

# **NINETEENTH ANNUAL REPORT 2011-2012**

## **CHOKHANI SECURITIES LIMITED**

**Regd. Office :**

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

Tel.: (91-22) 22007772/73  
Fax: (91-22) 22007722.

## CHOKHANI SECURITIES LIMITED

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## **CHOKHANI SECURITIES LTD.**

### **BOARD OF DIRECTORS**

MR. RAMAKANT CHOKHANI (Chairman)

MR. RAJESH CHOKHANI

MR. UPENDRA SHUKLA

MR. PRAVIN GUPTA

(w.e.f. 06.01.2012)

**19th  
ANNUAL  
REPORT  
2011-2012**

### **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.

### **Regd. Office:**

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

Tel.: 22007772/73

Fax: 22007722.

**NOTICE**

NOTICE is hereby given that the Nineteenth **Annual General Meeting** of the Members of **Chokhani Securities Limited** will be held at **11.00 a.m. on Thursday, the August 09, 2012** 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, 2012 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. Ramakant Chokhani, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT Mr. Pravin Gupta be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation."

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

"RESOLVED THAT Mr. Yogesh H. Raja to be appointed as a Director of the Company, whose office shall be liable to retire by rotation."

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

**Registered Office:**

5A, Maker Bhavan No.2,  
Sir Vithaldas Thackeray Marg,  
New Marine lines, Churchgate  
Mumbai 400 020

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

**Place: Mumbai**

**Date: July 13, 2012**

**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. An explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of item No. 4 & 5 of the notice convening the meeting is annexed.
4. Pursuant to Clause 41 of the Listing Agreement with the Stock Exchange information about the Directors to be appointed / reappointed is enclosed.
5. The Register of Members and the Share Transfer Books will remain closed from 1<sup>st</sup> August, 2012 to 9<sup>th</sup> August, 2012 (both days inclusive).

**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 31<sup>st</sup> January 2012 had appointed Mr. Pravin Gupta as Additional Director. Pursuant to the provisions of Section 260 of the Companies Act, 1956.

However, the Company has received a notice under Section 257 of the Act from one of the members signifying his intention of proposing the appointment of Mr. Yogesh Raja as Director in the ensuing annual general meeting.

Mr. Pravin Gupta is a Commerce Graduate. He has more than 25 years experience. Your Directors are of the view that his co-option on the Board would be in the interest of the Company.

Mr. Yogesh Raja is a Commerce Graduate and has completed inter C.A. He has more than 12 years Capital Market experience. Your Directors are of the view that his co-option on the Board would be in the interest of the Company.

Details of Mr. Pravin Gupta and Mr. Yogesh Raja as required under Clause 49 of the Listing Agreement is given separately.

Mr. Pravin Gupta and Mr. Yogesh Raja may be deemed to be interested in the proposed resolution. None of the other Directors is interested or concerned in the resolution.

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

**Registered Office:**

5A, Maker Bhavan No.2,  
Sir Vithaldas Thackeray Marg,  
New Marine lines, Churchgate  
Mumbai 400 020

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

**Place: Mumbai**

**Date: July 13, 2012**

**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. Ramakant Chokhani</b>	<b>Mr. Pravin Gupta</b>	<b>Mr. Yogesh Raja</b>
Date of Birth	10/04/1954	23/10/1953	12/10/1972
Date of Appointment	10/02/1993	06/01/2012	09/08/2012
Qualifications	B.Com., LL.B., ACS & MBA	B. Com.	B.Com., CA Inter
List of other Directorship held as on 31st March, 2012 (Other than Private Cos.)	Nil	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil	Nil	Nil

**DIRECTORS' REPORT**

The Members,

Your Directors hereby present their Nineteenth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2012.

**Financial Results:**

	<b>Current Year</b>	Previous Year
	<b>March 31, 2012</b>	March 31, 2011
Profit before Interest & Depreciation	<b>1,56,16,346</b>	66,88,468
Interest Paid	-	-
Profit before Depreciation	<b>1,56,16,346</b>	66,88,468
Depreciation	-	-
Profit before Tax	<b>1,56,16,346</b>	66,88,468
Provision for Tax & Deferred Tax Assets	<b>(45,60,000)</b>	(11,61,024)
Profit after Tax	<b>1,10,56,346</b>	55,27,444
Balance brought forward	<b>16,29,61,107</b>	15,74,33,658
Balance Available for Appropriation	<b>17,40,17,453</b>	16,29,61,107
Extra ordinary adjustment	-	-
Excess /(Short) Provision for Tax	<b>(21,081)</b>	-
Adjustment for prior year	-	-
Balance carried forward	<b>17,39,96,372</b>	16,29,61,107

**Dividend:**

Directors have not recommended any dividend.

**Performance of the Company:**

The Company recorded the total income of ` 194.98 Lacs as against ` 81.89 Lacs in the previous year. The pre-tax profit for the year was ` 156.16 Lacs as compared to ` 66.88 Lacs last year, Increase in profit is mainly on account of favorable market sentiments last year.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2011-2012.****Industry Structure and development**

The performance of Sensex and Nifty during the entire FY12 was at -10.49% and -9.22%, respectively. The year gone by saw high interest rates, rising cost of imported fuel, moderating economy and a volatile political environment, which contributed to the dull market performance.

The Indian Economy has shown GDP of 8.2% during the year 2011-12 which is reflected into the earnings & profits of the Companies.

**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.

**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:**

The Board of Directors in its meeting held on 31<sup>st</sup> January, 2012 had appointed Mr. Pravin Gupta as Additional Director, who will be vacating the office in the forthcoming annual general meeting.

The Company has received a notice under Section 257 of the Companies Act, 1956 signifying the intention of proposing the appointment of Mr. Raja as Director. Mr. Yogesh Raja is a Commercial Graduate and has pass CA Inter. He has more than 12 years experience in finance and accounting.

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mr. Ramakant 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.

**For and on Behalf of the Board**

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

**Place: Mumbai**  
**Date: July 13, 2012**



**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 four 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 2012, the Board met five times on 14.05.2011, 03.06.2011, 12.08.2011, 14.11.2011 and 31.01.2012.

Last Annual General Meeting was held on July 04, 2011

The composition of the Board of Directors as on March 31, 2012 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	5/5	Yes
Mr. U. C. Shukla	Non-Executive Independent	Nil	Nil	5/5	Yes
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	5/5	Yes.
Mr. Pravin Gupta (w.e.f. 06.01.2012)	Non-Executive Independent	Nil	Nil	1/5	N. A.
Mr. Yogesh Raja (w.e.f. 09.08.2012)	Non-Executive	Nil	Nil	N. A.	N. A.

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

Name	Mr. Ramakant Chokhani	Mr. Pravin Gupta	Mr. Yogesh Raja
Date of Birth	10/04/1954	23/10/1953	12/10/1972
Date of Appointment	10/02/1993	06/01/2012	09/08/2012
Qualifications	B.Com., LL.B., ACS & MBA	B. Com.	B.Com., CA Inter
List of other Directorship held as on 31st March, 2012 (Other than Private Cos.)	Nil	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil	Nil	Nil

**C. Audit Committee:**

The Company has constituted an Audit Committee on March 10, 2003.

The Audit Committee comprises of Mr. Rajesh Chokhani & Mr. U C Shukla both independent Directors and Mr. Ramakant R. Chokhani. Mr. U C Shukla is having financial and accounting knowledge.

During the financial year 2011-12, the Audit Committee met five times on 07/05/2011, 27/05/2011, 05/08/2011, 07/11/2011 and 24/01/2012.

The Audit Committee had adequate powers and detailed terms of reference to play effective role as required under Clause 49 of the Listing Agreement.

The Compliance Officer acts as the Secretary of the Committee.

**D. Remuneration Committee:**

Since entire Board comprises of Non Executive Directors and none of the Directors is in receipt of any remuneration including sitting fees, Remuneration Committee is not formed.

**E. Remuneration to Director**

No remuneration is paid to any of the Directors.

**F. Shareholders' /Investors' Grievance Committee:**

The Company has formed Shareholders' / Investors' Grievances Committee under the Chairmanship of Mr. Ramakant R. Chokhani and Mr. Rajesh Chokhani as its member to look into redressal of Shareholders and investors grievances with respect to transfer of Shares, dematerialization of shares, non receipt of declared dividend or Annual report etc. and other matters relating to shareholder relationship. The shareholders grievance committee met nine times during the year. During the year ended on March 31, 2012 the Company did not receive any complaint from any of its members.

**G. Name and Designation of Compliance officer:**

Mr Manish Parikh  
Compliance officer  
Chokhani Securities Limited.  
5A, Maker Bhavan No.2, New Marine Lines, Mumbai 400 020

**H. Annual General Meetings:**

The details of the location and time for last three Annual General Meetings are given below:

AGM No	Accounting Year	Date	Time	Location
18 <sup>th</sup>	2010-2011	July 04, 2011	11.00 am	B-1, Chandra Mahal, 2 <sup>nd</sup> Floor, 241-Princess Street, Mumbai-400 002
17 <sup>th</sup>	2009-2010	June 30, 2010	11.00 am	
16 <sup>th</sup>	2008-2009	July 07, 2009	11.00 am	