**.
12. The Board of Directors request the shareholders to kindly register their email id with the Company/ Registrar and Share Transfer agent to implement

the "Go Green Initiative" started by the Ministry of Corporate Affairs and to enable us to send the communications/ informations/ Annual Reports to the shareholders thus making the process much faster.

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 of the forthcoming Annual General Meeting of the Company, a statement containing details of the concerned Directors is given below:

	Dr. Satish Chandra Kulhari	Mrs. Hemlata Poddar	CA Brij Mohan Agrawal	Dr. Kali Mohan Bhattacharya	Mr. Deb Kumar Goswami
Date of Birth	July 31, 1957	March 08, 1982	October 15, 1956	December 4, 1938	February 10, 1946
Expertise in specific Functional Area	Management, software industry and Academecian	Management and Administration	Finance and Taxation	Banking and Finance Industry	Financial Advisor
Qualification	B.E in Electronics, M. Tech in Computer Science, MBA, PHD	Post Graduate degree in Political Science	Chartered Accountant	M.A(Eco), PHD(Eco),D. Litt in Risk Management, CAIIB from Indian Institute of Bankers	MBA, B.E in Mechanical, CAIIB
Details of shares held in the Company	NIL	100000	NIL	NIL	NIL
Directorship in Public Limited Company	1.Shekhawati Poly-Yarn Limited	NIL	1.Dexterous Solutions Limited 2.Equity Link Research (India) Limited	1.Omnitech Infosolutions Limited 2.Gansons Limited 3.Marshall Sons And Co (India) Ltd	1.Shree Uttam Steel And Power Limited 2.Kredence Multi Trading Limited
Chairmanship/ Membership of the Committees* of other Public Limited Companies on which he is director as on March 31, 2011.	0,1	NIL	NIL	1, 2	NIL

* The Committees include the Audit Committee and Shareholders'/ Investor Grievance Committee and Remuneration Committee.

On behalf of the Board of Directors
For **CHOICE INTERNATIONAL LIMITED**

Sd/-

Kamal Poddar

Managing Director
Mumbai, August 12, 2011

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 7

It is proposed to issue 25,00,000 (Twenty Five Lakhs) warrants, convertible, at the option of the warrant holders within an aggregate time period of 18 months from the date of allotment of the warrants into 25,00,000 equity shares of ₹ 10 each at the price as determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the promoters and others, on preferential basis. Thus, Clause V of the Memorandum of Association of the Company relating to the Authorized Capital is proposed to be increased from the present i.e. ₹ 7,60,00,000 (Rupees Seven Crores Sixty Lakhs only) divided into 76,00,000 equity shares of Rs. 10/- (Rupees ten only) to ₹ 10,10,00,000 (Rupees Ten Crores Ten Lakhs only) divided into ₹ 1,01,00,000 (One Crore One Lakh) equity shares of ₹ 10/- (Rupees ten) each.

Consent of the members is being sought by a Special Resolution pursuant to the provisions of the Companies Act, 1956, for increase in the Authorized Capital of the Company. The resolution as set out at the Item no. 7 of the Notice, if passed will have the effect of allowing the Board to take the necessary action as required for implementing this Resolution.

The Board of Directors accordingly recommends the resolution as set out in the Notice for your approval.

None of the Directors is concerned or in any way interested in the proposed resolution.

Item No. 8

It is proposed to offer, issue and allot not more than 25,00,000 warrants, convertible, at the option of the warrant holders within an aggregate time period of 18 months from date of allotment of the warrants into 25,00,000 equity shares of ₹ 10 each, at the price as determined in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on a preferential basis, vide Resolution No. 8 of this Notice.

The information as required in terms of Clause 73 of the SEBI (Issue of Capital & Disclosure requirements) Regulations 2009 issued by the Securities and Exchange Board of India (SEBI) on preferential issues are as under.

a) Reasons & Purpose of the issue:

In view of the expansion programme of Company's business, your company is exploring various financing options. In the first instance, promoters have approached companies/ individuals for investing in the project, by subscribing to warrants of the company by way of Preferential Allotment.

b) Intention of the Promoters to subscribe to the equity shares:

The intention and primary objective of the Promoters to invite subscription to the equity shares through this Preferential Issue is to make available scarce funds readily to finance the growth plans of the company.

There is no change in control of the company subsequent to the issue of equity shares by way of preferential issue.

c) Shareholding pattern before and after the issue:

The information on shareholding pattern before and after the preferential issue is given hereunder.

Category	Pre-Issue		Post-Issue	
	No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
1. Promoters Holding				
A. Indian Promoters	2,396,527	31.93%	3,686,527	36.85%
B. Foreign Promoters	NIL	NIL	NIL	NIL
SUB TOTAL	2,396,527	31.93%	3,686,527	36.85%
2. Non Promoters Holding				
A. Institutional Investors				
a. Mutual Funds	NIL	NIL	NIL	NIL
b. Indian Financial Institutions / Banks	NIL	NIL	NIL	NIL
c. FIIs	2,361,697	31.47%	35,71,697	35.70%
d. Indian Bodies Corporate				
B. Others				
a. NRIs / OCB's	3,576	0.05%	3,576	0.04%
b. Indian Public	2,653,790	35.36%	26,53,790	26.53%
c. any other	89,210	1.19%	89,210	0.89%
SUB TOTAL (A+B)	51,08,273	68.07%	63,18,273	63.15%
GRAND TOTAL	75,04,800	100%	1,00,04,800	100

Note: The above post issue pattern is based on the assumption of full subscription of the warrants and the subsequent allotment of Equity Shares on conversion of all issued warrants.

d) Proposed time within which the allotment shall be completed:

The allotment shall be completed within 15 days from the date of passing of the resolutions in the general meeting.

e) Issue Price: The price of the shares shall be fixed as on the relevant date as per the Issue of Capital and Disclosure Requirements, Regulations 2009 issued by the Securities and Exchange Board of India.

f) Identity of the proposed allottees and percentage of pre and post preferential issue is as under:

Name of the Proposed Allottees	Pre-Issue		Further Allotment	Post Issue	
	No. of Shares	%		No. of Shares	No. of Shares
Promoter Group					
Sunil Patodia HUF	100,000	1.33	170,000	270,000	2.70
Anil Patodia	100,000	1.33	150,000	250,000	2.50
Archana Patodia	100,000	1.33	150,000	250,000	2.50
Anil Patodia HUF	125,000	1.66	100,000	225,000	2.25
Kamal Poddar	37,600	0.50	300,000	337,600	3.37
Hemlata Poddar	100,000	1.33	100,000	200,000	2.00
Arun Poddar	80,000	1.07	120,000	200,000	2.00
Sonu Poddar	0	0	100,000	100,000	1.00
Arun Poddar HUF	0	0	100,000	100,000	1.00
Non Promoter Group					
Manasvi Consultancy Pvt Ltd	0	0	400,000	400,000	4.00
Florence Securities Pvt Ltd	350,000	4.66	400,000	750,000	7.50
Azura Projects Pvt Ltd	0	0	410,000	410,000	4.10

Note: The above post issue pattern is based on the assumption of full subscription of the Warrants and the subsequent allotment of equity shares on conversion of all the issued warrants.

g) Change in the control or composition of the Board,

There will be no change in the control or composition of the Board after the preferential allotment

h) The issuer undertakes that it shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

i) It also undertakes that if the amount payable on account of re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked – in till the such amount is paid by the allottees.

Consent of the members is being sought by a Special Resolution pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, for preferential allotment of equity shares. The Special Resolution as set out at the Item No. 8 of the Notice, if passed will have the effect of allowing the Board to issue and allot shares to the persons on the terms and conditions as necessary for implementing this Resolution.

A certificate from the Auditors of the Company certifying that the proposed preferential issue conforms to the subsisting guidelines & regulations issued by the SEBI, will be available for inspection by the members of the Company during business

hours i.e. from 10.00 A.M to 5.00 P.M on all working days at the Registered Office of the Company and also at the Meeting.

In terms of Section 173 of the Companies Act, 1956, Item No. 8 mentioned in the Notice requires approval of the Members by way of a Special Resolution.

The Board of Directors accordingly recommends the resolution as set out in the Notice for your approval.

None of the Directors is interested or concerned in all above items numbers except to the extent of shares that may be allotted to them under the preferential issue.

Item No. 9

Dr. K.M. Bhattacharya who was appointed as an Additional Director of the Company on May 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Dr. K. M. Bhattacharya holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, alongwith a requisite deposit, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.

Dr. K.M. Bhattacharya is an MA & Ph.D. in Economics, D.Litt. in Banking & Finance and

CAIIB from Indian Institute of Banking & Finance. He is also a reputed academician. He was Dean, ICFAI Business School, Mumbai and Vice Principal State Bank Staff College, Hyderabad. Presently, he is connected with leading Management Institutes and Bankers' Training Institutes as Visiting Faculty. He is a prolific writer, contributed large number of articles on contemporary banking & financial issues in leading Journals, Magazines & Financial News Papers.

Dr. K.M. Bhattacharya is holding Directorship in following Companies presently:

- 1). Omnitech Infosolutions Limited
- 2). Gansons Limited
- 3). Marshall Sons and Co (India) Ltd.

Dr. K.M. Bhattacharya does not hold any shares in the Company. None of the Directors of the Company except Dr. K. M. Bhattacharya is, in any way, concerned or interested in the resolution.

Your Directors consider that the knowledge and experience of Dr. K. M. Bhattacharya will be an immense benefit to your Company and recommends the resolution under Item No.9.

Item No. 10

Mr. Deb Kumar Goswami who was appointed as an Additional Director of the Company on May 30, 2011 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Deb Kumar Goswami holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956, alongwith a requisite deposit, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director liable to retire by rotation.

Mr. Debkumar Goswami is Bachelor of Mechanical Engineer, MBA and CAIIB having more than 40 years experience to the Banking & Financial Services Industry. He at various stages of time was advisor to Standard Chartered Bank, HSBC & ARCIL Limited. He is presently associated with Uttam Galwa Group of Companies as the Group Corporate Advisor.

Mr. Deb Kumar Goswami is holding Directorship in following Companies presently:

- 1). Shree Uttam Steel and Power Limited
- 2). Kredence Multi Trading Limited

Mr. Goswami does not hold any shares in the Company. None of the Directors of the Company except Mr. Deb Kumar Goswami is, in any way, concerned or interested in the resolution

Your Directors consider that the knowledge and experience of Mr. Deb Kumar Goswami will be an immense benefit to your Company and recommends the resolution under Item No. 10.

Item No. 11

Mr. Kamal Poddar was appointed as a director of the Company with effect from 23rd September, 2008 and as a Managing Director on 1st November, 2008. He is Chartered Accountant by Profession; with over 12 years of experience has in-depth knowledge of the primary as well as the secondary market. The Board in their meeting held on 12th August, 2011 has revised his remuneration with effect from 1st April, 2011 for the remaining period of his tenure i.e. upto 31st October, 2013, to bring his remuneration in line with the overall salary structure at similar levels in the industry. The remuneration payable to Mr. Kamal Poddar has been revised as under:-

Salary pm (₹) upto 31st March, 2011 50,000/-
Salary pm (₹) upto 31st October, 2013 1,00,000/-

Perquisites:

Perquisites which may include accommodation/ HRA, reimbursement of expenses, LTC, use of car and telephone, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave encashment at the end of the tenure etc., shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII of the Companies Act, 1956 as amended from time to time, whichever is less. In the event of absence or inadequacy of profits, theaforesaid remuneration will be paid as the minimum remuneration.

The Directors of the Company on recommendation made by the Remuneration Committee have approved the proposal of increase in his remuneration, subject to the approval of the members. Your Director recommends the resolution for approval by the members of the Company.

None of the Directors of the Company except Mr. Kamal Poddar is, in any way, concerned or interested in the resolution



Choice International Ltd

Success is a matter of Choice

Registered Office: 202, Chartered. House, Dr. C. H. Street,
Marine Lines, Mumbai – 400002

ATTENDANCE SLIP

(Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall)

Regd. Folio No. _____

DP ID* _____

No. of Shares Held : _____

Client ID* _____

Name and Address of the Shareholder _____

I hereby record my presence at the 18TH ANNUAL GENERAL MEETING of the Company held on Friday, September 30, 2011 at 11.00 a.m. at Anchorage Hall, Hotel Suba International, 211, Chakala Sahar Road, Andheri (East), Mumbai – 400099

Signature of Shareholder/ Proxy

* Applicable for investors holding shares in electronic form

----- Cut Here -----



Choice International Ltd

Success is a matter of Choice

Registered Office: 202, Chartered. House, Dr. C. H. Street,
Marine Lines, Mumbai – 400002

PROXY FORM

Regd. Folio No. _____

DP ID* _____

No. of Shares Held : _____

Client ID* _____

I/We _____ of _____ 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 18TH Annual General Meeting of the Company to be held on Friday, September 30, 2011 or / and any adjournment thereof.

Signed this _____ day of _____ 2011.

Signature _____

Affix
Revenue
Stamp

* Applicable for investors holding shares in electronic form

NOTE:

The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding of the meeting. The Proxy need not be a member of the Company.

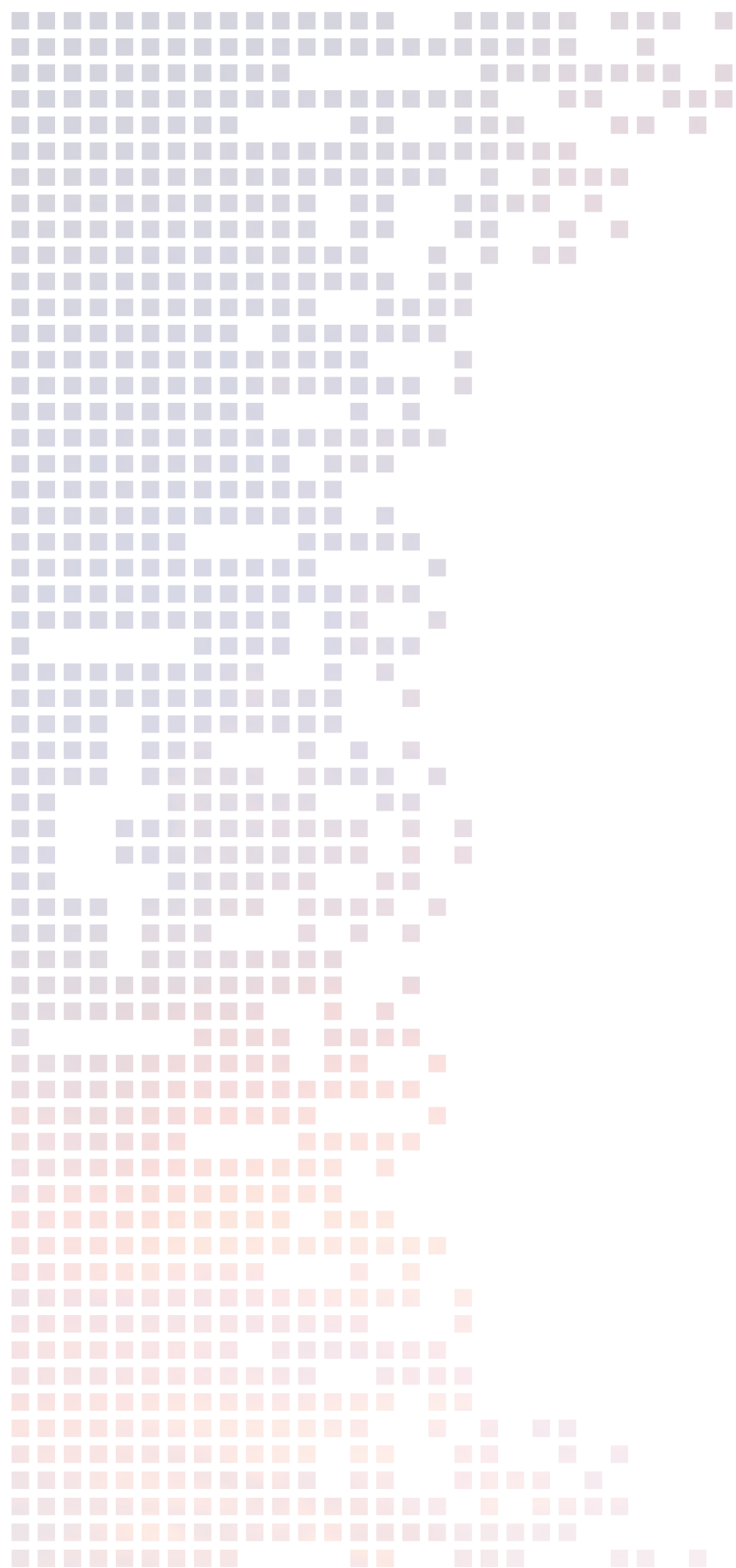
Shree Shakambhari Corporate Park

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Group Office premises located at:

Plot no. 156-158, J. B. Nagar,
Andheri (East), Mumbai - 400 099



Choice International Ltd

202, Chartered House, Dr. C.H Street, Marine Lines, Mumbai - 400002 T: +91-22-43552100 www.choiceindia.com

