

**FOURTEENTH ANNUAL REPORT
2006-2007**



CHOKHANI SECURITIES LIMITED

Regd. Office :

**5A-MAKER BHAVAN NO.2,
SIR VITHALDAS THAKERSEY MARG,
NEW MARINE LINES, CHURCHGATE,
MUMBAI-400 020**

**Tel.: (91-22) 22007772
Fax: (91-22) 22007722.**

CHOKHANI SECURITIES LTD.

BOARD OF DIRECTORS

SHRI RAMAKANT R. CHOKHANI (Chairman)

SHRI SHRIKANT CHATURVEDI
(upto 06.07.2007)

MRS. NEELAM R. CHOKHANI

MR. YOGESH RAJA
(upto 06.07.2007)

MR. RAJESH CHOKHANI

MR. SURESH SAHARIA
(w.e.f. 06.07.2007)

MR. U.C. SHUKLA
(w.e.f. 06.07.2007)

**14th
ANNUAL
REPORT
2006-2007**

AUDITORS

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

BANKERS

ICICI BANK LTD.
UTI BANK LTD.

REGISTRARS & SHARE TRANSFER AGENTS

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

Regd. Office:

5A Maker Bhavan No.2, Sir Vithaldas Thakersey Marg,
New Marine Lines, Churchgate, Mumbai-400 020.
Tel.: 22007772
Fax: 22007722.

NOTICE

NOTICE is hereby given that the **Fourteenth Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Friday, the 3rd August 2007** at B-1, Chandra Mahal, 2nd Floor, 241-Princess Street, Mumbai-400 002. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2007 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 Mrs. Neelam R. Chokhani, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Suresh Saharia be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation."

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

"RESOLVED THAT Mr. U.C. Shukla be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation."

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

Registered Office:

5A, Maker Bhavan No.2,
Sir Vithaldas Thakersey Marg,
New Marinelines, Churchgate,
Mumbai-400 020.

Sd/-
RAMAKANT R. CHOKHANI
(CHAIRMAN)

Place: Mumbai

Date: July 6, 2007

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. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of items 4 and 5 of the notice is annexed.
4. Information pursuant to Clause 41 of the Listing Agreement with the Stock Exchange about the Directors to be appointed/reappointed is enclosed.
5. The Register of Members and the Share Transfer Books will remain closed from 1st August, 2007 to 03rd August, 2007(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.Suresh Saharia	Mr. U.C. Shukla	Mrs. Neelam R Chokhani
Date of Birth	05/08/1957	05/03/1959	08/02/1961
Date of Appointment	06/07/2007	06/07/2007	06/05/2000
Qualifications	Chartered Accountant	Company Secretary	H.S.C
List of other Directorship held as on 31 st March, 2007 (Other than Private Cos.)	Nil	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 4 & 5**

The Board of Directors in its meeting held on 06/07/2007 appointed Mr. Suresh Saharia and Mr. U.C. Shukla as Additional Directors of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 both Mr. Saharia and Mr. Shukla will relinquish their respective office at the ensuing Annual General Meeting. However, some of the members have lodged a notice under Section 257 of the Act along with refundable deposit, signifying their intention of proposing the appointments of Mr. Suresh Saharia and Mr. U.C. Shukla as Directors in the forthcoming Annual General Meeting.

Mr. Suresh Saharia is a Chartered Accountant and has more than two decades experience in audit, taxation, and finance and capital market management. Mr. U.C. Shukla is a Fellow member of the Institute of Company Secretaries of India and has about two decades experience in economic and corporate laws.

Your Directors are of the opinion that the association of Mr. Suresh Saharia and Mr. U.C. Shukla as Directors will be in the best interest of the Company and hence, recommend their appointments.

Mr. Suresh Saharia and Mr. U.C. Shukla may be deemed to be interested in their respective appointments as Directors. None of the other Directors is interested or concerned in the proposed resolutions.

DIRECTORS' REPORT

The Members,

Your Directors hereby present their Fourteen Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31st March, 2007.

Financial Results:

	Current Year 31.03.2007	Previous Year 31.03.2006
Profit before Interest & Depreciation	2,28,41,887	63,86,463
Interest Paid	1,04,311	45,550
Profit before Depreciation	2,27,37,576	63,40,913
Depreciation	5,460	7,097
Profit before Tax	2,27,32,116	63,33,816
Provision for Tax	(10,008)	1,30,100
Deferred Tax Assets -18,160.00		
Fringe Benefit Tax 8,152.00		
Profit after Tax	2,27,42,124	62,03,716
Balance brought forward	8,63,74,059	8,01,74,816
Balance Available for Appropriation	10,91,16,183	8,63,78,532
Extra ordinary adjustment		
Excess /(Short) Provision for Tax	19,155	(4,473)
Adjustment for prior year	32,000	-
Balance carried forward	10,91,67,338	8,63,74,059

Dividend:

Directors have not recommended any dividend.

Performance of the Company:

The market remain bullish through out the year.

The Company recorded the gross income of Rs.340.85 lacs as against Rs.112.51 lacs in the previous year, a jump of 302.95%. The pre-tax profit for the year was Rs.227.32 lacs, higher by 359.10% compared to Rs.63.33 lacs last year.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2006-2007.**Industry Structure and development:**

Robust growth of Indian economy kept the sentiments of investors very encouraging. The market remained bullish. Though the market was volatile, it did not have much adverse effect on market arbitrage and derivatives trading.

Regulations

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the Stock Exchanges.

Opportunity and threats

The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. The Governments incremental expenditure on infrastructure & agriculture will boost the economy. However, recent correction to combat the inflation by increasing the bank rate and CRR may affect the market sentiments.

Future Outlook

Your Directors for see a bright future. However due to high inflation and hike in CRR rate and fall in dollar rate Directors foresee comparatively mix trend for both economy and company's profitability in year to come.

Internal Control System

There are reasonable internal control systems at all levels in the Company.

Risk Management

The management continuously access the risk involved in the business and all out efforts are made to minimize the risk.

Chokhani Securities Limited**14th Annual Report****Directors' Responsibility Statement:**

The Directors hereby confirm that:

- a) in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure.
- b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company.
- c) 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.
- d) 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.

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 made there under.

Directors:

The Board of Directors in its meeting held on 06th July, 2007 appointed Mr. Suresh Saharia and Mr. U.C. Shukla as additional Directors. Pursuant to Section 260 of the Companies Act, 1956 both Mr. Saharia and Mr. Shukla shall relinquish their respective offices at the forthcoming Annual General Meeting. The Company has received notices from of its members under Section 257 of the Act along with refundable deposits, signifying their intention of proposing their appointments as Directors.

Mr. Suresh Saharia is a Chartered Accountant and has about two decades experience in finance and capital market. Mr. U.C. Shukla is a practicing Company Secretary and has experience in corporate laws.

The Board of Directors is of the view that the association of Mr. Suresh Saharia and Mr. U.C. Shukla as Directors will be in the interest of the Company.

Mr. Shrikant Chaturvedi and Mr. Yogesh Raja resigned from the Board as Directors on 06th July, 2007. The Board of Directors places on record their deep sense of appreciation for the valued services and guidance received from both Mr. Chaturvedi and Mr. Raja.

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Neelam R. Chokhani shall retire by rotation and being eligible offers herself 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 and Auditors' Certificate thereon are annexed.

Acknowledgement:

The Directors wish to place on record their deep sense of appreciation 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.

Place: Mumbai

Date: July 6, 2007

For and on Behalf of the Board

Sd/-
Mr. Ramakant R Chokhani
Chairman

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

The Company is committed to good corporate governance practices. The Company continues to take such steps which ensure good corporate governance practices, transparency and enhance the shareholders value.

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

The Board of Director comprises of five Directors with all of them being Non-Executive Directors. One third of the total strength of the Board comprises of independent Directors.

During the financial year ended 31st March 2007, the Board met four times on 30.04.2006, 30.7.2006, 30.10.2006 and 31.01.2007.

Last Annual General Meeting was held on July 21st, 2006

The composition of the Board of Directors as on March 31, 2007 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	Nil	Nil	4	Yes
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	4	Yes.

Details of Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting:

Name	Mr. Suresh Saharia	Mr. U.C. Shukla	Mrs. Neelam R Chokhani
Date of Birth	05/08/1957	05/03/1959	08/02/1961
Date of Appointment	06/07/2007	06/07/2007	06/05/2000
Qualifications	Chartered Accountant	Company Secretary	H.S.C
List of other Directorship held as on 31 st March, 2007 (Other than Private Cos.)	Nil	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil		Nil