

# **TWENTY SECOND ANNUAL REPORT 2014-2015**

## **CHOKHANI SECURITIES LIMITED**

CIN - L 67120MH1993PLC070739

### **Regd. Office :**

5A-MAKER BHAVAN NO.2,  
SIR VITHALDAS THAKERSEY MARG,  
NEW MARINE LINES, CHURCHGATE,  
MUMBAI-400 020

Tel.: (91-22) 22007772/73  
Fax: (91-22) 22007722.

# **CHOKHANI SECURITIES LIMITED**

CIN - L 67120MH1993PLC070739

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**CHOKHANI SECURITIES LTD.**

CIN - L 67120MH1993PLC070739

**BOARD OF DIRECTORS**

MR. RAMAKANT CHOKHANI (Chairman)

MR. RAJESH CHOKHANI

MR. PRAVIN GUPTA

MR. YOGESH RAJA  
(upto 02.02.2015)

MRS. JYOTI ANUJ JAIN  
(w.e.f. 02.02.2015)

**22<sup>nd</sup>**

**ANNUAL**

**REPORT**

**2014-2015**

**AUDITORS**

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

**BANKERS**

AXIS BANK LTD.

**REGISTRARS & SHARE TRANSFER AGENTS**

Universal Capital Securities Pvt Ltd  
(Formerly Mondkar Computers Private Limited.)  
21, Shakil Niwas,  
Mahakali Caves Road  
Andheri (E),  
Mumbai – 400 093.  
Telephone: 28207203-05 Fax: 28207207

**Regd. Office:**

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

Tel.: 22007772/73

Fax: 22007722.

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

Website : [www.rrcfinancials.com](http://www.rrcfinancials.com)

**NOTICE**

NOTICE is hereby given that the Twenty Second **Annual General Meeting** of the Members of **Chokhani Securities Limited** will be held at **11.00 a.m. on Friday, the 31<sup>st</sup> July, 2015** at 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai 400 020, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2015 and Statement of Profit & Loss Account for the year ended on that date along with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Ramakant R Chokhani, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:

"RESOLVED THAT Mrs. Jyoti Anuj Jain (DIN: 00613331) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and if though fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made there under, Mr. Rajesh Chokhani (DIN: 00238789), who retires by rotation at the AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rajesh Chokhani as a candidate for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office up to March 31, 2020."

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

**Registered Office:**

5A, Maker Bhavan No.2,  
Sir Vithaldas Thackeray Marg,  
New Marine lines, Churchgate  
Mumbai 400 020

**Sd/-**  
**RAMAKANT R. CHOKHANI**  
(CHAIRMAN)  
(DIN:00613176)

**Place: Mumbai**

**Date: May 29, 2015**

**NOTES:**

1. **A Member entitled to attend and vote is entitled to appoint one or more proxy (ies) to attend and vote instead of himself and the proxy (ies) need not be a member.**
2. The proxy to be effective should be deposited at the registered office of the Company not less than forty eight hours before the commencement of the Meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed.
4. As required under Clause 49 of the Listing Agreement, profile of Directors seeking appointment/ re-appointments at the Annual General Meeting, forms part of the notice.
5. The Register of Members and the Share Transfer Books will remain closed from 25<sup>th</sup> July, 2015 to 31<sup>st</sup> July, 2015 (both days inclusive).
6. Members desiring any information as regards accounts or operations of the Company are requested to send their queries in writing at least seven days in advance of the date of the meeting so as to enable the management to keep the information ready.
7. The members who hold shares in electronic form are requested to write their client ID and DP ID and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.
8. Corporate member, intending to send their authorized representatives to attend the meeting, are requested to send a duly certified copy of the Board resolution, authorizing their representatives to attend and vote at the meeting.
9. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent account number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Share Transfer Agents.
11. Electronic copy of the Annual Report for 2015 is being sent to all the members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their e-mail address, physical copies of the Annual Report for 2015 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a company to provide advance opportunity at least once in a financial year to the member to registered his e-mail address and any change therein. In compliance with the same, we request the members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management & Administration) Rules, 2014, the members are informed that the Company is pleased to offer e-voting facilities as an alternative mode to voting at the meeting. Necessary arrangements have been made by the Company with the Central Depository Services Ltd. (CDSL) to facilitate e-voting. The instructions for e-voting are as under:
  - i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - ii) Click on 'Shareholders' tab.
  - iii) Now, select 'CHOKHANI SECURITIES LIMITED' from the drop down menu and click on 'SUBMIT'.
  - iv) Now, enter your Use ID : For CDSL – 16 digits beneficiary ID, for NSDL – 8 character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

- v) If you are holding shares in Demat form and had logged on [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

- vi) Now, fill up the following details in the appropriate boxes:

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

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

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

- vii) After entering these details appropriately, click on 'SUBMIT' tab.
- viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant Chokhani Securities Limited on which you choose to vote.
- xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option YES implied that you assent to the Resolution and option NO implied that you dissent to the Resolution.
- xii) Click on the 'Resolution File Link' if you wish to view the entire Resolutions.
- xiii) After selecting the resolution, you have decided to vote on, 'Click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the voting page.
- xvi) If demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password and enter the details as prompted by the system.
- xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF Format in the system for the scrutinizer to verify the same.

- xviii) The voting period begins on **28.07.2015 (9.30 a.m.)** and **end on 30.07.2015 (5.00 p.m.)** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 24.07.2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

#### Other Instructions:

- a) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 24/07/2015
- b) Mr. Upendra Shukla, Practising Company Secretary, have been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the members, who do not have access to the e-voting process) in a fair and transparent manner.
- c) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.
- d) A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and physical ballot shall be treated as invalid.
- e) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.rrcfincials.com](http://www.rrcfincials.com) and on the website on CDSL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 22<sup>nd</sup> AGM and communicated to BSE Ltd., where the shares of the Company are listed.

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

#### ITEM NO. 4

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Jyoti Anuj Jain for the office of Director of the Company. The Company has also received from Mrs. Jain (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013. Mrs. Jyoti A. Jain is not holding Equity Shares in the Company.

A copy of the draft letters of appointment proposed to be issued to Mrs. Jyoti Anuj Jain on her appointment as a Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Mrs. Jyoti Anuj Jain has done her Bachelor of Management Studies (BMS) from the Mumbai University and Post Graduate Diploma in Finance from Narsee Monjee Institute of Management Studies (NMIMS) Brief resume of Mrs. Jyoti Jain, nature of her experience in specific functional areas and names of companies in which she holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between director inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report, which forms part of the Annual Report.

Mrs. Jyoti Jain may be deemed to be interested to the extent of her shareholding in respect of her appointment as a Director. Mr. Ramakant R. Chokhani, who is her relative and the Chairman of the Company and their other relatives may be deemed to be concerned or interested in the appointment of Mrs. Jyoti Jain, to the extent of their respective shareholding. None of the other Directors and key managerial personnel of the Company and their relatives is interested in the proposed resolution.

**ITEM NO: 5**

Mr. Rajesh Chokhani is Independent Director of the Company and have held the positions for more than 5 (five) years. His term of office is liable to be determined in the ensuing Annual General Meeting. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 from 1<sup>st</sup> April, 2014 as also amended Clause 49 of the Listing Agreement by SEBI (which is effective from 1<sup>st</sup> October, 2014) inter alia stipulating the conditions for the appointment of an independent directors, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as Independent Directors in term of Section 149 (6) of the Act and amended Clause 49 of the Listing Agreement. Accordingly, Mr. Rajesh Chokhani fulfills the criteria laid down in Section 149 (6) of the Act and amended Clause 49. Section 149 (10) of the Act and Clause 49 of Listing Agreement, which restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from 1<sup>st</sup> April, 2014. In compliance with the provisions of Section 149 of the Act and Clause 49, it is proposed to appoint Mr. Rajesh Chokhani as Independent Directors of the Company to hold office for a term up to March 31, 2020.

The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from members along with a deposits of the prescribed amount proposing the candidature of Mr. Rajesh Chokhani for the office of an Independent Directors.

The Company has received from Mr. Rajesh Chokhani (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under Sub-Section (2) of Sec. 164 of the Companies Act, 2013; and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-Section 6 of Sec. 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Rajesh Chokhani, proposed to be appointed as an Independent Director, fulfills the conditions as specified in the act and the Rules made thereunder and he is independent of the Management. A copy of the draft letters of appointment proposed to be issued to Mr. Rajesh Chokhani on their appointment as Independent Director, setting out the terms and conditions is available for inspection at the Company's Registered Office during the normal business hours on working day up to the date of the Annual General Meeting.

Brief resume of Mr. Rajesh Chokhani, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, shareholding and relationships between director inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are provided in the Corporate Governance Report, which forms part the Annual Report.

The Board considers that the continued association of Mr. Rajesh Chokhani would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director.

Mr. Rajesh Chokhani and his relatives may be deemed to be interested to the extent of his appointment as an Independent Director and their shareholding interest if any, in the Company. Save and except, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way concerned or interested in the proposed Resolutions.

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

**Registered Office:**

5A, Maker Bhavan No.2,  
Sir Vithaldas Thackeray Marg,  
New Marine lines, Churchgate  
Mumbai 400 020

**Sd/-  
RAMAKANT R. CHOKHANI  
(CHAIRMAN)  
(DIN:00613176)**

**Place: Mumbai**

**Date: May 29, 2015**



**DIRECTORS' REPORT**

The Members,

Your Directors are pleased to present their Twenty Second Annual Report on the working of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2015.

**Financial Results:**

	Current Year	Previous Year
	March 31, 2015	March 31, 2014
Profit before Interest & Depreciation	1,79,62,168	5,39,34,128
Interest Paid	-	-
Profit before Depreciation	1,79,62,168	5,39,34,128
Depreciation	-	-
Profit before Tax	1,79,62,168	5,39,34,128
Provision for Tax & Deferred Tax Assets	(13,08,000)	(1,61,50,000)
Profit after Tax	1,66,54,168	3,77,84,128
Balance brought forward	22,85,33,717	19,07,49,588
Balance Available for Appropriation	24,51,87,886	22,85,33,717
Extra ordinary adjustment	-	-
Excess /(Short) Provision for Tax	-	-
Adjustment for prior year	-	-
Balance carried forward	24,51,87,886	22,85,33,717

**Dividend**

Directors have not recommended any dividend.

**Directors' Responsibility Statement:**

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

- in the preparation of the accounts the applicable accounting standards have been followed along with proper explanations relating to material departure;
- appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MANAGEMENT DISCUSSION AND ANALYSIS FOR 2014-2015****Industry Structure and development**

The Non-banking Finance Companies are strictly regulated by Reserve Bank of India by its guidelines and notifications. Post general election witnessed the improved sentiments of investors, resulting in the steep increase in Sensex and Nifty.

**Regulations**

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

### Performance of the Company

Total revenue including other income for the financial year ended 31<sup>st</sup> March, 2015 was Rs.236.56 lacs, 61.67% lower compared to last year (Rs.617.12 lacs in the year 2013-14). Earning before interest, tax, depreciation and amortization (EBITDA) was Rs.179.62 lacs as against Rs.539.34 lacs a year ago. Profit after tax for the year was Rs.166.54 lacs, a fall of 55.92% over the profit after tax of Rs.377.84 lacs in 2013-14.

No appropriation of profit is made and it is proposed to carry forward the balance of Rs.166.54 lacs in the Profit & Loss account.

### Loans, Guarantees and investments

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

### Opportunity and threats

The New Government is committed to encourage the healthy growth of Capital Market for development of the Economy. The market regulators are also concerned in regaining the confidence of investors, which is adversely effected due to economic slowdown and scams.

### Future Outlook

Your Directors are of the opinion that new government's agenda of development and creating jobs for young generation will stimulate the growth. Considering the huge population and change in consumers' spending pattern, Indian economy is bound to grow in coming years.

### Conservation of Energy etc.

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

### Corporate Governance

In line with the requirement of the Companies Act, 2013 as also amended Clause 49 of the Listing Agreement, the Board of Directors has constituted new committees. Details of these committees along with their terms of reference, composition and meetings held during the year, are provided in the Corporate Governance Report. During the year the Company has also amended the existing policies and adopted new policies such as CSR policies, Related Party Transaction Policies, Whistle Blower Policies.

A separate report on Corporate Governance is annexed, which forms part of this report. A certificate of CEO and CFO of the Company confirming the correctness of the financial and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee is also annexed and forms part this Directors' Report.

### Transactions with related parties

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

### Directors and key managerial personnel

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 1<sup>st</sup> April, 2014, the Directors had reviewed the composition of its Board and had identified Mr. Pravin Gutpa and Mr. Rajesh Chokhani as independent directors. The terms of appointment of Mr. Pravin Gupta had expired and was re-appointed as an independent director for a period of five years. Mr. Rajesh Chokhani's terms as director shall expire in the ensuing Annual General Meeting. He is entitled for re-appointment for a further on term of five years. The Company has received a notice alongwith a refundable deposit of Rs.1,00,000/- in pursuance to the provisions of Section 160 of the Act proposing the appointment of Mr. Rajesh Chokhani as Director.

The Board of Directors in its meeting held on February 2, 2015 had appointed Mrs. Jyoti Jain as an Additional Director. Pursuant to the provisions of Section 160 of the Act, Mrs. Jain would be vacating the office as Director. The Company has received a notice under Section 160 of the Act along with refundable deposit of Rs.1,00,000/- proposing the appointment of Mrs. Jyoti Jain.

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

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

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

Mr. Prashant Solanki was appointed as Chief Executive Officer and Mr. Manish Parikh was appointed as Chief Finance Officer w.e.f. March 5, 2015. The Ramakant R. Chokhani was appointed as Company Secretary.

### Number of meeting of the Board

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

**Board evaluation**

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement with the BSE Ltd., the Board of Directors had done the annual evaluation of its own performance, its committees and individual directors. The Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of the individual director to the Board and committee meetings.

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

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

**Audit Committee**

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

**Internal Control System**

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

**Risk Management**

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

**Employees:**

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

**Auditors:**

According to Directors, there are no adverse remarks made by Statutory Auditors in their report. Notes to the accounts are self explanatory to comments/observation made by the auditors in their report. Hence, no separate explanation is given.

M/s P. C. Ghadiali & Co LLP Chartered Accountants, Statutory Auditors of your Company shall retire at the forthcoming Annual General Meeting. However, they are eligible for reappointment. Members are requested to appoint the Auditors and fix their remuneration.

During the year, Secretarial Audit was carried out by Mr. Upendra C. Shukla, Practising Company Secretary for the financial year 2014-15. The report on the Secretarial Audit is appended as **Annexure IV** to this report. According to the Board of Directors the report does not have any adverse remark.

**Extract of Annual Return**

An extract of Annual Return in Form MGT-9 in pursuance to the provisions of Section 92(3) of the Companies Act, 2013 is annexed to this report as **Annexure V** and forms part of this report.

**Corporate Social Responsibility (CSR):**

Brief outline on the Corporate Social Responsibility (CSR) Policy of the Company and the initiative undertaken by the Company on CSR activities during the year are set out in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and is annexed as **Annexure VI** to this report. The said CSR Policy is hosted on the Company's website.

**Cautionary Statement**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis may constitute forward looking statements within the meaning of applicable laws and regulations. Although the expectations are based on the reasonable assumption, the actual results might differ.

**Acknowledgement:**

The Directors wish to place on record their deep sense of appreciation to the Company's Bankers and all the staff members for their unstinted support. Your directors also wish to thank the shareholders for confidence reposed in the management of the Company.

**For and on Behalf of the Board**

**Sd/-**  
**Mr. Ramakant R Chokhani**  
**Chairman**

**Place: Mumbai**  
**Date: May 29, 2014**

## ANNEXURE - I

## PARTICULARS OF CONTRACT / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 – Form AOC-2]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

## 1) Details of contracts or arrangement or transactions not at arm's length basis :

There was no contract or arrangement or transaction entered into during the year ended 31<sup>st</sup> March, 2015, which was not at arm's length basis.

## 2) Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2015 are as follows:

Name of related party	Nature of relationship	Duration of contract	Salient terms	Date of Approval	Amount (Rs. in lacs)
	Nature of contract: Brokerage				
R. R. Chokhani Stock Brokers Pvt Ltd	Promoter Company	01.04.2015 to 31.03.2015	Brokerage Charged at arm's length basis in normal course of business	Not Applicable	0.58
Investment					
NIL	NIL	NIL	NIL		NIL
	Purchases				
NIL	NIL	NIL	NIL		NIL
	Sale				
NIL	NIL	NIL	NIL		NIL
	Purchase of shared services				
NIL	NIL	NIL	NIL		NIL

Name of related party	Nature of relationship	Duration of contract	Salient terms	Date of Approval	Amount (Rs. in lacs)
	Nature of contract: Brokerage				
ARC Commodity Futures Private Limited	Promoter Director Company	01.04.2015 to 31.03.2015	Brokerage Charged at arm's length basis in normal course of business	Not Applicable	0.01
Investment					
NIL	NIL	NIL	NIL		NIL
	Purchases				
NIL	NIL	NIL	NIL		NIL
	Sale				
NIL	NIL	NIL	NIL		NIL
	Purchase of shared services				
NIL	NIL	NIL	NIL		NIL

Note: All the Transactions are at Arm's Length Price

for and on behalf of the Board of Directors of  
Chokhani Securities Limited

Sd/-  
**Mr. Ramakant R. Chokhani**  
Chairman

Place: Mumbai  
Date: 29.05.2015

**ANNEXURE – II****“Nomination and Remuneration Policy”****1. OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with relevant rules thereto and Clause 49 of the Listing Agreement. The Key Objectives of the Committee are:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

**2. DEFINITIONS**

- a) Act means the Companies Act, 2013 as amended from time to time and the Rules made thereunder.
- b) Board means Board of Directors of the Company.
- c) Directors mean Directors of the Company.
- d) Key Managerial Personnel means – (i) Chief Executive Officer or the Managing Director or Whole-time Director or the Manager; (ii) Chief Financial Officer; (iii) Company Secretary; and (iii) such other officer as may be prescribed.
- e) Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

**3. ROLE OF COMMITTEE**

3.1 Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

- 3.1.1. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 3.1.2. Identify persons who are qualified to become Director and persons, who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- 3.1.3. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

3.2. Policy for appointment and removal of Director, KMP and Senior Management

3.2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years; Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

3.2.2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole-time Director and designate them for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director;

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an

Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### 3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### 3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act and rules made thereunder.

### 3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 3.3 Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

### 3.3.1 General

a) The remuneration / compensation / commission etc. to the Managing Director, Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission payable to Managing Director, Whole-time Director and Director shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director and Directors shall be in accordance with the conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments/revision to the existing remuneration/compensation payable to Managing Director, Whole-time Director and Directors may be recommended by the Committee to the Board, which should be within the limits approved by the Shareholders.

d) Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### 3.3.2. Remuneration to Whole-time, Managing Director, Directors, KMP and Senior Management Personnel:

#### a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

#### b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### c) Provisions for excess remuneration:

If Managing Director and/or Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

### 3.3.3. Remuneration to Non- Executive / Independent Director:

#### a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

#### b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof; Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**4. MEMBERSHIP**

- 4.1 The Committee shall consist of a minimum three (3) non-executive directors, majority of them being independent.
- 4.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.3 Membership of the Committee shall be disclosed in the Annual Report.
- 4.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- 5.1 Chairperson of the Committee shall be an Independent Director.
- 5.2 Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 5.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 5.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- 7.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- 7.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. DUTIES OF COMMITTEE**

A) The duties of the Committee in relation to nomination matters shall include:

- 8.1 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 8.2 Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment;
- 8.3 Identifying and recommending Directors who are to be put forward for retirement by rotation.
- 8.4 Determining the appropriate size, diversity and composition of the Board;
- 8.5 Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 8.6 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 8.7 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- 8.8 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 8.9 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 8.10 Recommend any necessary changes to the Board; and
- 8.11 Considering any other matters, as may be requested by the Board.

B) The duties of the Committee in relation to remuneration matters shall include:

- 8.12 To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- 8.13 To approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- 8.14 To delegate any of its powers to one or more member(s) of the Committee.

**9. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

for and on behalf of the Board of Directors of  
Chokhani Securities Limited

Sd/-  
**Mr. Ramakant R. Chokhani**  
Chairman

Place: Mumbai  
Date: 29.05.2015

## ANNEXURE - III

## PARTICULARS OF EMPLOYEES

**A) Information as per the first proviso to Section 129 (3) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year - Mean - **NIL**, Median **NIL** (None of the Director is in receipts of remuneration during the year).
- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;- CEO **NIL**%, CFO **NIL** % and CS **NIL** %
- (iii) the percentage increase in the median remuneration of employees in the financial year; - Mean **4.47%**, Median **4.47%**
- (iv) the number of permanent employees on the rolls of Company; - **Six** (including expats & retainers)
- (v) the explanation on the relationship between average increase in remuneration and Company performance:- The Company's profit after tax has decreased by **55.92 %**.
- (vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:- Remuneration of the KMPs as % of the PAT for 2014-15 is **0.16%**. The Company's PAT has decreased by **55.92%** during the year.
- (vii) Variation in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies the variations in the net worth of the Company as at the close of the current financial year and previous financial year:-

Date	Market Price in (Rs)	EPS in Rs.	P/E ratio	Market Capitalisation (Rs. Crores)	% Change
March 31, 2014	17.15	3.54	4.84	8.05	
March 31, 2015	20.30	8.04	2.52	9.54	-15.62%

Percentage increase over the last public offer is not relevant as there has never been any public offer by the Company.

- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in the remuneration of all employees excluding KMPs: **4.47%**

- Average increase in the remuneration of KMPs: **NIL%-**

- Justification: KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks. **Not Applicable**

- (ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company:  
Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible. Performance of the Company has been quite satisfactory this year.

- (x) The key parameters for any variable component of remuneration availed by the Directors:  
Only CEO & Whole-time Director is given variable component, please refer vii above. **NIL**

- (xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: **Nil**

- (xii) Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes**  
Note: For Director, only Managing Director has been considered since the Company does not have any other Whole-time Director. All remuneration figures are for Executives only.

**B) Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Not applicable since none of the employee was in receipt of remuneration exceeding the prescribed limit.

for and on behalf of the Board of Directors of  
Chokhani Securities Limited

Place: Mumbai  
Date: 29.05.2015

Sd/-  
**Mr. Ramakant R. Chokhani**  
Chairman



## ANNEXURE - IV

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Chokhani Securities Limited,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chokhani Securities Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Chokhani Securities Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client.
- (vi) The following Acts / Guidelines specifically applicable to the Company :
  - a) Reserve Bank of India Act, 1934; and
  - b) Notifications/circulars pertaining to Non-Banking Finance Companies, issued by RBI from time to time.

I have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with the Stock Exchanges in India.

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines mentioned above.

I report that during the year under review there was no action/event in pursuance of –

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998.

I further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of quarterly compliance reports taken on record by the Board of Directors of the Company, in my opinion adequate systems and processes and control mechanism exists in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law and environmental laws.

I further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The Company has not appointed Managing Director or Whole-time Director. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed proposal on agenda were sent in advance duly complying with the time limits specified, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meeting duly recorded and signed by the chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that as per explanation given and representations made by the Management, there are adequate systems and processes in the company commensurate with the size and operation of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no other specific event/action in pursuance of the above referred laws, rules, regulations, guidelines, etc. having major bearing on the Company's affairs.

Place: Mumbai  
Date : 29/05/2015

**(U.C. SHUKLA)**  
COMPANY SECRETARY  
FCS: 2727/CP: 1654

## ANNEXURE - V

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No.	Particular	Information
i.	CIN	L67120MH1993PLC070739
ii.	Registration Date	10/02/1993
iii.	Name of the Company	CHOKHANI SECURITIES LIMITED
iv.	Category / Sub-Category of the Company	Public Listed Company
v.	Address of the registered office and contact details	5A, Maker Bhavan-II, 18, Sir Vithaldas Thackersey Marg, New Marine Lines, Churchgate, Mumbai 400020.
vi.	Whether listed company Yes / No	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Universal Capital Securities Pvt Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400093.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1	Dealing in shares & securities	--	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	NIL	NIL	NIL	NIL	NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	2570200	-	2570200	54.70	2570200	-	2570200	54.70	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
(s)	897600	-	897600	19.10	897600	-	897600	19.10	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	3467800	-	3467800	73.81	3467800	-	3467800	73.81	-
(2) <b>Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	3467800	-	3467800	73.81	3467800	-	3467800	73.81	-

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds /UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Any others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
i) Indian	258145	1800	259945	5.53	254433	1800	256233	5.45	0.08
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	171688	76920	248608	5.29	288823	78320	367143	7.81	-2.52
ii) Individual shareholders holding nominal share capital in excess of Rs. 1lakh	692152	25300	717452	15.27	578751	25300	604051	12.86	2.41
c) Any others (specify)	4695	-	4695	0.10	3273	-	3273	0.07	0.03
<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4594480</b>	<b>104020</b>	<b>4698500</b>	<b>100</b>	<b>4593080</b>	<b>105420</b>	<b>4698500</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Anand Ramakant Chokhani	327710	6.97	-	327710	6.97	-	-
2.	Chokhani Custodian Services Pvt Ltd	372000	7.92	-	372000	7.92	-	-
3.	Neelam R Chokhani	700000	14.90	-	700000	14.90	-	-
4.	R R Chokhani Stock Brokers Pvt Ltd	525600	11.19	-	525600	11.19	-	-
5.	Ramakant R Chokhani HUF	633600	13.49	-	633600	13.49	-	-
6.	Ramakant R Chokhani	908890	19.34	-	908890	19.34	-	-
	<b>Total</b>	<b>34,67,800</b>	<b>73.81</b>		<b>34,67,800</b>	<b>73.81</b>		

## (iii) Change in Promoters' Shareholding (please specify, if there is no change)

There was no change in Promoter Shareholdings during the year.

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3467800	73.81	3467800	73.81
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	3467800	73.81	3467800	73.81

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Co.	No. of shares	% of total shares of the company
1)	Eternal Ventures Pvt Ltd Opening Bal. Purchase/Sale with date Closing Bal.	229900 - 229900	4.89 - 4.89	229900 - 229900	4.89 - 4.89
2)	Jainendra Kumar Jain (HUF) Opening Bal. Purchase/Sale with date Closing Bal.	134500 - 134500	2.86 - 2.86	134500 - 134500	2.86 - 2.86
3)	Keshav Sunil Modi Opening Bal. Purchase/Sale with date Closing Bal.	100000 - 100000	2.13 - 2.13	100000 - 100000	2.13 - 2.13
4)	Mr.Ved Prakash Khurana Opening Bal. Purchase/Sale with date Closing Bal.	84000 - 84000	1.79 - 1.79	84000 - 84000	1.79 - 1.79
5)	Jyoti Anand Jain Opening Bal. Purchase/Sale with date Closing Bal.	49531 5134 54665	1.06 0.10 1.16	49531 5134 54665	1.06 0.10 1.16
6)	Gautam Sunil Modi Opening Bal. Purchase/Sale with date Closing Bal.	45500 - 45500	0.97 - 0.97	45500 - 45500	0.97 - 0.97
7)	Ankit Gupta Opening Bal. Purchase/Sale with date Closing Bal.	45000 - 45000	0.96 - 0.96	45000 - 45000	0.96 - 0.96
8)	Sanjana A Gupta Opening Bal. Purchase/Sale with date Closing Bal.	45000 - 45000	0.96 - 0.96	45000 - 45000	0.96 - 0.96
9)	Vishal Kantilal Jain Opening Bal. Purchase/Sale with date Closing Bal.	42200 - 42200	0.90 - 0.90	42200 - 42200	0.90 - 0.90
10)	Gaitridevi Dedia Opening Bal. Purchase/Sale with date Closing Bal.	33015 2600 35615	0.70 0.06 0.76	33015 2600 35615	0.70 0.06 0.76

(v) **Shareholding of Directors and Key Managerial Personnel: Ramakant R Chokhani, Director**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors and KMP</b>				
	<b>Mr. Ramakant R. Chokhani</b> At the beginning of the year	908890	19.34	908890	19.34
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	908890	19.34	908890	19.34

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01/04/2014)</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL
<b>Change in Indebtedness during the financial year</b> <input type="checkbox"/> Addition <input type="checkbox"/> Reduction				
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year (31.03.2015)</b> i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sr.no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Ramakant R Chokhani			
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL			NIL
2.	Stock Option	NIL			NIL
3.	Sweat Equity	NIL			NIL
4.	Commission - as % of profit - Others, specify...	NIL			NIL
5.	Others, please specify	NIL			NIL
	<b>Total (A)</b>	NIL			NIL
	Ceiling as per the Act				

## B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr.Pravin Gupta	Mr.Rajesh Chokhani	Mrs.Jyoti Anuj Jain		
	1. Independent Directors ☐ Fee for attending board / committee meetings ☐ Commission ☐ Others, please specify	NIL	NIL			NIL
	<b>Total (1)</b>	NIL	NIL	NIL		NIL
	2. Other Non-Executive Directors ☐ Fee for attending board / committee meetings ☐ Commission ☐ Others, please specify	NIL	NIL	NIL		NIL
	<b>Total (2)</b>	NIL	NIL	NIL		NIL
	<b>Total (B)=(1+2)</b>	NIL	NIL	NIL		NIL
	Total Managerial Remuneration	NIL	NIL	NIL		NIL
	Overall Ceiling as per the Act					

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO *	CS	CFO **	Total
1.	Gross salary (a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	Rs.26,000/-	Rs.26,000/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - Others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>				Rs.26,000/-

- Remuneration to CEO will be paid w.e.f. 01.04.2015

\*\* Remuneration to CFO is been paid w.e.f. 05.03.2015

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment					
Compounding					

for and on behalf of the Board of Directors of  
Chokhani Securities Limited

Place: Mumbai  
Date: 29.05.2015

Sd/-  
**Mr. Ramakant R. Chokhani**  
Chairman

## ANNEXURE – VI

## Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs	Company's vision on CSR is to enhance the quality of life and the economic well being of communities around our operations. For detailed policy, please refer our website <a href="http://rrcfinancials.com">rrcfinancials.com</a> .
2. The composition of the CSR Committee	1) Mr.Ramakant R Chokhani – Chairman, 2) Mr.Rajesh Chokhani 3) Mr.Pravin Gupta
3. Average net profit of the Company for last three financial years	Rs. 3,16,48,930/- (PBT as prescribed)
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs.6,32,980/-
5. Details of CSR spent during the financial year: a) Total amount to be spent for the financial year: b) Amount unspent, if any: c) Manner in which the amount spent during the financial year is detailed below :	Rs.6,32,980/- Rs.6,32,980/- NIL
6. In case the Company has failed to spend the two per cent of the average net profit of the last three Financial years or any part thereof, the Company shall provide the reason for not spending the amount in its Board report	The Company is in process of identifying long standing viable CSR project & hence not spend the amount provided for CSR project during the year.
7. Responsibility Statement	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance of CSR objectives and Policy of the Company.

## DETAILS OF CSR PROJECT BEING UNDERTAKEN BY THE COMPANY: NIL

Sr.No.	CSR Project or activity identified	Sector in which the project is covered	Project or Programs		Amount Outlay Rs. in Lacs (Budget)	Amount Spent (Rs. in Lacs)			Cumulative Spend till reporting period (Rs. in Lacs)	Amount spent Direct or implementing agency	Name of the implementing agency
			1. Local Area or otherwise	2. Specify the State & District		Direct	Overheads	Total			
			Area	Name of District & State							
<b>A</b>	<b>CSR Ongoing Projects</b>										
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2											
3											
4											
5											
6											
7											
<b>B</b>	<b>CSR New Projects</b>										
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2											
3											
4											
5											
6											
	<b>Sub Total CSR (A+B)</b>										
<b>C</b>	<b>Others</b>										
	<b>Total CSR (A+B+C)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

for and on behalf of the Board of Directors of  
Chokhani Securities Limited

Sd/-  
**Mr. Ramakant R. Chokhani**  
Chairman

Place: Mumbai  
Date: 29.05.2015

**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. Fifty percent of the total strength of the Board comprises of Independent Directors.

During the financial year ended 31<sup>st</sup> March 2015, the Board met six times on 28.05.2014, 12.08.2014, 21.10.2014, 02.02.2015, 05.03.2015, and 31.03.2015.

Last Annual General Meeting was held on July 4, 2014

As mandated by Clause 49, none of the Directors are members of more than ten board level committees nor are they chairman of more than five committees in which they are members. Further, all the directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time director in any listed company, then they do not serve as independent director in more than three listed companies.

The composition of the Board of Directors as on March 31, 2015 and other details are as under:

Name of Director	Relationship with other Directors	Category	No. of other Directorship Other than Pvt. Ltd. Cos.	Committee Membership of other Companies	No. of meeting held	No. of Meetings attended	Attendance at last AGM of the Company
Mr. Ramakant R. Chokhani	Father of Mrs. Jyoti Anuj Jain	Non-Executive Promoter	Nil	Nil	6	6	Yes
Mr. Rajesh Chokhani	None	Non-Executive Independent	Nil	Nil	6	6	No
Mr. Pravin Gupta	None	Non-Executive Independent	Nil	Nil	6	6	No
Mr. Yogesh Raja (upto 02.02.2015)	None	Non-Executive	Nil	Nil	6	3	Yes
Mrs. Jyoti Anuj Jain (w.e.f.02.02.2015)	Daughter of Mr. Ramakant R Chokhani	Non-Executive	Nil	Nil	6	3	No

**Information supplied to the Board**

The Board has complete access to all the information of the company and is regularly provided advanced detailed information as part of the agenda papers or is table therein. The following information is regularly provided to the Board as part of the agenda papers:

- Annual and quarterly financial statements of the Company
- Minutes of the meeting of the Audit Committee and other committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board including the appointment or removal of CFO and Company Secretary
- Materially important notices of show cause, demand, prosecution and penalty
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the company
- Any issue involving possible liability/claims of substantial nature.
- Details of any joint venture or significant collaboration agreement.
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others.
- Quarterly review of compliance status under various laws applicable to the Company.
- Corporate Social Responsibility activities
- Related party transactions.



Details of Directors seeking appointment/ re-appointment at the ensuing Annual General Meeting fixed on Friday, the 31<sup>st</sup> July, 2015 as required under Clause 49 of the Listing Agreement with Stock Exchanges are given hereunder:

Name of the Director	Mr. Ramakant R Chokhani	Mrs. Jyoti Anuj Jain	Mr. Rajesh Chokhani
Date of Birth	10/04/1954	15/09/1986	17/09/1963
Date of Appointment	10/02/1993	02/02/2015	13/05/2005
Qualification	B.Com, LL.B, ACS & MBA	BMS, Post Graduate in Finance	B.E. (Computer Science)
Brief Profile	Mr. Chokhani has more than four decades experience in investment banking	Mrs. Jyoti Jain has about five years experience of managing family business.	Mr. Rajesh Chokhani has about twenty years' business experience.
Directorship held in other Public Companies (excluding Section 25 and foreign Companies)	NIL	NIL	NIL
Memberships/ Chairmanship of committees of other companies (includes only Audit & Shareholders/ Investors Grievance/ Stakeholders Relationship Committee)	NIL	NIL	NIL
Shareholding in the Company (Equity)	908890	NIL	NIL

#### C. Remuneration to Director

No remuneration is paid to any of the Directors.

#### D. Committee of the Board:

The company has five Board level committees – Audit Committee, Stakeholder Relationship Committee, Corporation Social Responsibility Committee, Nomination & Remuneration Committee and Risk Management Committee. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of service for Committee members are taken by the board of Directors. Details of the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

##### a) Audit Committee:

The Company has constituted an Audit Committee. As on 31/03/2015 the Audit Committee comprises of Mr. Rajesh Chokhani and Mr. Pravin Gupta both independent Directors and Mr. Ramakant R. Chokhani. Mr. Pravin Gupta is having financial and accounting knowledge.

During the financial year 2014-15, the Audit Committee met four times on 28/05/2014, 12/08/2014, 21/10/2014 and 02/02/2015.

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.

Attendance of each of the member of the Committee is as under:

Name of the Member/Position	Status	No. of meetings held	No. of meeting attended	Sitting fees
Mr. Pravin Gupta, Chairman	Independent	Four	Four	NIL
Mr. Rajesh R. Chokhani	Independent	Four	Four	NIL
Mr. Ramakant R. Chokhani	Promoter	Four	Four	NIL

##### b) Nomination & Remuneration Committee:

Nomination & Remuneration Committee as on 31/03/2015 comprises of three members viz. Mr. Ramakant R Chokhani, Mr. Rajesh Chokhani and Pravin Gupta. The Committee met once during the financial year on 21<sup>st</sup> October 2014. The primary function of the Committee is to recommend to the Board on appointment or reappointment of Directors, remuneration of Key Managerial Personnel, formulate criteria for evaluation of independent Directors, Board diversity, identification and selection of persons who could be appointed as independent directors. etc.

**c) Stakeholder Relationship Committee:**

The Stakeholder Relationship Committee consists of three members viz. Mr. Ramakant R. Chokhani, Chairman Mr. Rajesh Chokhani and Mr. Pravin Gupta 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 five times during the year. During the year ended on March 31, 2015 the Company did not receive any complaint from any of its members.

**d) Corporate Social Responsibility (CSR) Committee:**

The Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2015 consists of three members viz. Mr. Ramakant R Chokhani, Chairman, Mr. Pravin Gupta and Rajesh Chokhani as members. The Committee met once during the financial year under review on 21<sup>st</sup> October, 2014. The primary function of the Committee is to enhance the quality of life and economic well being of communities, monitor implementation of the CSR projects approved by it and recommend changes in CSR policy of the Company to the Board. During the year the Company had made provision of Rs.6,32,980 on CSR activities.

**e) Risk Management Committee:**

The Risk Management Committee as on 31/03/2015 comprises of three members viz. Ramakant R Chokhani, Chairman, Mr. Rajesh Chokhani and Mr. Pravin Gupta members. The Committee met once during the financial year under review on 21<sup>st</sup> October, 2014. The primary function of the Committee is to review the major risks identified by the management, along with its mitigation plan, monitoring and reviewing the Company's risk management plan and to apprise the Board on risk assessment plan and to appraise the Board on risk assessment and minimization procedure.

**E. 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

**F. Disclosures:****a) Disclosure of 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 Accounting Treatment in Preparing of Financial Statement**

The Company follows the guidelines of Accounting Standards referred to in Section 133 of the Companies Act, 2013 read with the Rule 7 of the Companies (Accounts) Rules, 2014 together with early adoption of Accounting Standard 30 'Financial instruments: Recognition and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the ICAI.

**c) 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 three Years.

**d) CEO and CFO Certification**

The CEO and CFO certification of the Financial Statements for the financial year 2014-15 is enclosed at the end of this report.

**G. General Shareholder Information:****a) Dividend**

The Board of Directors has not recommended any dividend for the financial year 2014-15

**b) Listing:**

The Company's shares are listed on The Bombay Stock Exchange Ltd. The Company has paid Annual Listing fees up to financial year 2014-2015

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

Stock Market Price Data:		
Month	Highest Rate (₹)	Lowest Rate (₹)
April-14	16.50	14.85
May-14	15.20	14.00
June-14	21.00	15.43
July-14	22.45	18.75
August-14	23.90	20.75
September-14	19.75	16.35
October-14	21.35	17.40
November-14	21.25	19.00
December-14	18.90	17.40
January-15	18.00	15.55
February-15	16.75	15.20
March-15	20.30	15.20

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.

#### c) Share Transfer System:

Share transfer requests received for transfer of shares in physical form are processed by the Share Transfer Agents and Share Transfer Register prepared within seven 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. It is ensured that the share certificates duly transferred are dispatched within fifteen days from the date of its lodgment. Demat requests are normally confirmed within an average of 15 days from the date of receipt.

#### d) Statistics of Shareholders as on March 31, 2015 (Distribution of Shareholding)

	Share Holders		Share Holdings		Share Amount	
	Number	%	Holding	%	₹	%
Up to 500	713	84.28%	91,362	1.94%	9,13,620	1.94%
501-1,000	59	6.97%	47,927	1.02%	4,79,270	1.02%
1,001-2,000	27	3.19%	41,566	0.88%	4,15,660	0.88%
2,001-3,000	10	1.18%	25,272	0.54%	2,52,720	0.54%
3,001-4,000	9	1.06%	32,402	0.69%	3,24,020	0.69%
4,001-5,000	1	0.12%	5,000	0.11%	50,000	0.11%
5,001-10,000	2	0.24%	14,197	0.30%	1,41,970	0.30%
10,001 & above	25	2.96%	44,40,774	94.51%	4,44,07,740	94.51%
<b>Total</b>	<b>846</b>	<b>100.00%</b>	<b>46,98,500</b>	<b>100.00%</b>	<b>4,69,85,000</b>	<b>100.00%</b>

#### e) Shareholding Pattern as on March 31, 2015

Shareholding Pattern as on March 31, 2015

Categories	No of Shares	% of shareholding
Promoters	34,67,800	73.81%
Bodies Corporate	2,59,945	5.53%
Residential Individual & Physical Shares	9,66,060	20.56%
Non Residential Individual & Clearing Members	4,695	0.10%
<b>Total</b>	<b>46,98,500</b>	<b>100.00%</b>

#### f) Dematerialization of Shares:

Total number of Shares

In Demat form as on 31<sup>st</sup> March, 2015 : 45,94,480 (97.79%)

In Physical form : 1,04,020 (2.21%)

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

#### h) Details of Public Funding Obtained in the Last Three years:

No public funding has been obtained in the last three years.

**i) Financial Calendar for the year 2015-2016 (Provisional)**

A.	Results for the first quarter ending on June 30, 2015	By end of July, 2015
B.	Results for the second quarter ending on September 30, 2015	By end of October, 2015
C.	Results for the third quarter ending on December 31, 2015	By end of January, 2016
D.	Results for the fourth quarter ending on March 31, 2016	By end of May, 2016
E.	Finalization of Accounts for the year ended March 31, 2016	By end of May, 2016
F.	Annual General Meeting for the year ending March 31, 2016	By end of July, 2016

**j) Means of Communication:**

The Company published its quarterly, half yearly and yearly results in prescribed form under regulation 41 of the listing agreement within the stipulated time limit. The results are sent to the stock exchanges where the shares are listed and the same are published in leading newspapers in English and in vernacular language of Mumbai. The financial results and official news releases are also displayed on the Company's website viz. [rrcfinaicals.com](http://rrcfinaicals.com). As such the Company does not send unaudited results to shareholders individually.

**k) General Body Meetings**

The details of the location and time for last three Annual General Meetings are given below:

AGM No	Accounting Year	Date	Time	Location
21 <sup>st</sup>	2014-2015	July 4, 2014	11.00 am	5A, Maker Bhavan-2, New Marine Lines, Mumbai 400 020.
20 <sup>th</sup>	2012-2013	June 27, 2013	11.00 am	B-1, Chandra Mahal, 2 <sup>nd</sup> Floor, 241-Princess Street, Mumbai-400 002
19 <sup>th</sup>	2011-2012	August 09, 2012	11.00 am	

**l) Annual General Meeting**

The 22<sup>nd</sup> Annual General Meeting of the members of the Company is scheduled to be held at 11.00 a.m. on Friday, the 31<sup>st</sup> July, 2015 at 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai 400 020.

**m) Details of book closures:**

From 25<sup>th</sup> July, 2015 to 31<sup>st</sup> July, 2015 (both days inclusive)

**n) Postal Ballot**

During the current year, no approval of shareholders was taken through Postal Ballot.

**o) 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

**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, 2015.

Place : Mumbai  
Date : 29/05/2015

**For Chokhani Securities Ltd.**

**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

**Sd/-**  
**Ramakant R Chokhani**  
**(CHAIRMAN)**  
**(DIN: 00613176)**

**CEO / CFO CERTIFICATE**

We, Prashant Solanki, Chief Executive Officer, and Mr. Manish Parikh, Chief Financial Officer of Chokhani Securities Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss and all its notes and confirm that –
  - a) based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
  - b) Based on our knowledge and information, the financial statements present in all material respects a true and fair view of the Company's affairs and except as stated, are in compliance with the existing accounting standards and/or applicable laws and regulations.
2. To the best of our knowledge and belief, no transaction entered into by the Company during the year is fraudulent, illegal or violative of the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company and we have:
  - a) designed such controls and procedures to ensure that material information relating to the Company is made known to us;
  - b) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
4. We confirm that :
  - a) there are no deficiencies in the design or operation of internal controls, which could materially adversely affect the Company's ability to record, process, summarise and report financial data;
  - b) there are no significant changes in internal controls during the year;
  - c) all significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
  - d) there are no instances of significant fraud of which we are aware that involves management or other employees who have a significant role in the Company's internal control system.
5. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Sd/-  
**Prashant Solanki**  
Chief Executive Officer

Sd/-  
**Manish Parikh**  
Chief Financial Officer

Date: May 29, 2015  
Place: Mumbai

**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, 2015, 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.

Sd/-  
**Pannkaj Ghadiali**  
Managing Partner  
Membership Number: 031745  
For and on behalf of  
**P C Ghadiali and Co LLP**  
Chartered Accountants  
**Firm No. 103132W**

Place: Mumbai  
Dated: May 29, 2015

**INDEPENDENT AUDITORS' REPORT****To the Members of Chokhani Securities Limited****Report on the Financial Statements**

We have audited the attached financial statements of **Chokhani Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on the date annexed thereto, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by section 143(3) of the Act, we report that:-

- (a) We attach an annexure giving report under Companies (Auditor's Report) Order 2015
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations which would impact its financial position;
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

**Sd/-****Pannkaj Ghadiali**

Managing Partner

Membership Number: 031745

Chartered Accountants

Place: Mumbai

Dated: May 29, 2015

For and on behalf of

**P C Ghadiali and Co LLP****Firm No. 103132W**

**ANNEXURE TO AUDITORS' REPORT**

**Referred to in the Auditors' Report of even date to the members of CHOKHANI SECURITIES LIMITED on the financial statements for the year ended March 31, 2015 – in terms of Companies (Auditor's Report) Order, 2015.**

- i. The Company does not have any fixed assets. Therefore, reporting thereon is not applicable.
- ii. The verification of inventory has been carried on by the management and discrepancy if any has been dealt with in the accounts.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, or other parties covered in the register maintained under Section 189 of the Companies Act.
- iv. In our opinion and according to the information and explanations given to us, we are of opinion that 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 and fixed asset. 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.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for the Company.
- vii. (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 and any other 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 sales tax, income tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.  
(c) No amount is required to be transferred to investor education and protection fund.
- viii. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. In our opinion, and according to the information and explanations given to us, the Company has not raised any term loans during the year.
- xii. 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.

Sd/-

**Pannkaj Ghadiali**

Managing Partner

Membership Number: 031745

For and on behalf of

**P C Ghadiali and Co LLP**

Chartered Accountants

**Firm No. 103132W**

Place: Mumbai

Dated: May 29, 2015



## Balance Sheet as at March 31, 2015

Particulars		Note No.	As at 31 March, 2015	As at 31 March, 2014
			₹	₹
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	2	46,985,000	46,985,000
	(b) Reserves and surplus	3	245,187,885	228,533,717
			292,172,885	275,518,717
<b>2</b>	<b>Current liabilities</b>			
	(a) Short-term provisions	4	713,473	6,135,600
	(b) Trade Payables	5	1,092,668	1,864,243
	(c) Other Current Liabilities	6	2,598,254	-
			4,404,395	7,999,843
	<b>TOTAL</b>		<b>296,577,280</b>	<b>283,518,560</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Non-current investments	7	151,706,928	258,226,222
			151,706,928	258,226,222
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	8	115,392,441	-
	(b) Cash and cash equivalents	9	4,020,829	734,965
	(c) Short-term loans and advances	10	1,731,881	1,721,253
	(d) Other current assets	11	23,725,202	22,836,120
			144,870,352	25,292,337
	<b>TOTAL</b>		<b>296,577,280</b>	<b>283,518,560</b>
	<b>See accompanying notes forming part of the financial statements</b>	1 to 21		

As Per our Report attached of even date

For &amp; on behalf of Board of Directors

Sd/-

**Pannkaj Ghadiali**

Managing Partner

Membership Number: 031745

For and on behalf of

**P C GHADIALI AND CO LLP**

Chartered Accountants

Firm Regn. No.: 103132W

Sd/-

**Ramakant Chokhani**

Director

DIN: 00613176

Sd/-

**Rajesh Chokhani**

Director

DIN: 00238789

Place: Mumbai

Date: May 29, 2015

Place: Mumbai

Date: May 29, 2015

## Statement of Profit and Loss for the year ended March 31, 2015

Particulars		Note No.	For the year ended 31 March, 2015	For the year ended 31 March, 2014
			₹	₹
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
1	Revenue from operations	12	754,886	53,394,521
2	Other income	13	22,901,414	8,317,624
3	<b>Total revenues (1+2)</b>		<b>23,656,300</b>	<b>61,712,146</b>
4	<b>Expenses</b>			
	(a) Employee benefits expense	14	1,884,120	1,803,491
	(b) Other expenses	15	3,810,011	5,974,527
	<b>Total expenses</b>		<b>5,694,131</b>	<b>7,778,018</b>
5	<b>Profit before exceptional and extraordinary items and tax (3 - 4)</b>		17,962,168	53,934,128
6	<b>Tax expense:</b>			
	(a) Current tax expense for current year		1,308,000	16,150,000
	(b) (Less): MAT credit (where applicable)		-	-
	(c) Current tax expense relating to prior years		-	-
	(d) Net current tax expense		1,308,000	16,150,000
	(e) Deferred tax		-	-
			1,308,000	16,150,000
7	<b>Profit from continuing operations (5 ± 6)</b>		<b>16,654,168</b>	<b>37,784,128</b>
	<b>See accompanying notes forming part of the financial statements</b>	1 to 21		

In terms of our report attached.

For &amp; on behalf of Board of Directors

Sd/-

**Pannkaj Ghadiali**

Managing Partner

Membership Number: 031745

For and on behalf of

**P C GHADIALI AND CO LLP**

Chartered Accountants

Firm Regn. No.: 103132W

Sd/-

**Ramakant Chokhani**

Director

DIN: 00613176

Sd/-

**Rajesh Chokhani**

Director

DIN: 00238789

Place: Mumbai

Date: May 29, 2015

Place: Mumbai

Date: May 29, 2015

## Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
<b>A. Cash flow from operating activities</b>		
Net Profit before extraordinary items and tax	17,962,168	53,934,128
<u>Adjustments for:</u>		
Net (gain) / loss on sale of investments	-	-
Speculation Gain/Loss on Shares and Securities	-	-
Operating profit / (loss) before working capital changes	17,962,168	53,934,128
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(115,392,441)	203,105,559
Short-term loans and advances	(10,628)	914,871
Other current assets	(889,082)	(6,619,914)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Short Term Provisions	(5,422,127)	5,880,550
Trade payables	(771,575)	1,808,063
Other Current Liabilities	2,598,254	-
	(119,887,599)	205,089,129
Cash flow from extraordinary items		-
Cash generated from operations	(101,925,431)	259,023,257
Net income tax (paid) / refunds	(1,308,000)	(16,150,000)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(103,233,431)</b>	<b>242,873,257</b>
<b>B. Cash flow from investing activities</b>		
Income From Investment		
Purchase of long-term investments	106,519,295	(258,219,072)
- Others		
Proceeds from sale of long-term investments		
- Others		
Cash flow from extraordinary items		
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>106,519,295</b>	<b>(258,219,072)</b>
<b>C. Cash flow from financing activities</b>	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>		
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>3,285,864</b>	<b>(15,345,814)</b>
Cash and cash equivalents at the beginning of the year	734,965	16,080,779
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
<b>Cash and cash equivalents at the end of the year</b>	<b>4,020,829</b>	<b>734,965</b>
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>		
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	4,020,829	734,965
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)		
<b>Cash and cash equivalents at the end of the year</b>	<b>4,020,829</b>	<b>734,965</b>
Comprises:		
(a) Cash on hand	13,823	98,954
(b) Balances with banks		
(i) In current accounts	4,007,006	636,011
	4,020,829	734,965
<b>Notes:</b>		
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.		
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.		
<b>See accompanying notes forming part of the financial statements</b>		

In terms of our report attached.

For &amp; on behalf of Board of Directors

Sd/-  
**Pannkaj Ghadiali**  
 Managing Partner  
 Membership Number: 031745  
 For and on behalf of  
**P C GHADIALI AND CO LLP**  
 Chartered Accountants  
 Firm Regn. No.: 103132W

Sd/-  
**Ramakant Chokhani**  
 Director  
 DIN: 00613176

Sd/-  
**Rajesh Chokhani**  
 Director  
 DIN: 00238789

Place: Mumbai  
 Date: May 29, 2015

Place: Mumbai  
 Date: May 29, 2015

**Notes forming part of the financial statements for the year ended March 31, 2015****Note 1****1. SIGNIFICANT ACCOUNTING POLICIES:****A. Basis Of Preparation Of Financial Statements**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

**B. Use Of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

**C. Fixed Assets:**

Company has no Fixed Assets.

**D. Depreciation:**

As the Company do not have any Fixed Assets, the question of depreciation does not arise.

**E. Investments**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

**F. Taxation:**

Income Tax expense comprises of current tax and 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 realization/liabilities.

**G. Inventories:**

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

**H. Income:**

Interest on Loans and Other financial instruments are accounted for on accrual basis.

**I. Recognition of Expenditure:**

Revenue Expenditure is accounted for on accrual basis.

**J. Provisions, Contingent Liabilities And Contingent Assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognised nor disclosed in the financial statements.

As Per our Report attached of even date

For & on behalf of Board of Directors

Sd/-

**Pannkaj Ghadiali**

Managing Partner

Membership Number: 031745

For and on behalf of

**P C GHADIALI AND CO LLP**

Chartered Accountants

Firm Regn. No.: 103132W

Sd/-

**Ramakant Chokhani**

Director

DIN: 00613176

Sd/-

**Rajesh Chokhani**

Director

DIN: 00238789

Place: Mumbai

Date: May 29, 2015

Place: Mumbai

Date: May 29, 2015

## Notes forming part of the financial

## Note 2 Share capital

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹ 10 each with voting rights	6000000	60,000,000	6000000	60,000,000
(b) Issued Equity shares of ₹ 10 each with voting rights	4698500	46,985,000	4698500	46,985,000
(c) Subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	4698500	46,985,000	4698500	46,985,000
<b>Total</b>	<b>4698500</b>	<b>46,985,000</b>	<b>4698500</b>	<b>46,985,000</b>

Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Anand Ramakant Chokhani	327710	6.97%	327710	6.97%
Chokhani Custodian Services Private Limited	372000	7.92%	372000	7.92%
R R Chokhani Stock Brokers Private Limited	525600	11.19%	525600	11.19%
Ramakant R. Chokhani HUF	633600	13.49%	633600	13.49%
Neelam R. Chokhani	700000	14.90%	700000	14.90%
Ramakant R. Chokhani	908890	19.34%	908890	19.34%

## Note 3 Reserves and surplus

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Surplus in Statement of Profit and Loss		
Opening balance	228,533,717	190,749,588
Add: Profit for the year	16,654,168	37,784,128
<b>Total</b>	<b>245,187,885</b>	<b>228,533,717</b>

## Note 4 Short-term provisions

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Provision for Tax (Net of Advance Tax and TDS Rs. 12,27,507)	80,493	6,135,600
(b) Provision for Expenses incurred in fulfilling Corporate Social Responsibility	632,980	-
<b>Total</b>	<b>713,473</b>	<b>6,135,600</b>

## Note 5 Trade Payables

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Sundry Creditors	1,092,668	1,864,243
<b>Total</b>	<b>1,092,668</b>	<b>1,864,243</b>

## Note 6 Other Current Liabilities

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Mark to Market/Premium on Derivative Transactions	2,173,843	-
(b) Other Payables:		
Statutory Remittances:		
VAT Payable	419,526	-
TDS Payable	4,885	-
<b>Total</b>	<b>2,598,254</b>	<b>-</b>

## Notes forming part of the financial statements

## Note 7 Non-current investments

Particulars	Quantity	As at 31 March, 2015	Quantity	As at 31 March, 2014
		₹		₹
Investments (At cost):				
<b>(a) Investment in equity instruments</b>				
1 Equity Shares of Jayant Agro-Organics Limited of ₹5 each fully Paid up	450000	4,500	450000	4,500
2 Equity Shares of Adani Power Limited of ₹10 each fully Paid up	48000	2,219,674	-	-
3 Equity Shares of Tech Mahindra Limited of ₹5 each fully Paid up	14000	1	-	-
4 Equity Shares of Federal Bank Limited of ₹2 each fully Paid up	8000	1,029,357	-	-
5 Equity Shares of Jaiprakash Associates Limited of ₹2 each fully Paid up	8000	193,610	-	-
6 Equity Shares of Larsen & Toubro Limited of ₹2 each fully Paid up	2400	3,200	2400	3,200
7 Equity Shares of Icon Oil & Specialities Limited of ₹10 each fully Paid up	2000	1,900	2000	1,900
8 Equity Shares of Infosys Limited of ₹5 each fully Paid up	1000	1	-	-
9 Equity Shares of Sibar Software Services (India) Limited of ₹10 each fully Paid up	500	400	500	400
10 Equity Shares of UltraTech Cement Limited of ₹10 each fully Paid up	320	3,200	320	3,200
11 Equity Shares of Jain Irrigation Systems Limited of ₹2 each fully Paid up	250	500	250	500
12 Equity Shares of Surya Pharmaceutical Limited of ₹1 each fully Paid up	100	115	100	115
		<b>3,456,458</b>		<b>13,815</b>

## Notes forming part of the financial statements

## Note 7 Non-current investments

<b>(b) Investment in Mutual Fund</b>				
1 Kotak Banking & PSU Debt Fund	-	-	1160970.65	33,000,000
2 JM Arbitrage Advantage Fund - Bonus	814865.90	1	-	-
3 Reliance Fixed Horizon Fund - XXIV Series 17-367D	250000.00	2,500,000	250000.00	2,500,000
4 DSP BlackRock FMP - Series -117-12M	250000.00	2,500,000	250000.00	2,500,000
5 Birla Sunlife Cashplus	-	-	171724.69	34,241,487
6 UTI Short Term Plan - Growth	170572.78	2,500,000	170572.78	2,500,000
7 Sundaram Select Debt Short Term Plan-Bonus	-	-	168742.86	1
8 Kotak QIP Series 3	-	-	153411.88	2,500,000
9 JM Money Manager Fund Superplan - Bonus	-	-	136834.00	1
10 Reliance Floating Rate - STP	131997.87	2,500,000	131997.87	2,500,000
11 DWS Cash Opportunities Fund - Bonus	-	-	103889.95	1
12 Sundram Flexible Short Term Fund - Bonus	-	-	101983.29	1
13 SBI Mutual Fund	-	-	17837.71	34,837,791
14 UTI Mutual Fund	-	-	10307.38	21,059,031
15 Reliance Liquid Fund	-	-	3769.45	11,751,168
16 Reliance Arbitrage Fund	1779.92	25,000	-	-
17 HDFC Top 200 Fund	1490.47	510,000	-	-
18 Religare Arbitrage Fund	1484.39	25,000	-	-
19 ICICI Prudential Arbitrage Fund	1367.47	25,000	-	-
20 Kotak Arbitrage Fund	1271.35	25,000	-	-
21 Axis Equity Fund	560.29	10,000	-	-
22 HDFC Small and MidCap Fund	210.75	5,000	-	-
23 IDFC Premier Equity Fund	175.36	10,000	-	-
24 HDFC MidCap Opportunities Fund	171.60	5,000	-	-
25 Reliance Equity Opportunity Fund	155.06	10,000	-	-
26 ICICI Prudential Dynamic Fund	56.47	10,000	-	-
27 HDFC Equity Fund	22.84	10,000	-	-
28 Reliance Growth Fund	14.61	10,000	-	-
29 Franklin India Prima Fund	9.95	10,000	-	-
		<b>10,690,001</b>		<b>147,389,481</b>

## Notes forming part of the financial statements

## Note 7 Non-current investments

<b>(c) Investment in Tax Free Bonds</b>				
1 7.19% Power Finance Corporation	60	56,949	60	56,949
2 7.36% Power Finance Corporation	1800	1,694,659	1800	1,694,659
3 8.20% Power Finance Corporation	3606	3,531,130	3606	3,531,130
4 8.30% Power Finance Corporation	13993	13,903,115	13993	13,903,115
5 7.22% Rural Electrification Corporation Limited	130	126,620	130	126,620
6 7.38% Rural Electrification Corporation Limited	10	9,460	10	9,460
7 8.46% Rural Electrification Corporation Limited	100	99,500	100	99,500
8 8.12% Rural Electrification Corporation Limited	24280	24,156,435	24280	24,156,435
9 7.34% Housing and Urban Development Corporation Limited	681	659,404	681	659,404
10 8.51% Housing and Urban Development Corporation Limited	5000	5,000,000	5000	5,000,000
11 7.51% Housing and Urban Development Corporation Limited	2064	1,965,971	-	-
12 8.10% Housing and Urban Development Corporation Limited	8436	8,534,246	8436	2,730,758
13 8.20% Housing and Urban Development Corporation Limited	41071	41,237,818	41071	22,269,736
14 7.36% Indian Infrastructure Finance Company Limited	1000	974,501	1000	974,501
15 8.66% Indian Infrastructure Finance Company Limited	5000	5,000,000	5000	5,000,000
16 8.10% Indian Railway Finance Corporation Limited	4261	4,176,634	4261	4,176,634
17 8.63% Indian Railway Finance Corporation Limited	5000	5,000,000	5000	5,000,000
18 8.30% National Highway Authority of India	5500	5,578,026	5500	5,578,026
19 8.65% National Housing Bank	638	3,190,000	638	3,190,000
20 8.66% National Thermal Power Corporation Limited	12666	12,666,000	12666	12,666,000
		<b>137,560,468</b>		<b>110,822,926</b>
<b>Total</b>		<b>151,706,928</b>		<b>258,226,222</b>
Aggregate market value of listed and quoted investments				
Investment in Equity Instruments		46,081,253		3,798,742
Investment in Mutual Fund		20,602,284		157,936,561
Investment in Tax Free Bonds		152,918,919		112,033,326



## Notes forming part of the financial statements

## Note 8 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Equity Shares and Commodities	115,392,441	-
<b>Total</b>	<b>115,392,441</b>	<b>-</b>

## Note 9 Cash and cash equivalents

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Cash on hand	13,823	98,954
(b) Balances with banks		
In current accounts		
Axis Bank	3,997,006	626,011
HDFC Bank	10,000	10,000
<b>Total</b>	<b>4,020,829</b>	<b>734,965</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 <i>Cash Flow Statements</i> is	4,020,829	734,965

## Note 10 Short-term loans and advances

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
Balances with Government Authorities		
Unsecured, considered good		
(i) VAT credit receivable	-	2,462
(ii) Taxes Paid (Net of Provisions and taxes paid)		
For A.Y. 2014-15	14,400	-
For A.Y. 2013-14	58,647	59,957
For A.Y. 2012-13	1,158,834	1,158,834
(iii) For Tax on regular assessment		
For A.Y. 2007-08	250,000	250,000
For A.Y. 2008-09	250,000	250,000
(b) Inter-corporate deposits		
<b>Total</b>	<b>1,731,881</b>	<b>1,721,253</b>

## Note 11 Other current assets

Particulars	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
(a) Accruals		
(i) Interest accrued on Tax free Bond	3,489,053	3,329,011
(b) Others		
(i) Margin with Broker Account	9,970,844	-
(ii) Mark to Market/Premium on Derivative Transactions	-	19,507,109
(iii) Other Receivables	10,265,305	-
<b>Total</b>	<b>23,725,202</b>	<b>22,836,120</b>

## Notes forming part of the financial statements

## Note 12 Revenue from operations

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Income from Shares, Securities and Commodities	754,886	53,246,954
Interest Income:		
From Inter Corporate Deposits & Others	-	147,567
<b>Total</b>	<b>754,886</b>	<b>53,394,521</b>

## Note 13 Other income

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Income from Taxable Bonds	25,069	-
Income from Tax Free Bonds	11,130,392	4,880,774
Short Term Capital Gain on Sale of Units of Mutual Funds	4,031,098	3,436,851
Short Term Capital Gain on Shares	7,714,854	-
<b>Total</b>	<b>22,901,414</b>	<b>8,317,624</b>

## Note 14 Employee benefits expense

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Salaries and wages	1,803,256	1,708,050
Staff welfare expenses	80,864	95,441
<b>Total</b>	<b>1,884,120</b>	<b>1,803,491</b>

## Note 15 Other expenses

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Demat & Warehouse Charges	1,869,075	4,624,107
Expense made to earn Tax Free Income	30,000	24,000
Legal and Professional Fees	113,669	181,062
Listing and Exchange Fees	125,101	29,595
Miscellaneous Expenses	394,082	678,206
Office and General Expenses	174,294	381,377
Payment to Auditors [refer point (i)]	56,180	56,180
Provision for Expenses for Corporate Social Responsibility	632,980	-
STT On Investments	414,630	-
<b>Total</b>	<b>3,810,011</b>	<b>5,974,527</b>

## Notes:

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
Payments to the auditors comprises: As Auditors - Statutory Audit	56,180	56,180
<b>Total</b>	<b>56,180</b>	<b>56,180</b>

**Notes forming part of the financial statements****Note 16 Segment Reporting**

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

**Note 17 Earning Per Share**

<b>Computation for the basic earning per share of ₹ 10 each.</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
(a) Net profit available for Equity Shareholders	16,654,168	37,784,128
(b) Number of Equity Shares for basic earning per share	4698500	4698500
(c) Basic Earning per Share	3.54	8.04

**Note 18**

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

**Note 19 - Deferred Tax Asset/Liability**

There are no Deferred Tax Asset or Liability in current and previous year.

**Note 20 - Related Party Disclosures**

<b>Name of the Party</b>	<b>Relationship</b>
Ramakant R. Chokhani	Key Management Personnel
Manish Chandrahas Parikh	Key Management Personnel (CFO)

**Transaction during the year**

<b>Particulars</b>	<b>For the year ended 31 March, 2015</b>	<b>For the year ended 31 March, 2014</b>
Managerial Remuneration to Manish Chandrahas Parikh for the month of March, 2015	26,000	-

**Note 21**

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

As Per our Report attached of even date

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

Sd/-

**Pannkaj Ghadiali**

Partner

Membership Number: 031745

For and on behalf of

**P C GHADIALI AND CO LLP**

Chartered Accountants

Firm Regn. No.: 103132W

Sd/-

**Ramakant Chokhani**

Director

DIN: 00613176

Sd/-

**Rajesh Chokhani**

Director

DIN: 00238789

Place: Mumbai

Date: May 29, 2015

Place: Mumbai

Date: May 29, 2015

## CHOKHANI SECURITIES LIMITED

CIN - L 67120MH1993PLC070739

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

Tel.: (91-22) 22007772/73 Fax: (91-22) 22007722

### ATTENDANCE SLIP

(To be presented at the entrance)

**22<sup>nd</sup> ANNUAL GENERAL MEETING ON FRIDAY, JULY 31, 2015 AT 11.00 A.M,**

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

Folio No. \_\_\_\_\_ DP No. \_\_\_\_\_ Clinet ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.

## CHOKHANI SECURITIES LIMITED

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Tel.: (91-22) 22007772/73 Fax: (91-22) 22007722

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No. / Client ID No. : .....

I / We being the member(s) of .....Shares of Chokhani Securities Limited, hereby appoint

1. Name:..... E-mail Id:.....

Address:.....

..... Signature:.....

of failing him

2. Name:..... E-mail Id:.....

Address:.....

..... Signature:.....

of failing him

3. Name:..... E-mail Id:.....

Address:.....

..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Friday, July 31, 2015 at 11.00 a.m. at 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below :

1. To receive, consider and adopt, the Audited Financial Statements of the Company for the financial year ended March 31, 2015, together with the Reports of the Board of Directors and the Auditors thereon;
2. Re-appointment of Mr. Ramakant R. Chokhani as a Director of the Company.
3. Appointment of Auditors.
4. Appointment of Ms. Jyoti A. Jain as a Director of the Company.
5. Appointment of Mr. Rajesh Chokhani as an Independent Director of the Company.

Signed this .....day of.....2015

Signature of shareholder.....Signature of Proxyholder(s).....

Affix  
Revenue  
Stamp of  
Rs. 1.

- NOTES: 1. **This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at 5A-Maker Bhavan No.2, Sir Vithaldas Thakersey Marg, New Marine Lines, Churchgate, Mumbai 400 020, not less than 48 hours before the commencement of the Meeting.**
2. Those Members who have multiple folios with different jointholders may use copies of his Attendance slip/Proxy.

BOOK - POST

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

**CHOKHANI SECURITIES LIMITED**

CIN - L 67120MH1993PLC070739

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