

**TWENTIETH ANNUAL REPORT  
2012-2013**

**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

## INDEX

DESCRIPTION	PAGE NO.
NOTICE	1
DIRECTORS' REPORT	2-4
CORPORATE GOVERNANCE REPORT	5-9
COMPLIANCE CERTIFICATE	10-13
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	14
AUDITOR'S REPORT & ITS ANNEXURE	15-18
BALANCE SHEET	19
PROFIT & LOSS ACCOUNT	20
CASH FLOW STATEMENT	21-22
SIGNIFICANT ACCOUNTING POLICY	23
NOTES TO ACCOUNTS	24-29

---

## **CHOKHANI SECURITIES LTD.**

### **BOARD OF DIRECTORS**

MR. RAMAKANT CHOKHANI (Chairman)

MR. RAJESH CHOKHANI

MR. UPENDRA SHUKLA  
(upto 10.08.2012)

MR. PRAVIN GUPTA

MR. YOGESH RAJA  
(w.e.f. 09.08.2012)

### **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.  
Email: [contact@rrcfinancials.com](mailto:contact@rrcfinancials.com)

**20th  
ANNUAL  
REPORT  
2012-2013**



**NOTICE**

NOTICE is hereby given that the Twentieth **Annual General Meeting** of the Members of **Chokhani Securities Limited** will be held at **11.00 a.m. on Thursday, the June 27, 2013** 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, 2013 and Statement of 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 himself 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 Thackeray Marg,  
New Marine lines, Churchgate  
Mumbai 400 020

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

**Place: Mumbai**

**Date: May 28, 2013**

**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 18<sup>th</sup> June, 2013 to 27<sup>th</sup> June, 2013 (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. Rajesh Chokhani</b>
Date of Birth	17/09/1963
Date of Appointment	13/05/2005
Qualifications	B.E. (Computer Science)
List of other Directorship held as on 31st March, 2013 (Other than Private Cos.)	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil

**DIRECTORS' REPORT**

The Members,

Your Directors are pleased to present their Twentieth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2013.

**Financial Results:**

	Current Year	Previous Year
	March 31, 2013	March 31, 2012
Profit before Interest & Depreciation	25,396,313	15,616,346
Interest Paid	-	-
Profit before Depreciation	25,396,313	15,616,346
Depreciation	-	-
Profit before Tax	25,396,313	15,616,346
Provision for Tax & Deferred Tax Assets	(8,435,000)	(4,560,000)
Profit after Tax	16,961,313	11,056,346
Balance brought forward	173,996,372	162,961,107
Balance Available for Appropriation	190,957,685	174,017,453
Extra ordinary adjustment	-	-
Excess /(Short) Provision for Tax	(208,097)	(21,081)
Adjustment for prior year	-	-

**Dividend:**

Directors have not recommended any dividend.

**Performance of the Company:**

The Company recorded the total income of Rs.418.70 lacs as against ₹ 194.98 Lacs in the previous year. The pre-tax profit was also higher at Rs.253.96 lacs as against Rs.156.16 lacs in the last year.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2012-2013.****Industry Structure and development**

Global market sentiments remained poor through out the year. In India GDP both in industry and agricultural was below expectation. This was coupled with inflationary pricing of almost all essential commodities. The performance of Sensex and Nifty during the year remained stagnant.

**Regulations**

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the Stock Exchanges. This helps in reviving the trust of investors in Indian market in time of crisis.

**Opportunity and threats**

The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. The market regulators are also concerned in regaining the confidence of investors, which is adversely effected due to economic slowdown and scams. Improved performance for the fourth quarter recently announced by the companies will help the investor's sentiments.

Various steps taken by Reserve Bank of India to combat the inflation may affect the market sentiments.

**Future Outlook**

Your Directors are of the opinion that coming years will be a challenging period. However, considering the huge population and change in consumers' spending pattern, Indian economy is sure to grow in coming years.

**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:**

To comply with 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 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:**

The Company has received a Compliance Report under the provisions of Section 383A of the Companies Act, 1956 from Mr. Upendra Shukla, Practicing Company Secretary. The said report is annexed and forms part of this 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 Bankers 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: May 28, 2013**



**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 2013, the Board met six times on 14.05.2012, 13.07.2012, 10.08.2012, 09.11.2012, 14.02.2013 and 11.03.2013.

Last Annual General Meeting was held on August 9, 2012

The composition of the Board of Directors as on March 31, 2013 and other details are as under:

<b>Name of Director</b>	<b>Category</b>	<b>No. of other Directorship Other than Pvt. Ltd. Cos.</b>	<b>Committee Membership of other Companies</b>	<b>No. of Board Meetings attended</b>	<b>Attendance at last AGM of the Company</b>
Mr. Ramakant R. Chokhani	Non-Executive Promoter	Nil	Nil	6/6	Yes
Mr. U. C. Shukla (upto 10.08.2012)	Non-Executive Independent	Nil	Nil	2/6	No
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	6/6	Yes.
Mr. Pravin Gupta	Non-Executive Independent	Nil	Nil	6/6	Yes.
Mr. Yogesh Raja (w.e.f. 09.08.2012)	Non-Executive	Nil	Nil	4/6	Yes.

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

<b>Name</b>	<b>Mr. Rajesh Chokhani</b>
Date of Birth	17/09/1963
Date of Appointment	13/05/2005
Qualifications	B.E. (Computer Science)
List of other Directorship held as on 31st March, 2013 (Other than Private Cos.)	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil

**C. Audit Committee:**

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

The Audit Committee comprises of Mr. Rajesh Chokhani and Mr. Pravin Gupta both independent Directors and Mr. Ramakant R. Chokhani. Mr. Pravin Gupta is having financial and accounting knowledge.

During the financial year 2012-13, the Audit Committee met five times on 07/05/2012, 06/07/2012, 03/08/2012, 31/10/2012 and 07/02/2013.

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, Mr. Rajesh Chokhani and Mr. Yogesh Raja as its members 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, 2013 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
19 <sup>th</sup>	2011-2012	August 09, 2012	11.00 am	B-1, Chandra Mahal, 2 <sup>nd</sup> Floor, 241-Princess Street, Mumbai-400 002
18 <sup>th</sup>	2010-2011	July 04, 2011	11.00 am	
17 <sup>th</sup>	2009-2010	June 30, 2010	11.00 am	