

**ELEVENTH ANNUAL REPORT
2003 – 2004**

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CHOKHANI SECURITIES LIMITED

Regd. Office :

9/16, D, Fort Mansion, British Hotel Lane,
Off Bombay Samachar Marg, Fort,
Mumbai – 400 023.

Tel.: (91-22) 2267 7771/72.

Fax: (91-22) 2262 4520.

CHOKHANI SECURITIES LTD.

BOARD OF DIRECTORS

SHRI RAMAKANT R. CHOKHANI (Chairman)

SHRI SHRIKANT CHATURVEDI

MRS. NEELAM R. CHOKHANI

MR. YOGESH RAJA

11th

ANNUAL

REPORT

2003-2004

AUDITORS

P.C. Ghadiali & Co.
Chartered Accountants
206, Arun Chambers,
Tardeo, Mumbai – 400 034.

BANKERS

Global Trust Bank

REGISTRARS & SHARE TRANSFER AGENTS

Mondkar Computers Private Limited.
101, Madhukunj,
Sher-E-Punjab Society,
Mahakali Caves Road
Andheri (E),
Mumbai – 400 093.

REGISTERED OFFICE

9/16-D, Fort Mansion,
British Hotel Lane,
Off Bombay Samachar Marg,
Mumbai – 400 023.
Tel.: 22677771/2
Fax: 22624520

NOTICE

NOTICE is hereby given that the **Eleventh Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Monday, the 2nd of August 2004** at the Registered Office of the Company, 9/16-D, Fort Mansion, British Hotel Lane, Off Bombay Samachar Marg, Mumbai – 400 023, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2004 and Profit & Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shrikant Chaturvedi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

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

Sd/-
RAMAKANT R. CHOKHANI
(CHAIRMAN)

Place : Mumbai

Date: July 2, 2004

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 proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. Information pursuant to Clause 41 of the Listing Agreement with the Stock Exchange about the Directors to be appointed/reappointed is enclosed.
4. The Register of Members and the Share Transfer Books will remain closed from 23rd July 2004 to 2nd August, 2004 (both days inclusive).

Information pursuant to Clause 41 of the Listing Agreement

A brief resume of the Director seeking appointment / reappointment at the forthcoming AGM.

Name	: Mr. Shrikant M Chaturvedi.
Date of Birth	: July 10, 1954.
Date of Appointment	: September 1, 1994.
Qualifications	: B.Com. Chartered Accountant.
List of outside Directorship held as on 31 st March, 2004.	: Nil
(Other than Private Cos.)	
Membership of Other Companies	: Nil
Committees (Other than Private Cos.)	

DIRECTORS' REPORT

The Members,

Your Directors hereby present their Eleventh Annual Report on the working of the Company together with the audited statement of accounts for the year ended 31st March, 2004.

Financial Results:

	Current Year 31.03.2004	Previous Year 31.03.2003
Profit(Loss) before Interest & Depreciation	2,13,28,212.00	(12,89,962.00)
Interest Paid	Nil	Nil
Profit(Loss) before Depreciation	2,13,28,212.00	(12,89,962.00)
Depreciation	13,009.00	18,412.00
Profit/(Loss) before Tax	2,13,15,203.00	(13,08,374.00)
Provision for Tax	16,42,000.00	2,61,577.00
Profit after Tax	1,96,73,203.00	(15,69,951.00)
Balance brought forward	5,40,95,452.00	5,56,65,403.00
Appropriations	Nil	Nil
Balance carried forward	7,37,68,655.00	5,40,95,452.00

Dividend:

Directors have not recommended any dividend.

Performance of the Company:

The Company has recorded a reasonable performance mainly due to favourable market condition. The Company earned a pre-tax profit of Rs. 213.15 lakhs as against a loss of Rs. 13.08 lakhs in the last year.

Directors' Responsibility Statement :

The Directors hereby confirm that:

- in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure
- appropriate accounting policies have been selected and applied consistently and have made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

Conservation of Energy etc.

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

Chokhani Securities Limited**11th Annual Report**

Employees:

None of the employees of the Company was in receipt of remuneration in excess of the limit prescribed under Section 217(2A) of the Act read with the Rules.

Directors:

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mr. Shrikant Chaturvedi retire by rotation and being eligible offers himself for re-appointment.

Auditors:

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

Corporate Governance :

As required under clause 49 of the Listing Agreement a report on Corporate Governance alongwith Management discussion & analysis and Auditors' Certificate are annexed.

Acknowledgement :

The Directors wish to place on record their deep sense of gratitude to the Company's Banker, registrars and all the staff members for their unstinted support. Your directors also wish to thank the shareholders for confidence reposed in the management of the Company.

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For and on Behalf of the Board

Sd/-

Mr. Ramakant R Chokhani
Chairman

Place: Mumbai

Date: July 2, 2004

REPORT ON CORPORATE GOVERNANCE**A. Philosophy:**

The Company is committed to implementation of good corporate governance practices in the interest of its stakeholders. The Company has taken a series of steps to implement all the measures of good corporate governance practice.

B. Board of Directors:**Composition, Meetings and Attendance:**

The Board of Director comprises of four Directors with all of them being Non Executive Directors. Fifty percent of the total strength of the Board comprises of independent Directors.

During the financial year ended 31st March 2004, the Board met four times on 30.04.2003, 27.06.2003, 30.07.2003 and 15.10.2003.

Last Annual General Meeting was held on July 25, 2003.

The composition of the Board of Directors as on March 31, 2004 and other details are as under:

Name of Director	Category	No. of other Directorship Other than Pvt. Ltd. Cos	Committee Membership of other Companies	No. of Board meetings attended	Attendance at last AGM of the Company
Mr. Ramakant R. Chokhani	Non-Executive Promoter	Nil	Nil	4	Yes
Mrs. Neelam R. Chokhani	Non-Executive Promoter	Nil	Nil	4	Yes
Mr. Shrikant Chaturvedi	Non-Executive Independent	Nil	Nil	4	Yes
Mr. Yogesh Raja	Non-Executive Independent	Nil	Nil	4	Yes

C. Audit Committee:

The Company constituted an Audit Committee on March 10, 2003.

The Audit Committee comprises of Mr. Shrikant Chaturvedi, Mr. Yogesh Raja both independent Directors and Mr. Ramakant R. Chokhani. Mr. Chaturvedi and Mr. Yogesh Raja are having financial and accounting knowledge.

The Audit Committee met three times in the financial year ended March 31, 2004.

The Audit Committee had adequate powers and detailed terms of reference to play effective role as required under the Clause 49 of the Listing Agreement.

The Compliance Officer acts as the Secretary of the Committee.

D. Remuneration Committee:

Since entire Board comprises of Non Executive Directors and none of the Directors is in receipt of any remuneration including sitting fees, Remuneration Committee is not formed.

E. Shareholders/Investors Grievance Committee:

The Company has formed Shareholders/Investors Grievances Committee under the Chairmanship of Mr. Ramakant R. Chokhani with Mr. Yogesh Raja and Mr. Shrikant Chaturvedi as its members to look into redressal of Shareholders and investors grievances with respect to transfer of Shares, dematerialization of shares, non receipt of declared dividend or Annual report etc and other matters relating to shareholder relationship. The shareholders grievance committee met eight times during the year. During the year ended on March 31, 2004 the Company did not receive any complaint from any of its members.

Chokhani Securities Limited**11th Annual Report****F. Name and Designation of Compliance officer:**

Mr. Vikrant Ganeriwal
 Manager
 Chokhani Securities Limited.
 Fort, Mumbai.

G. Annual General Meetings:

The details of the location and time for last three Annual General Meetings are given below:

AGM No	Accounting Year	Date	Time	Location
10 th	2002-2003	July 25, 2003	11.00 am	9/16 D, Fort Mansion, British Hotel Lane, BS Marg, Fort, Mumbai.
9 th	2001-2002	Aug 26, 2002	11.00 am	9/16 D, Fort Mansion, British Hotel Lane, BS Marg, Fort, Mumbai.
8 th	2000-2001	Aug 27, 2001	10.00 am	9/16 D, Fort Mansion, British Hotel Lane, BS Marg, Fort, Mumbai.

H. Disclosures:**a) Disclosure regarding materially significant related party transactions:**

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company.

b) Disclosure of non-compliance by the Company

There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.

c) Means of Communication:

The means of communication between the Company and the shareholders are transparent and investor friendly. The Company's half-yearly and quarterly unaudited results are published in leading newspapers in English and in vernacular language of Mumbai. As such the Company does not send unaudited results to shareholders individually. The Company does not have its own website.

I. Management Discussion and Analysis Report forms part of this Annual Report:**J. General Shareholder Information:****a) Annual General Meeting**

The 11th AGM of the members of the Company is scheduled to be held on Monday, August 2, 2004 at 9/16 D, Fort Mansion, British Hotel Lane, BS Marg, Fort, Mumbai. at 11.00 am.

b) Financial Calendar for the year 2004-2005 (Provisional)

A	Results for the first quarter ending on June 30, 2004	By end of July, 2004
B	Results for the second quarter ending on September 30, 2004	By end of October, 2004
C	Results for the third quarter ending on December 31, 2004	By end of January, 2005
D	Results for the fourth quarter ending on March 31, 2005	By end of April, 2005
E	Finalisation of Accounts for the year ended March 31, 2005.	By end of July, 2005
F	Annual General Meeting for the year ending March 31, 2005	By end of September, 2005