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## **FOURTH ANNUAL REPORT 1996-1997**

Report  Junction.com

### **CHOKHANI SECURITIES LIMITED**

REGD. OFFICE : 9/16-D, Fort Mansion,  
British Hotel Lane,  
Off Bombay Samachar Marg,  
Mumbai - 400 023.



## CHOKHANI SECURITIES LTD

### **BOARD OF DIRECTORS**

SHRI RAMAKANT R. CHOKHANI      Chairman  
SHRI SHRIKANT CHATURVEDI  
SHRI DHANWANT M.KANTOL  
SHRI SHARAD A. PAREKH      (Up To 24-07-1996)

### **AUDITORS**

P.C. GHADIALI & CO.  
Chartered Accountants  
206, Arun Chambers,  
Tardeo, Mumbai-400 034.

### **BANKERS**

Bank Of India (Stock Exchange Branch)  
Bank Of America

### **REGISTRARS & SHARE TRANSFER AGENTS**

SWARAN DATA SYSTEMS PVT.LTD.  
No.49, Jamnadas Industrial Estate,  
Phase II, 1st Floor,  
Near Jawahar Talkies,  
Opp. K.K.Gupta Ind. Estate,  
Dr. R.P Road, Mulund (W)  
Mumbai 400 080.

### **REGISTERED OFFICE**

9/16-D, Fort Mansion ,  
British Hotel Lane,  
Off Bombay Samachar Marg,  
Mumbai - 400 023.  
Tel : 2677771/2  
Fax : 2624520



## CHOKHANI SECURITIES LTD.

**NOTICE :**

NOTICE is hereby given that the Fourth Annual General Meeting of CHOKHANI SECURITIES LIMITED will be held at the Registered Office of the Company 9/16-D, Fort Mansion, British Hotel Lane, Off Bombay Samachar Marg, Mumbai 400 023 on 30th June, 1997 at 10.00 A.M to transact the following business.

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997 and Profit & Loss Account for the period from 1st October, 1995 to 31st March, 1997 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dhanwant M. Kantol who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

ON BEHALF OF THE BOARD OF DIRECTORS  
FOR CHOKHANI SECURITIES LTD.

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RAMAKANT R. CHOKHANI  
CHAIRMAN

**Registered Office :**

9/16-D, Fort Mansion ,  
British Hotel Lane,  
Off Bombay Samachar Marg,  
Mumbai - 400 023.  
Tel : 2677771/2  
Fax : 2624520

Date : 24th May, 1997.

**NOTES :**

1. Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. The Register of Members and the Share Transfer Books will remain closed from 18th June, 1997 to 29th June, 1997 both days inclusive.

## DIRECTORS REPORT

### CHOKHANI SECURITIES LIMITED

To  
The Members,

Your Directors hereby present the Fourth Annual Report together with the Audited Statements of Accounts for the period from 1st October 1995 to 31st March, 1997.

#### 1. FINANCIAL RESULTS :

	Current Period (18 Months) Rupees	Previous Period (12 Months) Rupees
Operational Results	(56,19,096)	51,40,551
Provision for Tax	13,65,000	—
<b>PROFIT/LOSS AFTER TAX</b>	<b>(69,84,096)</b>	<b>51,40,551</b>
<b>APPROPRIATION :</b>		
Proposed Dividend	—	(31,62,740)
General Reserve	—	(1,28,510)
Balance Brought Forward	20,30,631	1,81,826
Excess Provision & Other Adjustments	16,97,198	(496)
<b>Balance Carried to Balance Sheet</b>	<b>(32,56,267)</b>	<b>20,30,631</b>

Company's performance during the period was affected by unfavourable business climate and continuous fall in share prices. However, with skillful management of cash flows the company could minimise the losses. The loss during the year fully provides for depreciation in value of share held in stock amounting to Rs.140.33 lakhs.

In view of the adverse performance the directors have not recommended any dividend for the year under review.

**2. BUSINESS PROSPECTS :**

In view of technical up gradation in Capital Market and cut throat competition in primary and secondary market, your directors are concentrating on strategical alliance with foreign financial Institution, wherein joint venture in portfolio, custodian activities can be undertaken.

**3. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :**

Since the Company was not engaged in any way of manufacturing activity, information as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 are not furnished. During the year, there was no foreign exchange earning of outgo.

**4. EMPLOYEES :**

The particulars regarding employees of the Company as required under section 217(2a) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1995, are not applicable for the year under review.

**5. DIRECTORS :**

In accordance with Section 256 of the Companies Act, 1956 Mr. Dhanwant M. Kantol retire by rotation and being eligible offers himself for re-appointment.

**6. AUDITORS :**

M/s. P.C. Ghadiali & Co., Chartered Accountants, Statutory Auditors of your Company, shall be retiring on conclusion of the forthcoming Annual General Meeting. However, they are eligible for reappointment. Members are requested to reappoint the Auditors and fix their remuneration.

**7. ACKNOWLEDGMENTS :**

The Directors wish to place on record their deep sense of gratitude to the Company's bankers and all the staff Members for their assistance and co-operation.

In concluding their report, your directors acknowledge with gratitude the confidence which the shareholders have reposed in them.

FOR AND ON BEHALF OF THE BOARD

**RAMAKANT R. CHOKHANI**  
**CHAIRMAN**

Place : Mumbai

Dated : 24-05-1997.

**CHOKHANI Securities Ltd.****AUDITOR'S REPORT**

To,  
The Members,  
**CHOKHANI SECURITIES LIMITED**

We have audited the attached Balance Sheet of **CHOKHANI SECURITIES LIMITED** as at 31st March, 1997 and also the Profit and Loss Account of the Company for the period ended on that date, annexed thereto and report that :

1. 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.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 1997 and
  - b) in the case of the Profit and Loss Account, of the Loss for the period ended on that date.

For **P. C. GHADIALI & CO.**  
**CHARTERED ACCOUNTANTS**

**(PANKAJ C. GHADIALI)**  
**PROPRIETOR**

Place : MUMBAI

DATED :24Th May,1997 .



**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF  
CHOKHANI SECURITIES LIMITED  
ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 1997**

- i) The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets and the same has been physically verified by the management at reasonable intervals and no discrepancies were noticed on such verification.
- ii) None of the fixed assets of the Company have been revalued during the period.
- iii) The stocks of shares and securities have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- iv) In our opinion and according to the information and explanations given to us, the procedures of physical verification of shares and securities followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) Discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with the books of account.
- vi) In our opinion and on the basis of our examination of stock records, we are satisfied that such valuation is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding years.
- vii) In our opinion, the terms and conditions on which loans have been obtained from companies, firms or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956 are not prima facie prejudicial to the interests of the Company. As per information given to us, there are no companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956. However, there is no stipulation as regards interest.
- viii) In our opinion, the terms and conditions on which loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interests of the Company. As per information given to us, there are no companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956. However there is no stipulation as regards interest.
- ix) The parties to whom loans or advances in the nature of loans have been given by the Company were generally repaying the principal amounts as stipulated and are also regular in payment of interest and reasonable steps have been taken by the Company for recovery of principal and interest in case of default.
- x) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase and sale of shares and securities.
- xi) In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of shares and securities (goods and materials and services) made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50,000/- or more in respect of each party, have been made at prices which are reasonable, having regard to the prevailing market prices for such shares and securities.

**CHOKHANI Securities Ltd.**

- xii) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public and therefore the provisions of Section 58A of the Companies Act, 1956 and Rules thereunder are not applicable to the Company.
- xiii) The Company has an Internal Audit System commensurate with its size and nature of its business.
- xiv) We are informed that the provisions of the Provident Fund Act and Employees' State Insurance Scheme are not applicable to the Company for the year under report.
- xv) According to the information and explanations given to us there were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty which have remained outstanding as at 31st March, 1997 for a period of more than six months from the date they become payable.
- xvi) According to the information and explanations given to us no personal expenses of employees or directors have been charged to revenue account other than those payable under contractual obligations or in accordance with the generally accepted business practice.
- xvii) The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- xviii) Adequate documents and records have been maintained in the case where the company has granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xix) In our opinion and according to the explanations given to us, the Company has maintained proper records of transactions and contracts as to dealings in shares, securities, debentures and other investments and timely entries have been made therein. The same have been held by the Company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
- xx) As per information given to us and taking into consideration the nature of business of the Company, clauses (xii), (xiv) and (xvi) of paragraphs (4A) of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 are not applicable.

**FOR P. C. GHADIALI & CO.  
CHARTERED ACCOUNTANTS**

**(PANKAJ C. GHADIALI)  
PROPRIETOR**

PLACE : MUMBAI

DATED : 24th May, 1997