

**EIGHTEENTH ANNUAL REPORT
2010-2011**

CHOKHANI SECURITIES LIMITED

Regd. Office :

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

Tel.: (91-22) 22007772/73

Fax: (91-22) 22007722.

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CHOKHANI SECURITIES LTD.

BOARD OF DIRECTORS

SHRI RAMAKANT R. CHOKHANI (Chairman)

MR. RAJESH CHOKHANI

MR. U.C. SHUKLA

MR. MOHAN AHUJA

AUDITORS

P.C. Ghadiali & Co.

Chartered Accountants

206, Arun Chambers,

Tardeo, Mumbai – 400 034.

BANKERS

AXIS BANK LTD.

REGISTRARS & SHARE TRANSFER AGENTS

Universal Capital Securities Pvt Ltd (Formerly Mondkar Computers Private Limited.)

21, Shakil Niwas,

Mahakali Caves Road

Andheri (E),

Mumbai – 400 093.

Tel : 28207203-05

Fax : 28207207

Regd. Office:

5A Maker Bhavan No.2, Sir Vithaldas Thakersey Marg,

New Marine Lines, Mumbai-400 020.

Tel.: 22007772/73

Fax: 22007722.

18th

ANNUAL

REPORT

2010-2011

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of **CHOKHANI SECURITIES LIMITED** will be held at 11.00 a.m. on Monday, the 4th July 2011 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, 2011 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.

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

Registered Office:

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

**Sd/-
RAMAKANT R. CHOKHANI
(CHAIRMAN)**

Place: Mumbai

Date: June 3 2011

NOTES:

1. A Member entitled to attend and vote is entitled to appoint one or more proxy(ies) to attend and vote instead of himself and the proxy(ies) 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. Pursuant to Clause 41 of the Listing Agreement with the Stock Exchange information about the Directors to be appointed / reappointed is enclosed.
4. The Register of Members and the Share Transfer Books will remain closed from 22nd June, 2011 to 04th July, 2011 (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. Rajesh Chokhani
Date of Birth	17/09/1963
Date of Appointment	13/05/2005
Qualifications	B.E. (Computer Science)
List of other Directorship held as on 31 st March, 2011 (Other than Private Cos.)	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil

DIRECTORS' REPORT

The Members,

Your Directors hereby present their Eighteenth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31st March, 2011.

Financial Results:

	Current Year 31.03.2011	Previous Year 31.03.2010
Profit before Interest & Depreciation	66,88,468	48,16,737
Interest Paid	0	0
Profit before Depreciation	66,48,468	48,16,737
Depreciation	0	2809
Profit before Tax	66,88,468	48,13,928
Provision for Tax & Deferred Tax Assets -	-11,61,024	-4992
Profit after Tax	55,27,444	48,21,729
Balance brought forward	15,74,33,662	15,28,31,471
Balance Available for Appropriation	16,29,61,107	15,76,53,200
Extra ordinary adjustment Excess /(Short) Provision for Tax Adjustment for prior year	0	(219538)
Balance carried forward	16,29,61,107	15,74,33,662

Dividend:

Directors have not recommended any dividend.

Performance of the Company:

The Company recorded the total income of Rs.81.90 lacs as against Rs.64.45 lacs in the previous year, a jump of 27%. The pre-tax profit for the year was Rs.66.88 lacs, higher by 39% compared to Rs 48.16 lacs last year. Increase in profit is mainly on account of bullish market sentiments last year which has favored shares and securities business.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2010-2011.**Industry Structure and development:**

The Indian Economy has shown robust GDP growth of 8-8.5% during the year 2010-11 which is reflected into the earnings & profits of the Companies US & Other major world economies have shown modest growth in GDP, This helped Indian Economy & Indian Companies and in attracting inflows into Indian Capital Market & thereby reflecting the growth in Indian indices last year Of late however Indian economy has started showing signs of moderation due to concentrated steps taken by RBI by raising interest rates to control inflation which at one point of time went as high as 10%. Crude oil prices have once again gone above 100 US Dollars per barrel which makes the task of RBI difficult to control inflation, Hence a delicate balance between growth and inflation is challenge for the RBI for which it is very proactive. Growth prospects in such environment are moderately bullish.

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 steps to combat the inflation by increasing the bank rate and CRR by RBI from time to time may affect the market sentiments.

Future Outlook

You're Directors foresee coming year will be a challenging year. Recent steps by Govt & RBI to combat inflation will adversely affect both economy and company's profitability in years to come. However company is in the

process of actively exploring other business avenues and it is planning to enter in the field of education where preliminary discussion has already been initiated for investments. Company also intends to expand aggressively in commodity trading business and for financing its business growth plans Company is actively pursuing various options of raising finance through debt &/or equity route.

Internal Control System

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

Risk Management

The management continuously assess 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 Companies Act 1956 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:

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 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: June 3, 2011

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, 2011. 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 30/04/2010, 04/06/2010, 23/07/2010, 29/10/2010 and 15/01/2011 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 closed its Register of Members from 21st June, 2010 to 30th June, 2010 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, 2010 was held on 30th June, 2010 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, 2011.
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, 2011 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.

(DEVENDRA SONI)
COMPANY SECRETARY

Place: MUMBAI
Date : 01.06.2011