

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	NA		SHH	✓
YE	✓			

FIFTH ANNUAL REPORT 1997-98

2000

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CHOKHANI SECURITIES LIMITED

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



CHOKHANI Securities Ltd.

CHOKHANI SECURITIES LTD

BOARD OF DIRECTORS

SHRI RAMAKANT R. CHOKHANI Chairman
SHRI SHRIKANT CHATURVEDI
SHRI DHANWANT M. KANTOL

*5th
Annual
Report
1997-98*

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.

DIRECTORS REPORT

CHOKHANI SECURITIES LIMITED

To,
The Members,

Your Directors hereby present the Fifth Annual Report together with the Audited Statements of Accounts for the year ended 31st March 1998.

1. FINANCIAL RESULTS

	Current Year (12 Months) 31-03-1998 (Rupees)	Previous Year (18 Months) 31-03-1997 (Rupees)
INCOME FROM OPERATION & OTHER INCOME	48,28,633.00	(8,13,980.00)
TOTAL INCOME	48,28,633.00	(8,13,980.00)
TOTAL EXPENDITURE	31,04,453.00	12,92,228.00
PROFIT / LOSS BEFORE INTEREST & DEP.	17,24,180.00	(21,06,208.00)
INTEREST PAID	9,62,582.00	12,38,785.00
PROFIT / LOSS BEFORE DEPRECIATION	7,61,598.00	(33,45,003.00)
DEPRECIATION	7,13,346.00	22,74,103.00
PROFIT / LOSS BEFORE TAX	48,252.00	(56,19,096.00)
PROVISION FOR TAX	5,000.00	13,65,000.00
PROFIT / LOSS AFTER TAX	43,252.00	(69,84,096.00)
APPROPRIATION / ADJUSTMENTS	(23,55,760.00)	37,27,829.00
BALANCE CARRIED TO B/S	(23,12,508.00)	(32,56,267.00)

Operation for the year 1997-98 were non satisfactory and this was mainly due to unfavourable market conditions. The company is currently working on the strategy to survive in the bad phase by cutting overhead expenses.

The company has initiated steps to induct a strategic partner who can compliments the existing strenght of the business and future expansion in Information and Technology Business.

2. 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(e) of the Companies Act, 1956 are not furnished. During the year there was no foreign exchange of outgo.

3. EMPLOYEES :

The particulars regarding 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.

4. DIRECTORS

In accordance with Section 256 of the Companies Act, 1956, Shri Srikant Chaturvedi retire by rotation and being eligible offers for re-appointment.

5. 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.

6. ACKNOWLEDGEMENTS:

The Directors wish to place on record their deep sense of gratitude to the Company's bankers, registrars 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

Date: 29th -September, 1998.

AUDITOR'S REPORT

To,
The Members,
CHOKHANI SECURITIES LIMITED

We have audited the attached Balance Sheet of CHOKHANI SECURITIES LIMITED as at 31st March, 1998 and also the Profit and Loss Account of the Company for the year 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, 1998 and
 - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.

For P. C. GHADIALI & CO.

CHARTERED ACCOUNTANTS

(PANKAJ C. GHADIALI)

PROPRIETOR

PLACE : MUMBAI

DATED : 29th September, 1998

**ANNEXURE TO THE AUDITORS' REPORT TO THE MEMBERS OF
CHOKHANI SECURITIES LIMITED
ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1998**

- 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.
- viii) No loans have been granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. 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.
- 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 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.
- 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.

CHOKHANI Securities Ltd.

- 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, 1998 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 : 29th September, 1998

CHOKHANI Securities Ltd.**BALANCE SHEET AS AT 31ST MARCH 1998.**

	SCHEDULE	RUPEES	CURRENT PERIOD RUPEES (12 MONTHS)	PREVIOUS PERIOD RUPEES (18 MONTHS)
I. SOURCES OF FUNDS				
Shareholders' funds				
a) Share Capital	"1"		40,000,000	40,000,000
b) Reserves & Surplus	"2"		-	1,628,510
			<u>40,000,000</u>	<u>41,628,510</u>
LOAN FUNDS:				
Unsecured Loans	"3"		8,238,5999	5,624,471
TOTAL FUNDS EMPLOYED			<u>48,238,599</u>	<u>47,252,981</u>
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS	"4"			
a) Gross Block		5,446,600		10,052,338
b) Less : Depreciation		<u>2,134,691</u>		<u>2,930,171</u>
c) Net Block			3,311,909	7,122,167
2. INVESTMENTS	"5"			675,900
3. CURRENT ASSETS, LOANS AND ADVANCES	"6"	43,690,444		43,553,083
LESS : CURRENT LIABILITIES & PROVISIONS	"7"	<u>1,383,964</u>		<u>7,713,556</u>
NET CURRENT ASSETS			42,306,480,	35,839,528
4. a) MISC. EXPENDITURE (To the extent not written off or adjusted)	"8"		307,702	359,119
b) PROFIT AND LOSS ACCOUNT			2,312,508	3,256,267
TOTAL ASSETS			<u>48,238,599</u>	<u>47,252,981</u>

NOTES TO ACCOUNTS
PER OUR REPORT ATTACHED

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANT

(PANKAJ C. GHADIALI)
PROPRIETOR

PLACE: MUMBAI
DATE: 29th September, 1998

For and the behalf of of the Board
R. R. CHOKHANI
D. M. KANTOL
S. CHATURVEDI

PLACE : MUMBAI
Date: 29th September, 1998.

CHOKHANI Securities Ltd.**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1998.**

	SCHEDULE	RUPEES	CURRENT PERIOD RUPEES (12 MONTHS)	PREVIOUS PERIOD RUPEES (18 MONTHS)
I. INCOME				
a) Lease Income	"9"	952,089		1,531,432
b) Income/(Loss) from Security Trading		3,036,158		(6,100,658)
c) Other Income	"10"	840,386		3,755,246
			4,828,633	(813,980)
II. EXPENDITURE				
a) Adm. and General Expenses	"11"	3,053,036		1,240,811
b) Interest Paid		962,582		1,238,785
c) Preliminary Expenses written off		51,417		51,417
d) Depreciation		713,346		2,274,103
			4,780,381	4,805,116
III. PROFIT BEFORE TAXATION			48,252	(5,619,096)
IV. PROVISION FOR TAXATION			5,000	1,365,000
V. PROFIT AFTER TAXATION			43,252	(6,984,096)
VI. PRIOR PERIOD ADJUSTMENT			-	3,727,829
VII. TAXATION OF EARLIER YEARS			(728,004)	-
VIII. TRANSFER FROM GENERAL RESERVE			-	3,256,267
IX. BALANCE BROUGHT FORWARD			(1,627,756)	-
X. BALANCE CARRIED TO BALANCE SHEET			(2,312,508)	(3,256,267)

NOTES TO ACCOUNTS "12"

PER OUR REPORT ATTACHED

For P. C. GHADIALI & CO.
CHARTERED ACCOUNTANT(PANKAJ C. GHADIALI)
PROPRIETOR

PLACE: MUMBAI

DATE: 29th September, 1998

For and the behalf of of the Board
R. R. CHOKHANI
D. M. KANTOL
S. CHATURVEDI

PLACE : MUMBAI

Date: 29th September, 1998.