

# **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	

**I. Disclosures:****a) Disclosure regarding materially significant related party transactions:**

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the management or relatives etc. that may have potential conflict with the interest of the Company.

**b) Disclosure of non-compliance by the Company**

There were no instances of non-compliance or penalty, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last four Years.

**c) Means of Communication:**

The means of communication between the Company and the shareholders are transparent and investor friendly. The Company's half-yearly and quarterly unaudited results are published in leading newspapers in English and in vernacular language of Mumbai. As such the Company does not send unaudited results to shareholders individually.

**J. General Shareholder Information:****a) Annual General Meeting**

The 19<sup>th</sup> AGM of the members of the Company is scheduled to be held on Thursday August 9<sup>th</sup>, 2012 at B-1, Chandra Mahal, 2nd Floor, 241, Princess Street, Mumbai-400 002.

**b) Financial Calendar for the year 2012-2013 (Provisional)**

A.	Results for the first quarter ending on June 30, 2012	By end of July, 2012
B.	Results for the second quarter ending on September 30, 2012	By end of October, 2012
C.	Results for the third quarter ending on December 31, 2012	By end of January, 2013
D.	Results for the fourth quarter ending on March 31, 2013	By middle of May, 2013
E.	Finalization of Accounts for the year ended March 31, 2013	By end of June, 2013
F.	Annual General Meeting for the year ending March 31, 2013	By end of July, 2013

**c) Details of book closures:**

From 1<sup>st</sup> August, 2012 to 09<sup>th</sup> August, 2012(both days inclusive)

**d) Dividend**

The Board of Directors has not recommended any dividend for the financial year 2011-12

**e) Stock Exchange Listing:**

The Company's shares are listed on The Bombay Stock Exchange Ltd. The Company has paid Annual Listing fees up to financial year 2011-2012

Scrip code on the Stock Exchange, Mumbai : 511742  
Demat ISIN for NSDL and CDSL : INE 583 D 01011

**Market Price Data:**

There were twelve quotations of the Company's shares on the Stock Exchange during the financial year ended on March 31, 2012. These are:

<b>Month</b>	<b>Highest Rate (₹)</b>	<b>Lowest Rate (₹)</b>
April 2011	18.70	17.80
May 2011	19.90	19.00
June 2011	22.00	19.40
July 2011	21.00	21.00
August 2011	N.A.	N.A.
September 2011	20.80	20.95
October 2011	N.A.	N.A.
November 2011	18.55	17.00
December 2011	16.20	13.30
January 2012	13.50	9.75
February 2012	11.83	10.23
March 2012	19.80	11.25

As the shares of the Company are not included in BSE Sensex, comparative study on BSE Index vis-à-vis price performance of the Company's shares is not given.

**g) Registrar and Transfer Agents:**

M/s Universal Capital Securities P LTD  
(Formerly Mondkar Computers Pvt. Ltd.)  
21, Shakil Niwas, Opp. Satya Sai Baba Temple  
Mahakali Caves Road, Andheri (East), Mumbai 400 093  
Telephone: 28207203-05 Fax: 28207207

**h) Share Transfer System:**

Share transfer requests received in physical form are processed by the Share Transfer Agents and Share Transfer Register prepared within fifteen days from the date of receipt. Investor Grievance Committee approves the transfers and immediately there after the Agents dispatches the share certificates to respective transferees. Demat requests are normally confirmed within an average of 15 days from the date of receipt.

**i) Statistics of Shareholders as on March 31, 2012**

	Share Holders		Share Holdings		Share Amount	
	Number	%	Holding	%	₹	%
Up to 500	709	84.20%	94,572	2.01%	9,45,720	2.01%
501-1,000	60	7.13%	48,395	1.03%	4,83,950	1.03%
1,001-2,000	26	3.09%	39,373	0.84%	3,93,730	0.84%
2,001-3,000	11	1.31%	27,127	0.58%	2,71,270	0.58%
3,001-4,000	8	0.95%	29,921	0.64%	2,99,210	0.64%
4,001-5,000	2	0.24%	9,661	0.21%	96,610	0.21%
5,001-10,000	5	0.59%	36,199	0.77%	3,61,990	0.77%
10,001 & above	21	2.49%	44,13,222	93.93%	4,41,32,220	93.93%
<b>Total</b>	<b>842</b>	<b>100.00%</b>	<b>46,98,500</b>	<b>100.00%</b>	<b>4,69,85,000</b>	<b>100.00%</b>

**j) Shareholding Pattern as on March 31, 2012**

<b>Categories</b>	<b>No of Shares</b>	<b>% of shareholding</b>
Promoters	34,67,800	73.81%
Bodies Corporate	7,60,635	16.19%
Residential Individual & Physical Shares	4,63,826	9.87%
Non Residential Individual & Clearing Members	6,239	0.13%
<b>Total</b>	<b>46,98,500</b>	<b>100.00%</b>

**k) Dematerialization of Shares:**

Total number of Shares

In Demat form as on 31<sup>st</sup> March, 2012 : 45,87,570

In Physical form : 1,11,530

**l)** The Company has not issued any GDRs / ADRs/ warrants or any Convertible instruments.

**DECLARATION**

As provided under clause 49 agreement with the Stock Exchange, this is to confirm that all the members Of the Board and the Senor Management have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2012.

**For Chokhani Securities Ltd.**

**Sd/-**  
**Ramakant R Chokhani**  
**(Chairman)**

**Address for correspondence:**

5A, Maker Bhavan No.2  
Sir Vithaldas Thakersey Marg,  
New Marine Lines, Churchgate,  
Mumbai-400 020  
Ph. 91 22 2200 7772/73

M/s Universal Capital Sec P Ltd (Mondkar)  
Shakil Niwas, Opp. Satya Sai Baba Temple  
Mahakali Caves Road, Andheri (East),  
Mumbai 400 093  
Telephone: 28207203-05 Fax: 28207207

## **COMPLIANCE CERTIFICATE**

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31<sup>st</sup> March, 2012. 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 there under 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 and fees prescribed under the Act and the rules made there under. 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 14<sup>th</sup> May 2011, 3<sup>rd</sup> June 2011, 12<sup>th</sup> August 2011, 14<sup>th</sup> November 2011, and 31<sup>st</sup> January 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. Two circular resolutions were passed during the financial year.
5. The Company closed its Register of Members from 22<sup>nd</sup> June, 2011 to 4<sup>th</sup> July, 2011 (both days inclusive) during the financial year and has complied with the provisions of the Act.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2011 was held on 4<sup>th</sup> July, 2011 after giving due notices to the members of the Company and the resolutions passed there at 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 and appointment of Additional Director have been duly made. There was no appointment of 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 there under.
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 31<sup>st</sup> March, 2012.
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 Company has not borrowed any funds from Directors, members, public, financial Institution, banks and others during the financial year ended 31<sup>st</sup> March, 2012.
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.

**Sd/-**

**Pratik M. Shah**  
**Company Secretaries**  
**C.P. No.: 7401**

**Place: Mumbai**  
**Date : 13<sup>th</sup> July 2012**



**Annexure A**

**List of Registers as maintained by the Company:**

<b>Particulars</b>	<b>Under Section</b>
Register of Members	150
Register of Directors, Managing Directors, Manager & Secretary	303
Minutes Book of Meetings of Board of Directors and Members of the Company	193
Register of Directors Shareholding	307

**Annexure B**

**Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the period & financial year ending on 31<sup>st</sup> March, 2012.**

<b>Sr. No.</b>	<b>Form No. / Return</b>	<b>Filed U/s.</b>	<b>For</b>	<b>Date of Filing</b>	<b>Whether filed on time - Yes / No</b>	<b>If Delay in filing, whether requisite additional fee paid – Yes / No</b>
1	Form 23AC XBRL and Form 23ACA XBRL	Sec 210	For filing Balance Sheet and other Documents with the Registrar	05.12.2011	Yes	N.A.
2	Form 20B	Sec 159	For filing Annual Return by a Company having a Share Capital with the Registrar	02.09.2011	Yes	N.A.
3	Form 66	Sec 383A	For Submission of Compliance Certificate with the Registrar	30.11.2011	No	Yes
4	Form 32	303(2)	Appointment of Director	12.01.2012	Yes	N.A.
5	Form 32	303(2)	Resignation of Director	20.01.2012	Yes	N.A.

**Place: Mumbai**  
**Date : 13<sup>th</sup> July 2012**

**Sd/-**  
**Pratik M. Shah**  
**Company Secretaries**  
**C.P. No.: 7401**

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members,  
**Chokhani Securities Limited**

We have examined the compliance of conditions of Corporate Governance by the **Chokhani Securities Limited**, for the year ended 31<sup>st</sup> March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**Pannkaj Ghadiali**  
Partner  
Membership Number: 031745  
For and on behalf of  
**P. C. Ghadiali & Co.**  
Chartered Accountants  
Firm No. 103132W

Place: Mumbai  
Dated: July 13, 2012

**AUDITORS' REPORT**

TO  
THE MEMBERS OF  
**CHOKHANI SECURITIES LIMITED**

1. We have audited the attached Balance Sheet of **CHOKHANI SECURITIES LIMITED as at March 31, 2012**, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. On the basis of written representations received from the directors, as on March 31, 2012 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Sd/-

**Pankaj Ghadiali**

Partner

Membership Number: 031745

For and on behalf of

**P. C. Ghadiali & Co.**

Chartered Accountants

Firm No. 103132W

Place: Mumbai

Dated: July 13, 2012

**ANNEXURE TO AUDITORS' REPORT**

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of **CHOKHANI SECURITIES LIMITED** on the financial statements for the year ended March 31, 2012]

1. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) According to the information and explanations given to us, the inventory of securities have been held in dematerialized form and are verified with the demat account statements at reasonable intervals.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
2. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
3. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
4. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
5. *The Company has no formal internal audit department as such.* However, its control procedures ensure reasonable internal checking of its financial and other records.
6. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of income-tax as at March 31, 2012 which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount involved (` in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Dept.	Order u/s. 147	50.72/-	A.Y. 2007-08	Matter is pending before CIT (Appeal)
Income Tax Dept.	Order u/s. 147	61.05/-	A.Y. 2008-09	Matter is pending before CIT (Appeal)

7. The company has no accumulated losses as at March 31, 2012 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

8. In our opinion, the company has maintained adequate documents and records in the cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
9. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted under Section 49 of the Act.
10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
12. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
13. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
14. The other clauses, (i), (vi), (viii), (xi), (xiii), (xvi), (xix), (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

Sd/-

**Pannkaj Ghadiali**

Partner

Membership Number 31745

For and on behalf of

**P. C. Ghadiali & Co.**

*Chartered Accountants*

Firm No. 103132W

Place: Mumbai

Dated: July 13, 2012

## Balance Sheet as at 31 March, 2012

(In ₹)

Particulars	Note No.	2011-12 ₹	2010-11 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	46,985,000	46,985,000
(b) Reserves and surplus	3	173,996,372	162,961,107
		<u>220,981,372</u>	<u>209,946,107</u>
<b>2 Current liabilities</b>			
(a) Trade payables	4	-	2,764,173
(b) Short-term provisions	5	2,442,868	1,337,602
		<u>2,442,868</u>	<u>4,101,775</u>
<b>TOTAL</b>		<u><u>223,424,240</u></u>	<u><u>214,047,881</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Non-current investments	6	29,694,069	317,600
		<u>29,694,069</u>	<u>317,600</u>
<b>2 Current assets</b>			
(a) Inventories	7	43,121,008	63,101,716
(b) Cash and cash equivalents	8	4,164,952	2,771,040
(c) Short-term loans and advances	9	145,111,451	138,693,754
(d) Other current assets	10	1,332,760	9,163,771
		<u>193,730,171</u>	<u>213,730,281</u>
<b>TOTAL</b>		<u><u>223,424,240</u></u>	<u><u>214,047,881</u></u>
<b>Significant Accounting Policies</b>	1		

Per our Report attached of even date

For &amp; on behalf of Board of Directors

Sd/-

**Pannkaj Ghadiali**

Partner

Membership Number : 031745

For &amp; on behalf of

**P. C. Ghadiali & Co.**

Chartered Accountants

Firm Regn. No. : 103132W

Sd/-

**R. R. Chokhani**  
Director

Sd/-

**Rajesh Chokhani**  
Director

Place : Mumbai

Date : July 13, 2012

Place : Mumbai

Date : July 13, 2012

## Statement of Profit and Loss for the year ended 31 March, 2012

(In ₹)

Particulars	Note No.	2011-12 ₹	2010-11 ₹
<b>1 INCOME:</b>			
(a) Revenue from operations		16,322,684	12,779
(b) Other income	11	3,175,793	8,177,186
<b>Total revenue</b>		<b>19,498,477</b>	<b>8,189,965</b>
<b>2 EXPENDITURE :</b>			
(a) Employee benefits expense	12	1,791,909	1,005,381
(b) Other expenses	13	2,090,222	496,115
<b>Total expenses</b>		<b>3,882,131</b>	<b>1,501,496</b>
<b>3 Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>15,616,346</b>	<b>6,688,469</b>
<b>4 Exceptional items</b>		-	-
<b>5 Profit / (Loss) before extraordinary items and tax</b>		<b>15,616,346</b>	<b>6,688,469</b>
<b>6 Extraordinary items</b>		-	-
<b>7 Profit / (Loss) before tax</b>		<b>15,616,346</b>	<b>6,688,469</b>
<b>8 Tax Expense:</b>			
(a) Current tax expense for current year		4,560,000	1,081,000
(b) Current tax expense relating to prior years [(Excess) / Short Provision]		21,081	-
(c) Deferred tax		-	80,024
		<b>4,581,081</b>	<b>1,161,024</b>
<b>9 Profit / (Loss) for the year</b>		<b>11,035,265</b>	<b>5,527,445</b>
<b>10 Earnings per share (of ₹ 10/- each):</b>			
(a) Basic		2.35	1.18
(b) Diluted		-	-

Significant Accounting Policies

1

In terms of our report attached.

For &amp; on behalf of Board of Directors

Sd/-  
**Pannkaj Ghadiali**  
 Partner  
 Membership Number : 031745  
 For and on behalf of  
**P.C. Ghadiali & Co.**  
 Chartered Accountants  
 Firm Regn. No. : 103132W  
 Place : Mumbai  
 Date : July 13, 2012

Sd/-  
**R. R. Chokhani**  
 Director

Sd/-  
**Rajesh Chokhani**  
 Director

Place : Mumbai  
 Date : July 13, 2012

**Notes forming part of the financial statements****1. SIGNIFICANT ACCOUNTING POLICIES:****I. Basis of preparation of financial statements:**

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting policies, and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred otherwise are consistent and in consistence with generally accepted accounting principles followed by the Company.

**II. Basis of Accounting:**

All Income and Expenditure items having a material bearing on the financial statements are recognized on accrual system.

**III. Fixed Assets:**

Company does not have any Fixed Assets.

**IV. Depreciation:**

Company does not have any Fixed Assets. Therefore, no depreciation is provided.

**V. Taxation:**

Income Tax expense comprises current tax deferred tax charge or credit. The deferred charge or credit is recognized using current tax rates. Where there is unabsorbed or carry forward depreciation, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws to reassess realisation / liabilities.

**VII. Inventories:**

Stocks of shares, securities and Commodities have been valued at cost or market value whichever is lower.

**VIII. Income:**

Interest on Inter Corporate Deposits, Loan and other financial services are accounted for on accrual basis.

**IX. Recognition of Expenditure:**

Revenue expenditure is accounted for on accrual basis.

**X. Miscellaneous Expenditure:**

The Company amortizes Miscellaneous Expenditure over a period of ten years.



## Notes forming part of the financial statements

## 2 Share capital

Particulars	2011-12		2010-11	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	6,000,000	60,000,000	6,000,000	60,000,000
(b) Issued Equity shares of ₹ 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
(c) Subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	4,698,500	46,985,000	4,698,500	46,985,000
<b>Total</b>	<b>4,698,500</b>	<b>46,985,000</b>	<b>4,698,500</b>	<b>46,985,000</b>

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	₹	Number of shares	₹
<u>Equity shares with voting rights</u>				
(a) Opening Balance	4,698,500	46,985,000	4,698,500	46,985,000
(b) Less : Adjustments	-	-	-	-
(c) Closing Balance	4,698,500	46,985,000	4,698,500	46,985,000

(ii) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
(a) Chokhani Custodian Services Pvt. Ltd.	372,000	7.92%	372,000	7.92%
(b) Neelam R Chokhani	700,000	14.90%	700,000	14.90%
(c) R R Chokhani Stock Brokers Pvt. Ltd.	525,600	11.19%	525,600	11.19%
(d) Ramakant R Chokhani	1,542,490	32.83%	1,542,490	32.83%

Particulars	2011-12 ₹	2010-11 ₹
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## 3 Reserves and Surplus

Surplus / (Deficit) in Statement of Profit and Loss

Opening balance	162,961,107	157,433,662
Add: Profit / (Loss) for the year	11,035,265	5,527,444
<b>Closing balance</b>	<b>Total 173,996,372</b>	<b>162,961,107</b>

## 4 Trade payables

(a) Acceptances	-	2,764,173
(b) Other than Acceptances	-	-
<b>Total</b>	<b>-</b>	<b>2,764,173</b>

## Notes forming part of the financial statements

Particulars		2011-12 ₹	2010-11 ₹
<b>5 Provisions</b>			
(a) Provision for tax (Net of Advance Tax Rs. 22.79 lakhs)		2,400,732	1,296,239
(b) Provision - others			
Provision for Expenses		42,136	41,363
<b>Total</b>		<b>2,442,868</b>	<b>1,337,602</b>
<b>6 Non-current investments</b>			
<u>Other investments :</u>			
(a) Investments in equity Instruments fully paid up : Listed			
1 1,495 (March 31, 2011 : 1,495) Equity Shares of DQ Entertainment India Limited of ₹ 10 each fully Paid up		119,600	119,600
2 3,000 (March 31, 2011 : 3,000) Equity Shares of United Bank Limited of ₹10 each fully Paid up		198,000	198,000
3 12,000 (March 31, 2011 : NIL) Equity Shares of Adani Power Limited of ₹10 each fully Paid up		900,201	-
4 33,000 (March 31, 2011 : NIL) Equity Shares of Alok Industries Limited of ₹ 10 each fully Paid up		666,073	-
5 24,000 (March 31, 2011 : NIL) Equity Shares of Apollo Tyres Limited of ₹ 10 each fully Paid up		1,967,102	-
6 1,000 (March 31, 2011 : NIL) Equity Shares of Cipla Limited of ₹ 10 each fully Paid up		317,000	-
7 4,000 (March 31, 2011 : NIL) Equity Shares of Delta Corp Limited of ₹`10 each fully Paid up		280,702	-
8 8,000 (March 31, 2011 : NIL) Equity Shares of Essar Oil Limited of ₹ 10 each fully Paid up		430,401	-
9 125 (March 31, 2011 : NIL) Equity Shares of Essar Oil Limited of ₹10 each fully Paid up		343,750	-
10 8,000 (March 31, 2011 : NIL) Equity Shares of Hindustan Construction Limited of ₹ 10 each fully Paid up		213,608	-
11 8,000 (March 31, 2011 : NIL) Equity Shares of IFCI Limited of ₹ 10 each fully Paid up		338,404	-
12 12,000 (March 31, 2011 : NIL) Equity Shares of Indian Hotels Co Limited of ₹ 10 each fully Paid up		737,501	-
13 42,000 (March 31, 2011 : NIL) Equity Shares of Ispat Industries Limited of ₹ 10 each fully Paid up		544,604	-
14 262 (March 31, 2011 : NIL) Equity Shares of Jain Irrigation Systems Limited of ₹ 10 each fully Paid up		524	-
15 60,000 (March 31, 2011 : NIL) Equity Shares of Lanco Infratech Limited of ₹ 10 each fully Paid up		1,141,249	-
16 1,600 (March 31, 2011 : NIL) Equity Shares of Larsen & Toubro Limited of ₹ 10 each fully Paid up		3,200	-
17 24,000 (March 31, 2011 : NIL) Equity Shares of MTNL of ₹ 10 each fully Paid up		705,773	-
18 40 (March 31, 2011 : NIL) Equity Shares of Mahindra & Mahindra Limited of ₹ 10 each fully Paid up		200	-

Particulars		2011-12 ₹	2010-11 ₹
19	16,000 (March 31, 2011 : NIL) Equity Shares of Mercator Lines Limited of ₹ 10 each fully Paid up	437,218	-
20	16,000 (March 31, 2011 : NIL) Equity Shares of Nagarjuna Constrn. Co. Limited of ₹ 10 each fully Paid up	850,002	-
21	24,000 (March 31, 2011 : NIL) Equity Shares of Onmobile Global Limited of ₹ 10 each fully Paid up	1,464,257	-
22	16,000 (March 31, 2011 : NIL) Equity Shares of Orchid Chemicals Limited of ₹ 10 each fully Paid up	378,702	-
23	10,000 (March 31, 2011 : NIL) Equity Shares of Pantaloon Retail (I) Limited of ₹ 10 each fully Paid up	1,504,133	-
24	8,000 (March 31, 2011 : NIL) Equity Shares of Praj Industries Limited of ₹ 10 each fully Paid up	628,521	-
25	25 (March 31, 2011 : NIL) Equity Shares of Ras Propack Lamipack Limited of ₹ 10 each fully Paid up	250	-
26	2,000 (March 31, 2011 : NIL) Equity Shares of Raymond Limited of ₹ 10 each fully Paid up	717,532	-
27	84,000 (March 31, 2011 : NIL) Equity Shares of Renuka Sugar Limited of ₹ 10 each fully Paid up	2,685,840	-
28	6,000 (March 31, 2011 : NIL) Equity Shares of Rural Electrification Corporation Limited of ₹ 10 each fully Paid up	1,251,401	-
29	4,000 (March 31, 2011 : NIL) Equity Shares of Shipping Corporation Of India Limited of ₹ 10 each fully Paid up	245,511	-
30	8,000 (March 31, 2011 : NIL) Equity Shares of Skumar Nationwide Limited of ₹ 10 each fully Paid up	267,151	-
31	4,000 (March 31, 2011 : NIL) Equity Shares of Sterlite Industries Limited of ₹ 10 each fully Paid up	442,800	-
32	8,000 (March 31, 2011 : NIL) Equity Shares of Sterlite Technologies Limited of ₹ 10 each fully Paid up	311,941	-
33	3,30,000 (March 31, 2011 : NIL) Equity Shares of Tata Teleservices (Maharashtra) Limited of ₹ 10 each fully Paid up	4,910,481	-
34	80,000 (March 31, 2011 : NIL) Equity Shares of The South Indian Bank Limited of ₹ 10 each fully Paid up	2,040,072	-
35	4,000 (March 31, 2011 : NIL) Equity Shares of The Titan Industries Limited of ₹ 10 each fully Paid up	911,750	-
36	320 (March 31, 2011 : NIL) Equity Shares of Ultra Tech Cement Limited of ₹ 10 each fully Paid up	3,200	-
37	14,000 (March 31, 2011 : NIL) Equity Shares of Zee Entertainment Enterprises Limited of ₹ 10 each fully Paid up	1,735,414	-
<b>Total</b>		<b>29,694,069</b>	<b>317,600</b>
Aggregate market Value		31,970,915	3,303,994
<b>7</b>	<b>Inventories</b>		
	(At lower of cost and net realisable value)		
(a)	<u>Others:</u>		
	Equity Shares & Commodities	43,121,008	63,101,716
<b>Total</b>		<b>43,121,008</b>	<b>63,101,716</b>
<b>8</b>	<b>Cash and cash equivalents</b>		
(a)	Cash on hand	115,408	122,188
(b)	Balances with banks in current accounts	4,049,544	2,648,852
<b>Total</b>		<b>4,164,952</b>	<b>2,771,040</b>

## Notes forming part of the financial statements

Particulars	₹	2011-12 ₹	2010-11 ₹
<b>9 Short-term loans and advances</b>			
(a) Balances with government authorities			
Unsecured, considered good			
(i) VAT credit receivable		655,288	986,591
(ii) Advance Taxes (Net of Provisions and TDS)		1,956,163	2,707,163
For A.Y. 2011-12	12,59,566		
For A.Y. 2010-11	1,91,597		
For A.Y. 2008-09	5,000		
For Tax on Regular Assessment for			
2007-08	2,50,000		
2008-09	2,50,000		
<b>Total (a)</b>		2,611,451	3,693,754
(b) Inter-corporate deposits			
Secured, considered good		57,500,000	80,000,000
Unsecured, considered good		85,000,000	55,000,000
<b>Total (b)</b>		142,500,000	135,000,000
<b>Total (a+b)</b>		145,111,451	138,693,754
<b>10 Other current assets</b>			
(a) Interest accrued on Inter Corporate Deposit		1,060,923	144,247
(b) Margin Account		271,837	9,019,524
<b>Total</b>		1,332,760	9,163,771
<b>11 Other income</b>			
(a) Dividend income:			
(i) From Indian Companies		-	761,851
(ii) From Mutual Funds		-	133,158
<b>Total (a)</b>		-	895,009
(b) Net gain on sale of:			
(i) Short Term Capital Gain on Equity Shares		3,175,793	7,262,052
(ii) Long Term Capital Gain on Equity Shares		-	20,125
<b>Total (b)</b>		3,175,793	7,282,177
<b>Total (a+b)</b>		3,175,793	8,177,186

## Notes forming part of the financial statements

Particulars	2011-12 ₹	2010-11 ₹
<b>12 Employee benefits expense</b>		
(a) Salaries and Bonus	1,754,366	973,205
(b) Staff welfare expenses	37,543	32,176
	<u>1,791,909</u>	<u>1,005,381</u>
<b>13 Other expenses</b>		
(a) Demat Charges	1,216,436	-
(b) Office Expenses	136,425	-
(c) Legal and professional	169,515	73,494
(d) Payments to auditors (Refer Note (i) below)	42,136	41,363
(e) Miscellaneous expenses	525,709	381,258
	<u>2,090,222</u>	<u>496,115</u>
(i) Payments to auditors As auditors - statutory audit	42,136	41,363
	<u>42,136</u>	<u>41,363</u>

**14 Segment Reporting**

The company treats Share Trading Activity and Inter-Corporate Deposits and Loan given and taken to company (under the same Management) as single segment. Therefore no Segment Reporting is required.

**15 Earnings per share**

Computation for the basic earning per share of ₹10 each	2011-12	2010-11
(a) Net profit/(loss) available for Equity Shareholders.	1,10,35,265/-	55,27,445/-
(b) Number of equity shares for basic earning per share	4698500	4698500
(c) Basic Earning Per Share	₹ 2.35	₹ 1.18

There are no Diluted Equity Shares and hence no working for diluted earnings per share

**16 Contingent Liabilities**

- (a) Contingent Liabilities on account of contracts remaining to be executed on capital account **NIL**  
(b) Claims not acknowledged by the Company relating to cases contested by the Company :

(₹ in lakhs)

Particulars	2011-12	2010-11
Income Tax Matter (Pending before Appellate Authorities in respect of which the Company is in appeal)	111.77	NIL

- 17** In the opinion of the Board of Directors, Current Assets, Loans and Advance have the value at which these are stated in the Balance Sheet, if realized in the ordinary course of business and the provisions for all known liabilities is adequate and not in excess of or less than the amount reasonably necessary.

**18. Deferred Tax**

Deferred tax is recognized on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period in accordance with AS 22- Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.

The deferred tax asset as at 31<sup>st</sup> March 2012 comprise of the following: -

(In ₹)		
Particulars	2011-2012	2010-2011
Opening Deferred Tax Assets	-	80,024/-
Deferred Tax Assets/(Liability): -	-	-
Deferred Tax Reversal	-	(80,024)
Closing Deferred Tax Asset/(liability)	-	-

**19. Related Party Disclosure**

Name of Party	Amount receivable	Nature
ARC Commodity Futures Pvt. Ltd.	₹ 271,837	Margin money

**20.** Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

**PER OUR REPORT ATTACHED OF EVEN DATE**

Sd/-

**Pannkaj Ghadiali**

Partner

Membership Number : 031745

For and on behalf of

**P.C. Ghadiali & Co.**

Chartered Accountants

Firm Regn. No. : 103132W

Place : Mumbai

Date : July 13, 2012

**For & on behalf of Board of Directors**

Sd/-

**R. R. Chokhani**

Director

Sd/-

**Rajesh Chokhani**

Director

Place : Mumbai

Date : July 13, 2012

## Cash Flow Statement for the year ended 31 March, 2012

(In ₹)

Particulars	2011-12 ₹	2010-11 ₹
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	15,616,346	6,688,468
<i>Adjustments for:</i>		
Dividend income	-	(895,009)
Net (gain) / loss on sale of investments	(3,175,793)	(7,282,176)
Share Speculation Income		(29,328)
Operating profit / (loss) before working capital changes	12,440,553	(1,518,045)
 <b>Changes in working capital:</b>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	19,980,708	33,378,276
Trade receivables	-	(66,209,457)
Short-term loans and advances	(5,857,697)	-
Other current assets	7,831,011	-
 <i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(2,764,173)	-
Other current liabilities	-	102,088
Short-term provisions	(3,454,733)	-
	15,735,116	(32,729,093)
Cash flow from extraordinary items	-	-
Cash generated from operations	15,735,116	(34,247,138)
Net income tax (paid) / refunds	(560,000)	(2,340,566)
Net cash flow from / (used in) operating activities (A)	27,615,668	(36,587,704)
 <b>B. Cash flow from investing activities</b>		
Purchase of long-term investments		
- Others	(29,376,469)	(3,965,801)
Proceeds from sale of short-term investments		
- Others	3,175,793	37,583,923
Dividend received		
- Others	-	895,009
Share Speculation Income	-	29,328
Cash flow from extraordinary items	(21,081)	-
Net cash flow from / (used in) investing activities (B)	(26,221,757)	34,542,459
 <b>C. Cash flow from financing activities (C)</b>	-	-
 <b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	1,393,912	(2,045,245)
Cash and cash equivalents at the beginning of the year	2,771,040	4,816,285
 <b>Cash and cash equivalents at the end of the year</b>	4,164,952	2,771,040

## CHOKHANI SECURITIES LIMITED

Regd.Office:5A-Maker Bhavan No.2, SirVithaldas Thakersey Marg,  
New Marine Lines, Churchgate, Mumbai-400 020.

**ATTENDANCE SLIP** Please complete this attendance slip and hand it over at the entrance of the meeting hall. It helps us to make proper arrangements.

I hereby record my presence at the **19th Annual General Meeting at 11:00 a.m. on August 09<sup>th</sup> 2012** at B-1, Chandra Mahal, 2<sup>nd</sup> Floor, 241, Princess Street, Mumbai-400 002.

Name and address of the Shareholder

No of Shares held

Registered Folio No.

Client Id No.

Signature of Member or Proxy

(to be signed at the time of handing over this slip)

### Notes:

1. Members/Proxies are requested to bring their copies of Annual Report with them at the meeting.
2. Please carry with you this attendance slip and hand over the same duly signed at the entrance of the hall.
3. Members are also requested to bring Photo Identity Card with them to avoid inconvenience.

.....tear hear.....

## CHOKHANI SECURITIES LIMITED

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

### PROXY SLIP

No. of Shares held Registered Folio No/  
Client Id No.

I/we \_\_\_\_\_ of \_\_\_\_\_ being  
a Member of the Company hereby appoint Mr./Ms. \_\_\_\_\_ of  
\_\_\_\_\_ failing him Mr./Ms. \_\_\_\_\_  
of \_\_\_\_\_ as my/our proxy to vote for me/us and on my behalf at  
the **19<sup>th</sup> AGM** of the Company at 11.00 a.m. on August 09, 2012 at B-1,Chandra  
Mahal,2<sup>nd</sup>floor,241, Princess Street, Mumbai 400 002, or at any adjourned meeting  
thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature

Affix  
Revenue  
Stamp of  
Rs. 1.

**Note:** The Proxy to be effective should be deposited at the registered office of the Company not less then 48 hours before the commencement of the Meeting.



BOOK - POST

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