


**FIFTEENTH ANNUAL REPORT  
2007-2008**

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**for CHOKHANI SECURITIES LIMITED**

  
**Chairman/Director**

**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 - 3**

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

## **CHOKHANI SECURITIES LTD.**

### **BOARD OF DIRECTORS**

SHRI RAMAKANT R. CHOKHANI (Chairman)

MRS. NEELAM R. CHOKHANI

MR. RAJESH CHOKHANI

MR. SURESH SAHARIA

MR. U.C. SHUKLA

MR. MOHAN AHUJA  
(w.e.f. 06.06.2008)

**15th  
ANNUAL  
REPORT  
2007-2008**

### **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 / 3  
Fax: 22007722.

**NOTICE**

**NOTICE** is hereby given that the **Fifteenth Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Monday, the 7<sup>th</sup> July 2008** at B-1, Chandra Mahal, 2<sup>nd</sup> 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 31<sup>st</sup> March, 2008 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. Rajesh 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. Mohan Ahuja be and is hereby appointed as Director of the Company, whose office shall be liable to retirement by rotation."

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**ON BEHALF OF BOARD OF DIRECTORS  
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: June 6, 2008**

**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 annexed.
5. The Register of Members and the Share Transfer Books will remain closed from 3<sup>rd</sup> July, 2008 to 07<sup>th</sup> July, 2008 (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.

<b>Name</b>	<b>Mr. Mohan Ahuja</b>	<b>Mr. Rajesh Chokhani</b>
Date of Birth	31/12/1959	17/09/1963
Date of Appointment	06/06/2008	13/05/2005
Qualifications	Chartered Accountant & Cost Accountant	B.E. (Computer Science)
List of other Directorship held as on 31 <sup>st</sup> March, 2008 (Other than Private Cos.)	Nil	Nil
Membership of Other Cos./ Committees (Other than Private Cos.)	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 06/06/2008 appointed Mr. Mohan Ahuja as Additional Directors of the Company. Pursuant to the provisions of Section 260 of the Companies Act, 1956 Mr. Mohan Ahuja will vacate the office at the ensuing Annual General Meeting. However, the Company has received a notice from one of its members under Section 257 of the Act along with refundable deposit, signifying intention of proposing the appointments of Mr. Mohan Ahuja as Directors in the forthcoming Annual General Meeting.

Mr. Mohan Ahuja is a Chartered Accountant as well as Cost Accountant and has more than two decades experience in audit, taxation, finance and capital market management.

Your Directors are of the opinion that the association of Mr. Mohan Ahuja as Directors will be in the best interest of the Company and hence, recommend their appointments.

Mr. Mohan Ahuja may be deemed to be interested in his appointment as Director. None of the other Directors is interested or concerned in the proposed resolutions.

**ON BEHALF OF BOARD OF DIRECTORS  
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: June 6, 2008**

**DIRECTORS' REPORT**

The Members,

Your Directors hereby present their Fifteen Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2008.

**Financial Results:**

	<b>Current Year 31.03.2008</b>	<b>Previous Year 31.03.2007</b>
Profit before Interest & Depreciation	<b>3,91,37,536</b>	<b>2,28,41,887</b>
Interest Paid	<b>0</b>	<b>1,04,311</b>
Profit before Depreciation	<b>3,91,37,536</b>	<b>2,27,37,576</b>
Depreciation	<b>4,298</b>	<b>5,460</b>
Profit before Tax	<b>3,91,33,238</b>	<b>2,27,32,116</b>
Provision for Tax Deferred Tax Assets - Fringe Benefit Tax	<b>17,199</b>	<b>(10,008)</b>
Profit after Tax	<b>3,91,16,039</b>	<b>2,27,42,124</b>
Balance brought forward	<b>10,91,67,338</b>	<b>8,63,74,059</b>
Balance Available for Appropriation	<b>14,82,83,377</b>	<b>10,91,16,183</b>
Extra ordinary adjustment Excess /(Short) Provision for Tax Adjustment for prior year	<b>(1,37,110)</b>	<b>19,155 32,000</b>
Balance carried forward	<b>14,81,46,267</b>	<b>10,91,67,338</b>

**Dividend:**

Directors have not recommended any dividend.

**Performance of the Company:**

The market was bullish up to first nine months of the current financial year. However, slow down of American economy adversely affected the sentiments of the entire investment community in India. This has resulted in substantial fall in Sensex and reduced volume of trade both in BSE and NSE.

The Company recorded the gross income of Rs.571.18 lacs as against Rs.340.85 lacs in the previous year, a jump of 67.57%. The pre-tax profit for the year was Rs.391.33 lacs, higher by 72.14% compared to Rs.227.32 lacs last year. Increase in profit is mainly on account of bullish market for major part of the year which has favoured shares and securities business.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2007-2008.****Industry Structure and development:**

The Indian Markets is no more domestic and is highly influenced by the global developments. The slow down of American economy due to sub-prime problems and fall of Repo Rates adversely affected the sentiments of investors. This is further fueled by recent price rise in petroleum products. This has resulted in sharp fall of Sensex and trading volumes. A fear of inflation and stagnation in economic growth is prevailing.

**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**

In spite of global slow down and inflation, the fundamentals of Indian economy at macro level are strong as depicted by high GDP growth rate. The Government is committed to encourage the healthy growth of Capital Market for development of the economy. The Government's incremental expenditure on infrastructure and agriculture will boost the economy.

Directors foresee following threats/ concerns for the markets:

1. Recent increase in petro products has fuelled inflationary pressures in the economy.
2. Growth is hampered due to expected political instability at the centre.
3. Global meltdown due to sub-prime concerns in developed economies has hampered inflows into our market.
4. Reduced volume and leverage business into the market due to absence of retail participants.

**Chokhani Securities Limited****15<sup>th</sup> Annual Report****Future Outlook**

Your Directors are very much concerned due to withdrawal of STT rebate in recent budget, which will adversely affect profitability. However, the Company is in process of exploring other business avenues and is in process of entering in other financial activities like Broking, Wealth Management, Insurance, PMS, etc. by organically and / or inorganically.

**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.

**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 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.
- 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.

**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 06<sup>th</sup> June, 2008 appointed Mr. Mohan Ahuja as Additional Director. Pursuant to Section 260 of the Companies Act, 1956 Mr. Mohan Ahuja shall relinquish the offices at the forthcoming Annual General Meeting. The Company has received a notice from one of its members under Section 257 of the Act along with refundable deposits, signifying intention of proposing the appointment of Mr. Mohan Ahuja as Director.

Mr. Mohan Ahuja is a Chartered Accountant as well as Cost Accountant and has about two decades experience in finance and capital market. Your Directors are of the view that the association of Mr. Mohan Ahuja as Director will be in the interest of the Company.

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mr. Rajesh Chokhani shall retire by rotation at the forthcoming annual general meeting 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 and Auditors' Certificate thereon are annexed.

**Acknowledgement:**

Your Directors wish to place on record their deep sense of appreciation to the Company's Bankers, 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: June 6, 2008**

**For and on Behalf of the Board**

**Sd/-  
Mr. Ramakant R Chokhani  
Chairman**

**REPORT ON CORPORATE GOVERNENCE****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 six 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 31<sup>st</sup> March, 2008, the Board met five times on 30.04.2007, 06.07.2007, 31.07.2007, 31.10.2007 and 31.01.2008.

Last Annual General Meeting was held on August 03, 2007

The composition of the Board of Directors as on March 31, 2008 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	5	Yes
Mrs. Neelam R. Chokhani	Non-Executive Promoter	Nil	Nil	5	Yes
Mr. Suresh Saharia	Non-Executive Independent	Nil	Nil	5	Yes
Mr. U.C. Shukla	Non-Executive	Nil	Nil	5	Yes
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	5	Yes.

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

Name	Mr. Mohan Ahuja	Mr. Rajesh Chokhani
Date of Birth	31/12/1959	27/09/1963
Date of Appointment	06/06/2008	13/05/2005
Qualifications	Chartered Accountant & Cost Accountant	B.E. (Computer Science)
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