

TWENTYFIRST ANNUAL REPORT
2013-2014

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. PRAVIN GUPTA

MR. YOGESH RAJA

**21st
ANNUAL
REPORT
2013-2014**

AUDITORS

P C Ghadiali And 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.
Telephone: 28207203-05 Fax: 28207207

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

NOTICE

NOTICE is hereby given that the **Twentyfirst Annual General Meeting** of the Members of **Chokhani Securities Limited** will be held at **11.00 a.m. on Friday, the July 04, 2014** at 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai 400 020, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2014 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. Yogesh Raja, 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 thought 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 an Independent Director for a period of three years w.e.f. 04/07/2014."

"RESOLVED FURTHER THAT Mr. Pravin Gupta will be entitled to reimbursement of conveyance expenses incurred for attending the Board and committee meeting."

**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, 2014

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 102 of the Companies Act, 2013 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 25th June, 2014 to 04th July, 2014 (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. Yogesh Raja	Mr. Pravin Gupta
Date of Birth	12/10/1972	23/10/1953
Date of Appointment	09/08/2012	06/01/2012
Qualifications	B.Com., CA Inter,	B.Com.
List of other Directorship held as on 31st March, 2014 (Other than Private Cos.)	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Mr. Pravin Gupta was appointed as an independent director with effect from 06/01/2012. Under the new Companies Act, 2013, which inter alia provided that the Independent Director shall hold the office for a period of five years and shall not be liable to retire by rotation. As Mr. Pravin Gupta was liable to retire by rotation in this Annual General Meeting, Directors think it prudent to seek his appointment de novo for a period of another three years.

Mr. Pravin Gupta has wide experience in the business administration and his association is in the interest of the Company. None of the Directors except Mr. Pravin Gupta, key managerial personnel of Company or any of their relatives are interested or concerned in the resolution. A draft letter of appointment proposed to be issued to Mr. Gupta is available for inspection at the Registered Office during normal business hours of the Company except on Saturdays and Sundays.

**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, 2014

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present their Twenty first Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31st March, 2014.

Financial Results:

	Current Year	Previous Year
	March 31, 2014	March 31, 2013
Profit before Interest & Depreciation	53,934,128	25,396,313
Interest Paid	-	-
Profit before Depreciation	53,934,128	25,396,313
Depreciation	-	-
Profit before Tax	53,934,128	25,396,313
Provision for Tax & Deferred Tax Assets	(16,150,000)	(8,435,000)
Profit after Tax	37,784,128	16,961,313
Balance brought forward	190,749,588	173,996,372
Balance Available for Appropriation	228,533,717	190,957,685
Extra ordinary adjustment	-	-
Excess /(Short) Provision for Tax	-	(208,097)
Adjustment for prior year	-	-
Balance carried forward	228,533,717	190,749,588

Dividend:

Directors have not recommended any dividend.

Performance of the Company:

The Company recorded the total income of Rs.617.12 Lacs against 418.70 Lacs in the previous year. The pre-tax profit was also higher at Rs.539.34 lacs as against Rs.253.96 Lacs in the last year.

Your Directors are glad to report that in spite of adverse economic situation the performance of the company was good.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2013-2014.**Industry Structure and development**

Market sentiments were poor throughout the year. Industrial growth was adversely affected and was at a record low in the decade. Due to steep devaluation in rupees, balance of payment reached at an alarming level. Sensex and nifty both were 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 New 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.

Future Outlook

Your Directors are of the opinion that new government's agenda of development and creating jobs for young generation will stimulate the growth. 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 the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mr. Yogesh Raja shall retire by rotation and being eligible offers himself for re-appointment. It is also proposed to seek appointment of Mr. Pavin Gupta as an Independent Director for a period of three years.

Auditors:

Notes to the accounts are self explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

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, 2014**

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 31st March 2014, the Board met four times on 28.05.2013, 12.08.2013, 12.11.2013, and 10.02.2014.

Last Annual General Meeting was held on June 27, 2013

The composition of the Board of Directors as on March 31, 2014 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	4	Yes
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	4	No
Mr. Pravin Gupta	Non-Executive Independent	Nil	Nil	4	No
Mr. Yogesh Raja	Non-Executive	Nil	Nil	4	Yes.

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

Name	Mr. Yogesh Raja	Mr. Pravin Gupta
Date of Birth	12/10/1972	23/10/1953
Date of Appointment	09/08/2012	06/01/2012
Qualifications	B.Com., CA Inter,	B.Com.
List of other Directorship held as on 31st March, 2014 (Other than Private Cos.)	Nil	Nil
Membership of Other Cos/. Committees (Other than Private Cos.)	Nil	Nil

C. Audit Committee:

The Company has constituted an Audit Committee. 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 2013-14, the Audit Committee met four times on 28/05/2013, 12/08/2013, 12/11/2013 and 10/02/2014.

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, 2014 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
20 th	2012-2013	June 27, 2013	11.00 am	B-1, Chandra Mahal, 2 nd Floor, 241-Princess Street, Mumbai-400 002
19 th	2011-2012	August 09, 2012	11.00 am	
18 th	2010-2011	July 04, 2011	11.00 am	