

TWENTY THIRD ANNUAL REPORT 2015-2016

CHOKHANI SECURITIES LIMITED

CIN - L 67120MH1993PLC070739

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

CIN - L 67120MH1993PLC070739

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CHOKHANI SECURITIES LTD.

BOARD OF DIRECTORS

MR. RAMAKANT CHOKHANI (Chairman)

MR. RAJESH CHOKHANI

MR. PRAVIN GUPTA

MRS. JYOTI ANUJ JAIN

23rd
ANNUAL
REPORT
2015-2016

AUDITORS

P C Ghadiali And Co LLP
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 **Twenty Third Annual General Meeting** of the Members of **Chokhani Securities Limited** will be held at **11.00 a.m. on Friday, the 29th July, 2016** 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, 2016 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. Ramakant R. Chokhani, who retires by rotation and being eligible offers himself for re-appointment.
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)
(DIN:00613176)

Place: Mumbai**Date: June 20, 2016****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. The Register of Members and the Share Transfer Books will remain closed from **23.07.2016 to 29.07.2016** (both days inclusive).
4. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
5. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
6. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
7. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
9. Electronic copy of the Annual Report for 2016 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address,

physical copies of the Annual Report for 2016 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to registered his e-mail address and any change therein. In compliance with the same, we request the members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.

10. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting. The instructions for shareholders voting electronically are as under:

- i) The voting period begins on **26/07/2016 (9.00 a.m.)** and **ends on 28/07/2016 (5.00 p.m.)**. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 22/07/2016** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii) Log on to the e-voting website www.evotingindia.com
- iv) Click on 'Shareholders' tab.
- v) Now, select 'CHOKHANI SECURITIES LIMITED' from the drop down menu and click on 'SUBMIT'.
- vi) Now, enter your Use ID : For CDSL – 16 digits beneficiary ID, for NSDL – 8 character DP ID followed by 8 Digits Client ID. Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- vii) If you are holding shares in demat form and had logged on www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user, follow the steps given below :
- viii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form and for Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by the Income Tax Department
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio id dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank details as recorded in your demat account or in the company records for the said demat account or folio.

* Members, who have not updated their PAN with the Company/Depository Participant are requested to use the default number "CTLEV1234Z" in the PAN filed.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter value 13/06/2014 in the DOB column or the 16 digit member id/folio number in the Dividend Bank details field.

- ix) After entering these details appropriately, click on 'SUBMIT' tab.
- x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii) Click on the EVSN for the relevant Chokhani Securities Limited on which you choose to vote.
- xiii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implied that you assent to the Resolution and option NO implied that you dissent to the Resolution.

- xiv) Click on the 'Resolution File Link' if you wish to view the entire Resolutions.
- xv) After selecting the resolution, you have decided to vote on, 'Click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xvi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xvii) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the voting page.
- xviii) If demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password and enter the details as prompted by the system.
- xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Stores. iPhone and Windows phone users can download the app from the App Stores and the Windows Phone Stores respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx) Non-Individual Shareholders and Custodians (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF Format in the system for the scrutinizer to verify the same.
- xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22/07/2016.
- b) Mr. Upendra Shukla, Practising Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.
- c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.
- d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.
- e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.rrcfincials.com and on the website on CDSL www.evoting.nsdl.com within two days of the passing of the resolutions at the 23rd AGM and communicated to BSE Ltd., where the shares of the Company are listed.

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)
(DIN:00613176)

Place: Mumbai

Date: June 20, 2016

DIRECTORS' REPORT

The Members,

Your Directors are pleased to present their Twenty Third Annual Report on the working of the Company together with the audited Statements of Accounts for the year ended 31st March, 2016.

	Current Year March 31, 2016	Previous Year March 31, 2015
Profit before interest & depreciation	3,46,35,207	1,79,62,168
Interest Paid	-	-
Profit before Depreciation	3,46,35,207	1,79,62,168
Depreciation	-	-
Profit before Tax	3,46,35,207	1,79,62,168
Provision for Tax & deferred Tax Assets	(47,40,000)	(13,08,000)
Profit After Tax	2,98,95,207	1,66,54,168
Balance brought forward	24,51,87,885	22,85,33,717
Balance Available for Appropriation	27,50,83,092	24,51,87,885
Extra Ordinary Adjustments	-	-
Excess / (short) Provision for Tax	(17,17,481)	-
Adjustment for prior year	-	-
Balance Carried Forward	27,33,65,611	24,51,87,885

Dividend

Directors have not recommended any dividend.

Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to be best of their knowledge, confirm that –

- in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- 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 at the end of the financial year and of the profit of the Company for that period;
- 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;
- the annual accounts have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MANAGEMENT DISCUSSION AND ANALYSIS FOR 2015-2016**Industry Structure and development**

The Non-banking Finance Companies are strictly regulated by Reserve Bank of India by its guidelines and notifications.

Regulations

The Capital Market is regulated by stringent rules and regulations of the Securities & Exchange Board of India (SEBI) and the Stock Exchanges. As also, the Company being registered with the Reserve Bank of India as Non-Banking Finance Company (NBFC), is also subjected to strict rules and guidelines notified by the Reserve Bank of India from time to time. This helps in reviving the trust of investors in Indian market in time of crisis.

Performance of the Company

Total revenue including other income for the financial year ended 31st March, 2016 was Rs.377.70 lacs, 59.66% higher compared to last year (Rs.236.56 lacs in the year 2014-15). Earning before interest, tax, depreciation and

amortization (EBITDA) was Rs.346.35 lacs as against Rs.179.62 lacs a year ago. Profit after tax for the year was Rs.298.95 lacs as against Rs.166.54 lacs in 2014-15, a jump of 79.51%.

No amount is transferred to general reserves. It is proposed to carry forward the balance of Rs.298.95 lacs in the statement of Profit & Loss.

Loans, Guarantees and investments

The Company has not given any loan or guarantee. The Company has made investments in shares, securities and bonds, details of which are provided in the financial statements.

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 was adversely effected due to economic slowdown and scams.

Future Outlook

The Indian economy has witness the GDP growth of 7.6%. The expected passage of GST bill will further boost the GDP. Your Directors are of the opinion that the 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 bound to grow in coming years.

Conservation of Energy etc.

Since the Company is not engaged in any manufacturing activity, information as required under the provisions of Section 134 (3) (m) of the Act is not furnished. During the year under consideration, there were no foreign exchange earnings or outgo.

Corporate Governance

In line with the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance is annexed, which forms part of this report. A certificate of CEO and CFO of the Company confirming the correctness of the financial and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed and forms part this Directors' Report.

Transactions with related parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134 (3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure I** in Form AOC-2 and the same forms part of this report. The Company does not have any subsidiary.

Subsidiary Company

The Company does not have any subsidiary.

Consolidated Financial Statement

Since the Company does not have any subsidiary, joint venture or associates, consolidated accounts are not prepared.

Material Changes and Commitment

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

Public Deposits

Your Company has not accepted any deposit from the public, its shareholders or employees during the year under review.

Directors and key managerial personnel

Mr. Pravin Gupta and Mr. Rajesh Chokhani are Independent Directors. Mrs, Jyoti Anuj Jain is a Female Director and Mr. Ramakant R. Chokhani is a Promoter Director.

Mr. Ramakant R. Chokhani shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

During the year under review, none of the non-executive directors had any pecuniary relationship or transactions with the Company.

Mr. Prashant Solanki is the Chief Executive Officer and Mr. Manish Parikh is the Chief Finance Officer of the Company. Mr. Ramakant R. Chokhani, being qualified, also acts as the Company Secretary.

Nomination & Remuneration Policy pertaining to appointment of Director and Sr. Managerial personnel in annexed to this report as Annexure II

Declaration of Independence

All the independent directors have submitted declarations as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in Section 149(6) of the Act.

Number of meeting of the Board

Four meetings of the Board were held during the year under review. Corporate Governance Report, which forms part of this report, contains the details about the Board meeting as also meeting attended by each Directors of the Company.

Board evaluation

Pursuant to the provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

In a separate meeting of independent directors, performance of non-independent directors, performance of the Board as a whole was evaluated, taking into account the views of non-executive directors.

Policy on appointment of directors and remuneration as provided in Section 178(3) of the Companies Act, 2013 has been dealt with in the corporate governance report, which forms part of the Directors' Report.

Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

Internal Control System

There are reasonable internal control systems at all levels in the Company. The Company has appointed M/s. Chajjed Kedia & Associates, Chartered Accountants, as Internal Auditors, who reports the Audit Committee.

Risk Management

The Company has Risk Management Committee. This committee is responsible for reviewing the risk management plan and its effectiveness. The audit committee also reviews the financial risk and its control. The management also continuously access the risk involved in the business and all out efforts are made to mitigate the risk with appropriate action.

Employees

Information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended to this report as **Annexure III** and forms part of this report.

None of the employees of the Company was in receipt of a remuneration exceeding Rs.5 lakhs per month or Rs.60 lakhs per annum as required under the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Auditors

According to Directors, there are no adverse remarks made by Statutory Auditors in their report. 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. LLP, 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.