

**SIXTEEN ANNUAL REPORT  
2008-2009**

**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 - 3

Fax: (91-22) 22007722.

## **CHOKHANI SECURITIES LIMITED**

### **INDEX**

<b>DESCRIPTION</b>	<b>PAGE NO.</b>
NOTICE	1
DIRECTORS REPORT	2, 3
SECRETARIAL COMPLIANCE REPORT	4 - 6
CORPORATE GOVERNANCE REPORT	7 - 10
AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE	11
AUDITOR'S REPORT & ITS ANNEXURE	12 - 14
BALANCE SHEET	15
PROFIT & LOSS A/C	16
SCHEDULES 1 TO 8 ACCOUNTS	17 - 20
SIGNIFICANT ACCOUNTING POLICIES	21 - 22
ADDITIONAL INFORMATION PARA IV, SCH. VI	23
CASH FLOW STATEMENT	24

## **CHOKHANI SECURITIES LTD.**

### **BOARD OF DIRECTORS**

SHRI RAMAKANT R. CHOKHANI (Chairman)

MRS. NEELAM R.CHOKHANI

MR. RAJESH CHOKHANI

MR. SURESH SAHARIA  
(RESIGNED w.e.f. 05.06.2009)

MR. U.C. SHUKLA

MR. MOHAN AHUJA

### **AUDITORS**

P.C. Ghadiali & Co.  
Chartered Accountants  
206, Arun Chambers,  
Tardeo, Mumbai – 400 034.

### **BANKER**

AXIS BANK LTD.

### **REGISTRARS & SHARE TRANSFER AGENTS**

Mondkar Computers Private Limited.  
101, Madhukunj,  
Sher-E-Punjab Society,  
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 / 3  
Fax: 22007722.

**16th  
ANNUAL  
REPORT  
2008-2009**

**NOTICE**

**NOTICE** is hereby given that the **Sixteenth Annual General Meeting** of the Members of **CHOKHANI SECURITIES LIMITED** will be held at **11.00 a.m. on Tuesday, the 7<sup>th</sup> July 2009** 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, 2009 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 Mrs. Neelam R. Chokhani, who retires by rotation and being eligible offers herself for reappointment.
3. To appoint Auditors and fix their remuneration.

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

**Registered Office:**

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

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

**Place: Mumbai**

**Date: 05.06.2009**

**NOTES:**

1. **Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy 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. Information pursuant to Clause 41 of the Listing Agreement with the Stock Exchange about the Directors to be appointed/reappointed is given in the Corporate Governance report. Hence, the same is not separately furnished.
4. The Register of Members and the Share Transfer Books will remain closed from 1st July, 2009 to 07<sup>th</sup> July, 2009 (both days inclusive).

**DIRECTORS' REPORT**

The Members,

Your Directors hereby present their Sixteenth Annual Report on the working of the Company together with the audited statements of accounts for the year ended 31<sup>st</sup> March, 2009.

**Financial Results:**

	<b>Current Year 31.03.2009</b>	<b>Previous Year 31.03.2008</b>
Profit before Interest & Depreciation	<b>4,790,395</b>	<b>3,91,37,536</b>
Interest Paid	<b>0</b>	<b>0</b>
Profit before Depreciation	<b>4,790,395</b>	<b>3,91,37,536</b>
Depreciation	<b>3,446</b>	<b>4,298</b>
Profit before Tax	<b>4,786,949</b>	<b>3,91,33,238</b>
Provision for Tax Deferred Tax Assets - Fringe Benefit Tax	<b>28,950</b>	<b>17,199</b>
Profit after Tax	<b>4,757,999</b>	<b>3,91,16,039</b>
Balance brought forward	<b>148,146,268</b>	<b>10,91,67,338</b>
Balance Available for Appropriation	<b>152,904,267</b>	<b>14,82,83,377</b>
Extra ordinary adjustment Excess /(Short) Provision for Tax Adjustment for prior year	<b>(72,796)</b>	<b>(1,37,110)</b>
Balance carried forward	<b>152,831,471</b>	<b>14,81,46,267</b>

**Dividend:**

Directors have not recommended any dividend.

**Performance of the Company:**

Your Directors regret to inform that the entire financial year witnessed a bearish situation mainly due to economic slow down in America and other European Countries. This was fueled by insolvency of Banks in these countries. All these factors severely affected the sentiments of investors in India resulting in very low volume of trade. Withdrawal of STT by government continue to adversely affect our business.

The Company recorded the gross income of Rs. 183.45 lacs as against Rs. 571.18 lacs in the previous year. The pre-tax profit for the year was Rs. 47.86 lacs, lower by 87.77% compared to Rs.391.33 lacs last year, decrease in profit is mainly on account bearish market for major part of the year which has affected shares and securities business.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2008-2009****Industry Structure and development:**

As stated earlier also by the Board in its report, the Indian Markets is no more domestic and is highly influenced by the global developments. The slow down of American economy due to sub-prime problems and fall of Repo Rates adversely affected the sentiments of investors. This has resulted in sharp fall of Sensex and trading volumes. A fear of stagflation in economic growth is prevailing.

**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**

Inspite of global slow down and inflation, the fundamentals of Indian economy at macro level are strong, supported by large domestic demand and strongly regulated banking system. A stable government in Central and its commitment to speed up reforms will encourage the healthy growth of Capital Market. The Government's incremental expenditure on infrastructure and agriculture will boost the economy.

Directors foresee following threats/ concerns for the markets:

1. Global recession/meltdown has adverse effect on Indian economy.
2. Dismal performance of exports and falling prices of metals in international market have adverse effect on Indian industry.
3. Reduced volume and leverage business into the market due to absence of retail participants.

**Future Outlook**

Your Directors are very much concerned due to withdrawal of STT rebate, which will adversely affect profitability. However, the Company is in process of exploring other business avenues and is in process of entering in other financial activities like Broking, Wealth Management, Insurance, PMS, etc. by organically and / or inorganically.

**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:**

Mr. Suresh Saharia resigned w.e.f. 05.06.2009 due to his preoccupation. Board accepted his resignation & is thankful to him for valuable services rendered.

To comply with the requirement of the Companies Act, 1956 and the Articles of Association of the Company Mrs. Neelam R. Chokhani shall retire by rotation at the forthcoming annual general meeting 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.

**Compliance Report:**

Pursuant to Section 383A of the Companies Act, 1956 the Company has obtain a Compliance Report from M/S. Devendra Soni & Associates, Company Secretaries. The said report is annexed and forms part of this Directors' Report.

**Corporate Governance:**

As required under clause 49 of the Listing Agreement a report on Corporate Governance and Auditors' Certificate thereon are annexed.

**Acknowledgement:**

Your Directors wish to place on record their deep sense of appreciation to the Company's Bankers, 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**

**Place: Mumbai**

**Date: 05<sup>th</sup> June, 2009**

**Sd/-**

**Mr. Ramakant R Chokhani  
Chairman**

**DEVENDRA SONI**

Company Secretary

**COMPLIANCE CERTIFICATE**

To:  
The Members  
Chokhani Securities Limited

I have examined the registers, records, books and papers of Chokhani Securities Limited (the Company) as provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2009. 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 thereunder 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 prescribed under the Act and the rules made thereunder. The Company has not filed 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 30/04/2008, 06/06/2008, 31/07/2008, 31/10/2008 and 30/01/2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed. No circular resolutions was passed during the financial year.
5. The Company has not closed/was not required to close its Register of Members or Debentureholders during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 07<sup>th</sup> July, 2008 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 arrangement/contract falling within the provisions of Section 297 of the Act.
10. The Company has made necessary 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 certificates on lodgment thereof for transfer. There was no allotment or transmission of shares 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.
13. The Board of Directors of the Company is duly constituted and the appointment of Directors and Additional Director have been duly made. There was no appointment of Alternate Directors and Directors to fill casual vacancies during the financial year.
  14. The Company has not appointed Managing Director/Whole-time Director or Manager.
  15. The Company has not appointed sole selling agents.
  16. 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.
  17. 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 thereunder.
  18. The Company has not issued any shares or securities during the financial year ended 31<sup>st</sup> March, 2009.
  19. The Company has not bought back any shares during the financial year ending 31st March, 2009.
  20. The Company has not redeemed any preference shares/debentures during the financial year.
  21. The Company was not required to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  22. 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.
  23. The amount borrowed by the Company from Directors, members, public, financial institution, banks and others during the financial year ended 31st March, 2009 are within the borrowing limits of the Company.
  24. The Company has not given any loan, guarantee or provided security to nor made any investment in other body corporate during the year under scrutiny. Hence, no comment u/s 372A is made.
  25. 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.
  26. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  27. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
  29. The Company has not altered its Articles of Association during the financial year.
  30. 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.
  31. The Company has not received any money as security from its employees during the year under certification.
  32. The Company has not deducted any contribution towards Provident Fund during the financial year.

Place : MUMBAI  
Date : 05.06.2009

(DEVENDRA SONI)  
COMPANY SECRETARY

**ANNEXURE A**

Registers as maintained by the Company

- 1) Minutes Book of the Board Meeting u/s 193 of the Act.
- 2) Minutes Book of the General Meeting u/s 193 of the Act.
- 3) Register of Members of the Company u/s 150 of the Act.
- 4) Register of Directors u/s 303 (2) of the Act.
- 5) Register of Directors' Shareholding u/s 307
- 6) Register of Charges u/s 143
- 7) Register of Contracts u/s 301

**ANNEXURE B**

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2009 :

- 1) Form 32 – appointment of Mr. Mohan Ahuja as Additional Director on 06/06/2008 filed u/s 303 on 31/07/2008.
- 2) Annual Accounts for the year ended 31/03/2008 filed u/s 220 filed on 31/07/2008.
- 3) Annual Return as on 07/07/2008 filed u/s 159 on 19/08/2008.
- 4) Form 32 – appointment of Mr. Mohan Ahuja as Director in AGM held on 07/07/2008 filed u/s 303 on 19/08/2008.

Place : MUMBAI  
Date : 05.06.2009

**(DEVENDRA SONI)**  
COMPANY SECRETARY

**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 six 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, 2009, the Board met five times on 30.04.2008, 06.06.2008, 31.07.2008, 31.10.2008 and 30.01.2009.

Last Annual General Meeting was held on July 7<sup>th</sup>, 2008.

The composition of the Board of Directors as on March 31, 2009 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	Yes
Mrs. Neelam R. Chokhani	Non-Executive Promoter	Nil	Nil	5	Yes
Mr. Suresh Saharia	Non-Executive Independent	Nil	Nil	5	Yes
Mr. U.C. Shukla	Non-Executive	Nil	Nil	5	Yes
Mr. Rajesh Chokhani	Non-Executive Independent	Nil	Nil	5	Yes.
Mr. Mohan Ahuja	Non Executive Professional	Nil	Nil	5	Yes

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

<b>Name</b>	<b>Mrs. Neelam R. Chokhani</b>
Date of Birth	08/02/1961
Date of Appointment	06/05/2000
Qualifications	H.S.C.
List of other Directorship held as on 31 <sup>st</sup> March, 2008 (Other than Private Cos.)	NIL
Membership of Other Cos/. Committees (Other than Private Cos.)	NIL

**C. Audit Committee:**

The Company has already constituted an Audit Committee.

The present Audit Committee comprises of Mr. U. C. Shukla, Mr. Rajesh Chokhani both independent Directors and Mr. Ramakant R. Chokhani.

The Audit Committee met four times in the financial year ended March 31, 2009.

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. Shareholders/Investors Grievance Committee:**

The Company has formed Shareholders/Investors Grievances Committee under the Chairmanship of Mr. Ramakant R. Chokhani and Mr. Suresh Saharia 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, 2009 the Company did not receive any complaint from any of its members.

**F. 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

**G. 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
15th	2007-2008	July 07, 2008	11.00 am	B-1, Chandra Mahal, 2 <sup>nd</sup> Floor, 241- Princess Street, Mumbai-400 002
14th	2006-2007	August 03, 2007	11.00 am	B-1, Chandra Mahal, 2 <sup>nd</sup> Floor, 241- Princess Street, Mumbai-400 002
13th	2005-2006	July 21 <sup>st</sup> 2006	11.00 am	9/16 D, Fort Mansion, British Hotel Lane, BS Marg, Fort, Mumbai.

**H. 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.

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

The 16th AGM of the members of the Company is scheduled to be held on Tuesday July 7<sup>th</sup>, 2009 at B-1, Chandra Mahal, 2nd Floor, 241, Princess Street, Mumbai-400 002.

**b) Financial Calendar for the year 2009-2010 (Provisional)**

A	Results for the first quarter ending on June 30, 2009	By end of July, 2009
B	Results for the second quarter ending on September 30, 2009	By end of October, 2009
C	Results for the third quarter ending on December 31, 2009	By end of January, 2010
D	Results for the fourth quarter ending on March 31, 2010	By end of April, 2010
E	Finalization of Accounts for the year ended March 31, 2010.	By end of June, 2010
F	Annual General Meeting for the year ending March 31, 2010	By end of August, 2010

**c) Details of book closures:**

From 01st July, 2009 to 7<sup>th</sup> July, 2009 (both days inclusive)

**d) Dividend**

The Board of Directors has not recommended any dividend for the financial year 2008-09

**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 2009-2010.

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

**f) Market Price Data:**

There were twelve quotations of the Company's shares on the Stock Exchange during the financial year ended on March 31, 2009. These are:

Month	Highest Rate (Rs.)	Lowest Rate (Rs.)
April 2008	22.05	11.70
May 2008	22.05	18.15
June 2008	23.30	19.85
July 2008	19.85	14.60
Aug 2008	16.80	13.20
Sept 2008	16.20	12.78
Oct 2008	13.88	8.20
Nov 2008	7.96	5.00
Dec 2008	7.69	5.50
Jan 2009	9.26	7.16
Feb 2009	6.81	5.57
March 2009	7.80	6.05

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 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 thereafter the Agents dispatches the share certificates to respective transferees. Demat requests are normally confirmed within 15 days from the date of receipt.

**i) Statistics of Shareholders as on March 31, 2009**

	Share Holders		Share Holdings	
	Number	%	Holding	%
Up to 500	699	81.279	100275	2.134
501-1,000	70	8.140	57405	1.222
1,001-2,000	35	4.070	52736	1.122
2,001-3,000	15	1.744	37608	0.800
3,001-4,000	8	0.930	29844	0.635
4,001-5,000	4	0.465	19509	0.415
5,001-10,000	7	0.814	45952	0.978
10,001 & above	22	2.558	4355171	92.694
Total	860	100.00	4698500	100.00

**j) Shareholding Pattern as on March 31, 2009**

Categories	No of Shares	% of shareholding
Promoters	3467800	73.807
Bodies Corporate	716724	15.254
Residential Individual	513975	10.939
Non Residential Individual	1	0.000
Total	4698500	100.00

**k) Dematerialization of Shares:**

Total number of Shares

In Demat form as on 31<sup>st</sup> March, 2009 : 4573770

In Physical form : 124730

**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 Senior Management have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2009.

**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 7772-3

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

**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, 2009, 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.

**For P. C. GHADIALI & CO**  
**Chartered Accountants**

Sd/-  
**PANKAJ C. GHADIALI**  
Partner

PLACE: MUMBAI  
DATED: June 5, 2009

**AUDITORS' REPORT**

To,  
The Shareholders,  
**CHOKHANI SECURITIES LIMITED**

1. We have audited the attached Balance Sheet of **CHOKHANI SECURITIES LIMITED** as at 31<sup>st</sup> March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date. 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 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, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and 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 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required 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 31<sup>st</sup> March, 2009;
    - ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date;and
    - iii) in so far as it relates to the Cash Flow Statements, of the cash flows of the Company for the year ended on that date.

For and on behalf of  
**P. C. GHADIALI & Co**  
**Chartered Accountants**

Place: Mumbai  
Dated: June 5, 2009

Sd/-  
**PANKAJ C. GHADIALI**  
**Partner**

**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 31st March, 2009]

1. (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets have not been disposed of by the company during the year.
2. (a) The inventory of shares & securities have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. The company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore clauses (iii) (a), (b), (c) (d) (e) (f) and (g) of paragraph 4 of the order are not applicable
4. In our opinion and according to the information and explanations given to us, 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.
5. (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.
6. The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
9. (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, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
10. The company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  11. Based on audit procedure applied by us and on the information and the explanation given by the Management, we are of opinion that since the Company does not have any borrowings from the financial institution, bank etc the question of making default in repayment of dues does not arise.
  12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.
  14. 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.
  15. 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.
  16. The company has not obtained any term loans.
  17. According to the Cash Flow Statement and other records examined by us and the information given to us, on an overall basis, no funds are raised on short term basis & hence the question of its utilization for long term investments does not arise
  18. 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.
  19. The Company has not issued any debentures. Therefore the question of creating the securities does not arise.
  20. Since the Company has not raised any money by way of public issue, the clause 4(xx) of the order is not applicable.
  21. According to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2009.

For and on behalf of  
**P. C. GHADIALI & Co**  
**Chartered Accountants**

Place: Mumbai  
Dated: June 5, 2009

Sd/-  
**PANKAJ C. GHADIALI**  
Partner

**CHOKHANI SECURITIES LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULES	RUPEES	AS AT 31.03.2009	AS AT 31.03.2008
<b>I. SOURCES OF FUNDS:</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
Share Capital	"1"	46,985,000		46,985,000
Reserves & Surplus	"2"	152,831,471		148,146,267
			199,816,471	195,131,267
<b>2. LOAN FUND</b>			-	-
<b>TOTAL</b>			<b>199,816,471</b>	<b>195,131,267</b>
<b>II. APPLICATION OF FUNDS:</b>				
<b>1. FIXED ASSETS</b>	"3"			
a) Gross Block		749,387		749,387
b) Less : Depreciation		731,612		728,167
c) Net Block			17,775	21,220
<b>2. INVESTMENTS</b>	"4"		-	40,985,160
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	"5"	199,746,962		154,103,365
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS</b>	"6"	89,084		170,662
<b>NET CURRENT ASSETS</b>			199,657,878	153,932,703
<b>4. MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	"7"		65,785	117,202
<b>5. DEFERRED TAX ASSET (NET)</b>			75,032	74,982
<b>TOTAL</b>			<b>199,816,471</b>	<b>195,131,267</b>
NOTES TO ACCOUNTS	"9"			

PER OUR REPORT ATTACHED OF EVEN DATE

For P. C. GHADIALI & CO.  
Chartered Accountants

Sd/-  
PANKAJ C. GHADIALI  
Partner

PLACE: MUMBAI  
DATED: 5th June, 2009

FOR & ON BEHALF OF THE BOARD

Sd/- Sd/-  
R.R. Chokhani N.R. Chokhani  
Director Director

PLACE: MUMBAI  
DATED: 5th June, 2009

**CHOKHANI SECURITIES LIMITED**

PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	SCHEDULES	RUPEES	AS AT 31.03.2009	AS AT 31.03.2008
<b>I. INCOME:</b>				
a) Income from Shares & Securities		13,586,234		55,767,488
b) Dividend Income		5,324,623		1,350,898
c) Gain / (Loss) on sale of Shares		(565,760)		-
			18,345,097	57,118,386
<b>II. EXPENDITURE:</b>				
a) Security Transaction Tax		12,051,745		16,261,897
b) Administrative and General Expenses	"8"	1,451,540		1,667,536
c) Miscellaneous Expenses written off		51,417		51,417
d) Depreciation		3,446		4,298
			13,558,148	17,985,148
<b>III. PROFIT BEFORE TAX</b>			4,786,949	39,133,238
<b>IV. PROVISION FOR TAX</b>				
(I) Current Tax		26,000		20,000
(II) Deferred Tax Assets		(50)		(17,940)
(III) Fringe Benefit Tax		3,000		15,139
			28,950	17,199
<b>V. PROFIT AFTER TAX</b>			4,757,999	39,116,039
<b>VI. BALANCE BROUGHT FORWARD</b>			148,146,267	109,167,338
<b>VII. BALANCE AVAILABLE FOR APPROPRIATION</b>			152,904,267	148,283,377
<b>VIII. Extra Ordinary Item/Adjustments</b>				
Excess / (Short) Provision for Tax			(72,796)	(137,110)
<b>IX. BALANCE CARRIED TO BALANCE SHEET</b>			152,831,471	148,146,267
Basic & Diluted Earnings Per Share of Rs. 10 Each			1.01	8.33

NOTES TO ACCOUNTS

"9"

PER OUR REPORT ATTACHED OF EVEN DATE

For P. C. GHADIALI & CO.  
Chartered Accountants

FOR &amp; ON BEHALF OF THE BOARD

Sd/-  
PANKAJ C. GHADIALI  
PartnerSd/- Sd/-  
R.R. Chokhani N.R. Chokhani  
Director DirectorPLACE: MUMBAI  
DATED: 5th June, 2009PLACE: MUMBAI  
DATED: 5th June, 2009

**CHOKHANI SECURITIES LIMITED**

SCHEDULES FORMING PART OF THE ACCOUNTS AT 31ST MARCH 2009

**1 SHARE CAPITAL**Authorised:

6,000,000 Equity Shares of Rs.10/- each

AS AT  
31.03.2009AS AT  
31.03.2008**60,000,000**

60,000,000

Issued, Subscribed & Paid-Up:

4,698,500 Equity Shares of Rs.10/- each

( Previous year 4,698,500 Equity Shares of Rs.10/- each )

**46,985,000**

46,985,000

Total...

**46,985,000**

46,985,000

**2 RESERVES AND SURPLUS**

Balance in Profit and Loss Account

**152,831,471**

148,146,267

Total...

**152,831,471**

148,146,267

**CHOKHANI SECURITIES LIMITED**

SCHEDULES FORMING PART OF THE ACCOUNTS AT 31ST MARCH 2009

**3. FIXED ASSETS**

Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01.04.2008	Additions / (Deletion)	As At 31.03.2009	As at 01.04.2008	For the year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Computers	601,466	-	601,466	600,243	488	600,731	735	1,223
Air Conditioner	28,866	-	28,866	24,082	665	24,747	4,119	4,784
Office Equipment	59,493	-	59,493	48,514	1,527	50,041	9,452	10,979
Furniture & Fixtures	59,562	-	59,562	55,328	766	56,094	3,468	4,234
Total As At 31.03.2009	749,387	-	749,387	728,166	3,446	731,612	17,775	21,220
Total As At 31.03.2008	749,387	-	749,387	723,869	4,298	728,167	21,220	25,519

**CHOKHANI SECURITIES LIMITED**

SCHEDULES FORMING PART OF THE ACCOUNTS AT 31ST MARCH 2009

**4 INVESTMENTS**

(At Cost)

In Mutual Fund:

No. of Units

HDFC Cash Management Fund	-	40,000.000
( Previous year 37,60,670.904 Units of Rs.10 each )		

No. of Shares

In Equity Shares:

Quoted, Fully paid up:

Allahabad Bank Limited	-	97.893
( Previous year 900 shares of Rs.10/- each)		

Andhra Petrochemicals Limited	-	100,000
( Previous year 4000 shares of Rs.10/- each)		

Hotel Leela Vantures Limited	-	97.394
( Previous year 1900 shares of Rs.2/- each)		

JK Industries Limited	-	99,365
( Previous year 700 shares of Rs.10/- each)		

Mahanagar Telephone Nigam Limited	-	96.464
( Previous year 800 shares of Rs.10/- each)		

Polyplex Corporation Limited	-	100.595
( Previous year 500 shares of Rs.10/- each)		

Shipping Corporation of India Limited	-	98.775
( Previous year 450 shares of Rs.10/- each)		

Steel Authority of India	-	97.684
( Previous year 400 shares of Rs.10/- each)		

Syndicate Bank Limited	-	97.540
( Previous year 1000 shares of Rs.10/- each)		

West Coast Paper Mills Limited	-	99.450
( Previous year 1250 shares of Rs.2/- each)		

Total...

-	40,985,160
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**CHOKHANI SECURITIES LIMITED**

SCHEDULES FORMING PART OF THE ACCOUNTS AT 31ST MARCH 2009

**5 CURRENT ASSETS, LOANS AND ADVANCES**

A) Inventory	123,303,725	97,099,505
(Valued at lower of cost or Market value and as certified by a director)		
	<u>123,303,725</u>	<u>97,099,505</u>
 B) SUNDRY DEBTORS		
( Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	-	-
other Debts	-	-
	<u>-</u>	<u>-</u>
 C) CASH AND BANK BALANCES		
Cash on Hand	495,828	553,433
Balance with Scheduled Bank:-		
a) in Current account	75,702,410	52,705,427
	<u>76,198,237</u>	<u>53,258,860</u>
 D) LOANS AND ADVANCES		
Advances recoverable in cash or		
kind or for value to be received	245,000	3,745,000
	<u>245,000</u>	<u>3,745,000</u>
 Total...	<u>199,746,962</u>	<u>154,103,365</u>

**6 CURRENT LIABILITIES AND PROVISIONS**

A) CURRENT LIABILITIES		
Sundry Creditors	29,682	35,523
TDS Payable	10,402	-
 B) PROVISIONS		
Provisions of Taxation	49,000	135,139
 Total...	<u>89,084</u>	<u>170,662</u>

**7 MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted )

Public Issue Expenses	117,202	168,619
Less : Written off	51,417	51,417
Total...	<u>65,785</u>	<u>117,202</u>

**CHOKHANI SECURITIES LIMITED**

SCHEDULES FORMING PART OF THE ACCOUNTS AT 31ST MARCH 2009

	AS AT 31.03.2009	AS AT 31.03.2008
<b>8 ADMINISTRATIVE AND GENERAL EXPENSES</b>		
Salaries & Other Benefits	1,195,281	1,133,117
Travelling & Conveyance Expenses	20,088	78,040
Postage & Telegraph Charges	13,596	28,372
Office Expenses	21,345	95,626
Financial Charges	28,350	28,494
Statutory Advertisement Expenses	27,393	36,111
Professional, Consultancy and Legal Fees	20,417	25,716
Computer Expenses	14,462	52,432
Registrar & Transfer Agent Charges	16,792	-
Depository Charges	8,990	-
Printing & Stationery Expenses	26,248	40,330
Repairs & Maintenance	1,813	66,785
Other Expenses	1,950	-
Expenses for earning Tax free income	2,050	-
Taxes and Listing Fees	15,520	2,500
Auditor's Remuneration	33,090	33,708
Telephone Expenses	4,154	46,305
Total...	<u>1,451,540</u>	<u>1,667,536</u>

**CHOKHANI SECURITIES LIMITED**SCHEDULES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2009

## SCHEDULE "9"

**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:**

Fixed Assets are valued at cost less accumulated depreciation.

**IV. Depreciation:**

Depreciation on Fixed Assets is provided on written down value method at the rates provided and in the manner specified in Schedule XIV of the Companies Act, 1956.

**V. Taxation:**

Income Tax expense comprises current tax deferred tax charge or credit and provision for Fringe Benefit Tax. 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 and securities have been valued at cost or market value whichever is lower.

**VIII. Income:**

Interest on debentures and dividend on shares are accounted for on receipt 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.

**2. SEGMENT REPORTING:**

The Company treats the Share Trading as a Single Business Segment and hence segment wise information is not given.

**3. EARNINGS PER SHARE :**

	<b>Computation for the basic earning per share of Rs.10 each.</b>	<b>2008-2009 Amount (Rs.)</b>	<b>2007-2008 Amount (Rs.)</b>
1	Net profit/(loss) available for Equity Shareholders.	47,57,999/-	3,91,16,039
2	Number of equity shares for basic earning per share	46,98,500	46,98,500
3	Basic Earning Per Share	<b>Rs. 1.01</b>	<b>Rs. 8.33</b>

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

**4. 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 2008 comprise of the following: -

	<b>2008-2009 Rs.</b>	<b>2007-2008 Rs.</b>
Opening Deferred Tax Assets	74,982/-	57,042/-
Deferred Tax (Assets)/Liability: - On Depreciation AND Public issue exps difference	50/-	17,940/-
Closing Deferred Tax Asset/(Liability)	75,032/-	74,982/-

**5. CONTINGENT LIABILITIES :**

- Contingent Liabilities on account of contracts remaining to be executed on capital account  
**NIL**
- Claims against the Company not acknowledged as debts **NIL**.

**OTHER NOTES:**

- 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.
- In the opinion of the Management the fixed assets of the Company can reasonably fetch the amount at which they are carried in the books. Therefore the assets are not impaired and do not call for recognizing loss in accordance with the AS-28 issued by the Institute of Chartered Accountants of India.
- Previous year's figures have been regrouped or rearranged or reclassified wherever necessary.

SIGNATURES TO THE SCHEDULES 1-9

PER OUR REPORT ATTACHED OF EVEN DATE

**For P. C. GHADIALI & CO**  
**Chartered Accountants**

**Sd-**  
**PANKAJ C. GHADIALI**  
**Partner**

**FOR & ON BEHALF OF THE BOARD**

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

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

Place : Mumbai  
Date : June 5, 2009

Place : Mumbai  
Date : June 5, 2009

**CHOKHANI SECURITIES LIMITED**

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**1) Company's Registration Details

Registration No.	:	11-70739
State Code	:	11
	:	21 Mar 00

2) Capital Raised During the year  
(Amounts in Rs. Thousands)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

3) Position of Mobilisation and Deployment of Funds  
(Amounts in Rs. Thousands)

Total Liabilities	:	199,816
Total Assets	:	199,816

Sources of Funds

Paid up Capital	:	46,985
Reserves & Surplus	:	152,831
Secured Loans	:	-
Unsecured Loans	:	-

Application of Funds

Net Fixed Assets	:	18
Investments	:	-
Net Current Assets	:	199,658
Misc. Expenditure	:	66
Deferred Tax Asset	:	75
Profit and Loss Account	:	-

4) Performance of Company  
(Amounts in Rs. Thousands)

Turn Over	:	18,345
Total Expenditure	:	13,558
Profit Before Tax	:	4,787
Profit After Tax	:	4,758
Earnings Per Share in Rs.	:	1.01
Dividend Rate %	:	NIL

5) Generic names of Three Principal Products/Services of the Company (as per Monetary Terms)

Item Code	:	Not Applicable
Product Description	:	Trading in share and securities, Intercompany financing

**FOR & ON BEHALF OF THE BOARD**

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

PLACE : MUMBAI  
 DATED: 5th June, 2009

**CHOKHANI SECURITIES LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

<b>PARTICULARS</b>	<b>AS AT 31.03.2009 RS. IN LACS</b>	<b>AS AT 31.03.2008 RS. IN LACS</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax and extraordinary items	47.87	391.33
Interest Paid	-	-
Loss on sale of Investments	5.66	-
Depreciation	0.03	0.04
Miscellaneous Expenses Written off	0.51	0.51
Short Term Capital Gain	-	-
Interest Received	-	-
Dividend Received	(53.25)	(13.51)
	<u>(47.04)</u>	<u>(12.95)</u>
<b>Operating profit before working Capital</b>	<b>0.83</b>	<b>378.38</b>
(Increase)/Decrease in Inventories	(262.04)	66.09
(Increase)/Decrease in Trade & Other Receivable	36.50	259.92
Increase/(Decrease) Current Liabilities & Provision	(1.11)	(8.30)
	<u>(226.65)</u>	<u>317.70</u>
<b>Cash Generated from Operations</b>	<b>(225.82)</b>	<b>696.08</b>
Interest paid	-	-
Tax paid	1.50	(0.25)
	<u>1.50</u>	<u>(0.25)</u>
<b>Cash Flow Before Extraordinary Items</b>	<b>(227.32)</b>	<b>695.83</b>
Extra ordinary Items / Adjustments	(0.73)	(1.37)
<b>Cash Flow After Extraordinary Items</b>	<b>(228.05)</b>	<b>694.46</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Investment	404.19	-
Purchase of Investments	-	(409.85)
Interest / Dividend Received	53.25	13.51
<b>Net Cash Used for Investing Activities</b>	<b>457.44</b>	<b>(396.34)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in Unsecured Loans	-	-
<b>Net cash From Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>229.39</b>	<b>298.12</b>
Cash and Cash Equivalents (OPENING BALANCE)	532.59	234.47
Cash and Cash Equivalents (CLOSING BALANCE)	761.98	532.59
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>229.39</b>	<b>298.12</b>

FOR &amp; ON BEHALF OF THE BOARD

PLACE: MUMBAI  
DATED: 5th June, 2009

Sd/-  
R.R.Chokhani  
N.R.Chokhani  
Director

## 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 **16th Annual General Meeting at 11.00 a.m. on July 7<sup>th</sup> 2009** at B-1, Chandra Mahal, 2<sup>nd</sup> Floor, 241, Princess Street, Mumbai-400 002.

Name and address of the Shareholder

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

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.

.....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

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

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  
**16th AGM** of the Company at 11.00 a.m. on July 7, 2009 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 \_\_\_\_\_ 2009

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 than 48 hours before the commencement of the Meeting.

BOOK - POST

***If Undelivered, Please return to:***

**CHOKHANI SECURITIES LIMITED**

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