

**SIXTEEN ANNUAL REPORT  
2008-2009**



**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 LIMITED

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## CHOKHANI SECURITIES LTD.

### **BOARD OF DIRECTORS**

SHRI RAMAKANT R. CHOKHANI (Chairman)

MRS. NEELAM R.CHOKHANI

MR. RAJESH CHOKHANI

MR. SURESH SAHARIA  
(RESIGNED w.e.f. 05.06.2009)

MR. U.C. SHUKLA

MR. MOHAN AHUJA

**16th**

**ANNUAL**

**REPORT**

**2008-2009**

### **AUDITORS**

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

### **BANKER**

AXIS 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 **Sixteenth Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Tuesday, the 7<sup>th</sup> July 2009** 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, 2009 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.

**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: 05.06.2009**

**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 given in the Corporate Governance report. Hence, the same is not separately furnished.
4. The Register of Members and the Share Transfer Books will remain closed from 1st July, 2009 to 07<sup>th</sup> July, 2009 (both days inclusive).

**DIRECTORS' REPORT**

The Members,

Your Directors hereby present their Sixteenth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2009.

**Financial Results:**

	<b>Current Year 31.03.2009</b>	<b>Previous Year 31.03.2008</b>
Profit before Interest & Depreciation	<b>4,790,395</b>	<b>3,91,37,536</b>
Interest Paid	<b>0</b>	<b>0</b>
Profit before Depreciation	<b>4,790,395</b>	<b>3,91,37,536</b>
Depreciation	<b>3,446</b>	<b>4,298</b>
Profit before Tax	<b>4,786,949</b>	<b>3,91,33,238</b>
Provision for Tax Deferred Tax Assets - Fringe Benefit Tax	<b>28,950</b>	<b>17,199</b>
Profit after Tax	<b>4,757,999</b>	<b>3,91,16,039</b>
Balance brought forward	<b>148,146,268</b>	<b>10,91,67,338</b>
Balance Available for Appropriation	<b>152,904,267</b>	<b>14,82,83,377</b>
Extra ordinary adjustment Excess /(Short) Provision for Tax Adjustment for prior year	<b>(72,796)</b>	<b>(1,37,110)</b>
Balance carried forward	<b>152,831,471</b>	<b>14,81,46,267</b>

**Dividend:**

Directors have not recommended any dividend.

**Performance of the Company:**

Your Directors regret to inform that the entire financial year witnessed a bearish situation mainly due to economic slow down in America and other European Countries. This was fueled by insolvency of Banks in these countries. All these factors severely affected the sentiments of investors in India resulting in very low volume of trade. Withdrawal of STT by government continue to adversely affect our business.

The Company recorded the gross income of Rs. 183.45 lacs as against Rs. 571.18 lacs in the previous year. The pre-tax profit for the year was Rs. 47.86 lacs, lower by 87.77% compared to Rs.391.33 lacs last year, decrease in profit is mainly on account bearish market for major part of the year which has affected shares and securities business.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2008-2009****Industry Structure and development:**

As stated earlier also by the Board in its report, 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 has resulted in sharp fall of Sensex and trading volumes. A fear of stagflation 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**

Inspite of global slow down and inflation, the fundamentals of Indian economy at macro level are strong, supported by large domestic demand and strongly regulated banking system. A stable government in Central and its commitment to speed up reforms will encourage the healthy growth of Capital Market. The Government's incremental expenditure on infrastructure and agriculture will boost the economy.

Directors foresee following threats/ concerns for the markets:

1. Global recession/meltdown has adverse effect on Indian economy.
2. Dismal performance of exports and falling prices of metals in international market have adverse effect on Indian industry.
3. Reduced volume and leverage business into the market due to absence of retail participants.

**Future Outlook**

Your Directors are very much concerned due to withdrawal of STT rebate, 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:

- 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:**

Mr. Suresh Saharia resigned w.e.f. 05.06.2009 due to his preoccupation. Board accepted his resignation & is thankful to him for valuable services rendered.

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 at the forthcoming annual general meeting 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.

**Compliance Report:**

Pursuant to Section 383A of the Companies Act, 1956 the Company has obtain a Compliance Report from M/S. Devendra Soni & Associates, Company Secretaries. The said report is annexed and forms part of this Directors' Report.

**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.

**For and on Behalf of the Board**

**Place: Mumbai**

**Date: 05<sup>th</sup> June, 2009**

**Sd/-**

**Mr. Ramakant R Chokhani  
Chairman**

**DEVENDRA SONI**

Company Secretary

**COMPLIANCE CERTIFICATE**

To:  
The Members  
Chokhani Securities Limited

I have examined the registers, records, books and papers of Chokhani Securities Limited (the Company) as provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2009. In my opinion and to the best of my information and according to the examinations carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Maharashtra, within the time prescribed under the Act and the rules made thereunder. The Company has not filed any form/return with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited company, comments on invitation to public to subscribe for shares/debentures or acceptance of deposits as applicable to a Private Limited Company are not required.
4. The Board of Directors duly met five times on 30/04/2008, 06/06/2008, 31/07/2008, 31/10/2008 and 30/01/2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions was passed during the financial year.
5. The Company has not closed/was not required to close its Register of Members or Debentureholders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 07<sup>th</sup> July, 2008 after giving due notices to the members of the Company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to its Directors and/or persons or firms or companies referred to in Section 295 of the Act.
9. The Company has not entered into any arrangement/contract falling within the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there was no appointment/instance falling within the purview of Section 314 of the Act, the Company has not obtained approval from the Board of Directors, members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer. There was no allotment or transmission of shares during the financial year.
- (ii) As the Company did not declare any dividend during the financial year, the need to deposit any amount of dividend in a separate Bank Account did not arise.
- (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- (iv) There was no such amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;



- (v) The Company has complied with the requirements of Section 217 of the Act.
13. The Board of Directors of the Company is duly constituted and the appointment of Directors and Additional Director have been duly made. There was no appointment of Alternate Directors and Directors to fill casual vacancies during the financial year.
  14. The Company has not appointed Managing Director/Whole-time Director or Manager.
  15. The Company has not appointed sole selling agents.
  16. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed in the various provisions of the Act during the financial year.
  17. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
  18. The Company has not issued any shares or securities during the financial year ended 31<sup>st</sup> March, 2009.
  19. The Company has not bought back any shares during the financial year ending 31st March, 2009.
  20. The Company has not redeemed any preference shares/debentures during the financial year.
  21. The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  22. The Company has not invited/accepted any deposit including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
  23. The amount borrowed by the Company from Directors, members, public, financial institution, banks and others during the financial year ended 31st March, 2009 are within the borrowing limits of the Company.
  24. The Company has not given any loan, guarantee or provided security to nor made any investment in other body corporate during the year under scrutiny. Hence, no comment u/s 372A is made.
  25. The Company has not altered the provisions of the Memorandum with respect to the situation of the Company's Registered Office from one state to another during the year under scrutiny.
  26. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
  29. The Company has not altered its Articles of Association during the financial year.
  30. There was no prosecution initiated against or show cause notice received by the Company or any other punishment imposed on the Company during the financial year, for offenses under the Act.
  31. The Company has not received any money as security from its employees during the year under certification.
  32. The Company has not deducted any contribution towards Provident Fund during the financial year.

Place : MUMBAI  
Date : 05.06.2009

(DEVENDRA SONI)  
COMPANY SECRETARY