

**SEVENTEENTH ANNUAL REPORT
2009-2010**

CHOKHANI SECURITIES LIMITED

Regd. Office :

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

Tel.: (91-22) 61167777

Fax: (91-22) 61167778

CHOKHANI SECURITIES LIMITED

I N D E X

DESCRIPTION	PAGE NO.
NOTICE	1
DIRECTORS REPORT	2, 3
SECRETARIAL COMPLIANCE REPORT	4 - 6
CORPORATE GOVERNANCE REPORT	7 - 10
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	11
AUDITOR'S REPORT & ITS ANNEXURE	12 - 14
BALANCE SHEET	15
PROFIT & LOSS A/C	16
SCHEDULES 1 TO 8 ACCOUNTS	17 - 20
SIGNIFICANT ACCOUNTING POLICIES	21 – 22
ADDITIONAL INFORMATION PARA IV, SCH. VI	23
CASH FLOW STATEMENT	24

CHOKHANI SECURITIES LTD.

BOARD OF DIRECTORS

SHRI RAMAKANT R. CHOKHANI (Chairman)

MRS. NEELAM R.CHOKHANI
(RESIGNED w.e.f. 12.04.2010)

MR. RAJESH CHOKHANI

MR. U.C. SHUKLA

MR. MOHAN AHUJA

17th

ANNUAL

REPORT

2009-2010

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.: 61167777

Fax: 61167778

NOTICE

NOTICE is hereby given that the **Seventeenth Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Wednesday, the 30th June 2010** 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, 2010 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. U.C. Shukla, 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
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: June 1, 2010

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 21st June, 2010 to 30th June, 2010 (both days inclusive).

DIRECTORS' REPORT

The Members,

Your Directors hereby present their Seventeenth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31st March, 2010.

Financial Results:

	Current Year 31.03.2010	Previous Year 31.03.2009
Profit before Interest & Depreciation	4,816,737	4,790,395
Interest Paid	0	0
Profit before Depreciation	4,816,737	4,790,395
Depreciation	2,809	3,446
Profit before Tax	4,813,928	4,786,949
Provision for Tax Deferred Tax Assets - Fringe Benefit Tax	(4,992)	28,950
Profit after Tax	4,821,729	4,757,999
Balance brought forward	152,831,471	148,146,268
Balance Available for Appropriation	157,653,200	152,904,267
Extra ordinary adjustment Excess /(Short) Provision for Tax Adjustment for prior year	(219,538)	(72,796)
Balance carried forward	157,433,662	152,831,471

Dividend:

Directors have not recommended any dividend.

Performance of the Company:

During the year capital market bounced back in view of revival of economy. The Indian economy recover faster than American and European economy, thanks to the timely measures taken by the government. The management remained cautious to avert any unforeseen loss.

The total income and pretax profit both were marginally higher compared to previous year. The company earned total income at Rs.64.45 lacs and made a pre-tax profit of Rs.48.14 lacs as against Rs.62.93 lacs and Rs.47.87 lacs respectively in the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2009-2010**Industry Structure and development:**

The Indian Markets is globalised and influenced much more by global development rather domestic influence. The global economy ,melt down witnessed in the year 2008-2009 had a very great impact on sentiments of investors. The various measures taken by the government of India no doubt helped the economy to revive, sentiments of retail investors remain subdued. Institutional investor also were extra vigilant to avoid loss.

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. Commitment of the Government to speed up reforms with timely measures will stimulate 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. Slow recovery of global economy may have 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 of the opinion that worse is over and revival is eminent globally though slow. The Company will be able to sustain income and profit in current year. The management is making all out efforts to enter into new fields such as wealth management, PMS, etc.

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:

Mrs. Neelam Chokhani resigned as Director on 12/04/2010 due to her pre-occupation. Mrs. Chokhani was associated with the Company since its inception. The Board of Directors places on record their deep sense of appreciation for the valued services rendered by her.

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. U.C. Shukla shall 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.

Compliance Report

Pursuant to Section 383A of the Companies Act, 1956 the Company has obtained 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:

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: June 1, 2010

For and on Behalf of the Board

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

DEVENDRA SONI

B.Com., F.C.S.
Company Secretary
Dev Guest House,
New Pali Road,
Bhagat ki Kothi
Jodhpur

COMPLIANCE CERTIFICATE

To:
The Members
Chokhani Securities Limited

I have examined the registers, records, books and papers of Chokhani Securities Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2010. 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 was not required to file 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 29/04/2009, 05/06/2009, 31/07/2009, 31/10/2009 and 01/02/2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions were passed during the financial year.
5. The Company closed its Register of Members from 1st July, 2009 to 07th July, 2009 and necessary compliance of Section 154 of the Act has been done.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 07th July, 2009 after giving due notices to the members of the Company and the resolutions passed thereat 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 contracts falling within the purview of Section 297 of the Act during the financial year.
10. The Company was not required to make 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 shares certificates on lodgment thereof for transfer in accordance with the provisions of the Act. There was no allotment and transmission 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.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors have been duly made. There was no appointment of Additional Director, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has not appointed Managing Director/Whole-time Director or Manager.
16. The Company has not appointed any sole selling agent during the financial year.
17. 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.
18. 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.
19. The Company has not issued Shares or any other security during the financial year.
20. The Company has not bought back any shares during the financial year ended 31st March, 2010.
21. The Company has not redeemed any preference shares/debentures during the financial year.
22. The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. 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.
24. The amount borrowed by the Company from Directors, members, public, financial institution, banks and others during the financial year ended 31st March, 2010 are within the borrowing limits of the Company as per Section 293(1)(d) of the Act.
25. The Company has given loans to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not given any guarantee or provided security to nor made any investment in other body corporate during the year under scrutiny.
26. 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.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. 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.
32. The Company has not received any money as security from its employees during the year under certification.
33. The Company has not deducted any contribution towards Provident Fund during the financial year.