

CHOKSH

CHOKSH INFOTECH LIMITED

**10th
ANNUAL
REPORT
2003-2004**

CHOKSH**CHOKSH INFOTECH LIMITED**

Board of Directors : Shri. Bharat C. Sutaria Chairman
: Shri. Vijay S. Chokshi Managing Director
: Shri. Darshan Majmudar Director

Auditors : M/s S. P. Merchant Associates Chartered Accountants

Bankers : The Lakshmi Vilas Bank Ltd.
Central Bank of India
Canara Bank

Registered Office : 106, Mhada Shopping Comp.,
New Link Road, Oshiwara,
Next to Oshiwara Police Strn.,
Jogeshwari (West),
Mumbai – 400 102.


TENTH ANNUAL GENERAL MEETING :

DATE : THURSDAY, SEPTEMBER 30, 2004.

TIME : 11:00 A.M.

VENUE : 106, Mhada Shopping Comp.,
New Link Road, Oshiwara,
Next to Oshiwara Police Station,
Jogeshwari (West),
Mumbai – 400 102..

CHOKSH**CHOKSH INFOTECH LIMITED****NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of the Shareholders of CHOKSH INFOTECH LIMITED, will be held at Company's Registered Office 106, Mhada Shopping Complex, New Link Road, Oshiwara, Next to Oshiwara Police Station, Jogeshwari (West), Mumbai-400 102, on Thursday 30th September 2004, at 11:00 a.m. to transact with or without modification(s) the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.03.2004 and Profit & Loss Account of the company for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Director in Place of Shri. Darshan Majmudar, who retires at the ensuing Annual General Meeting 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, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 198, 269, 309, 310, 311 and other applicable provisions if any, of the Companies Act, 1956, read with Schedule XIII thereto, as amended, the Company hereby approves the re-appointment of Shri. Vijay S. Chokshi, Managing Director of the Company for a period of 5 years with effect from 1st December 2004 upon the terms and condition as set out in the draft agreement submitted to this meeting and signed by the Chairman thereof for the purpose of identification which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointed and / or Agreement in such manner as may be agreed to between the Board of Directors and Shri. Vijay S. Chokshi."

"RESOLVED FURTHER THAT Shri. Vijay S. Chokshi, shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps expedient to give effect to this resolution."

Registered Office:

106, Mhada Shopping Comp., New Link Rd.,
Oshiwara, Jogeshwari (West),
Mumbai - 400 102.

Dated: - September 7, 2004.

For and On Behalf of the Board.

Vijay S. Chokshi
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books will remain closed from 28th September 2004 to 30th September 2004. (Both days inclusive).
3. Members are requested to notify the change of address, if any to the Company's Registered Office, 106, Mhada Shopping Complex, Oshiwara, Jogeshwari (West), Mumbai 400 102.
4. For the convenience of Members and for proper conduct of the meeting, entry to the place of Meeting will be regulated by attendance card, which is attached herewith.
5. Members are requested to kindly bring their copies of Annual Report to the Meeting.

CHOKSH**CHOKSH INFOTECH LIMITED****DIRECTORS REPORT**

Your Directors have pleasure in presenting their Tenth Annual Report and Audited Accounts of the Company for the year ended March 31, 2004.

FINANCIAL RESULTS :

	(Rs. In lacs) 2003-04	(Rs. In lacs) 2002-03
Income from operations (Including Interest & Dividend Income)	14.29	7.10
Total Expenditure	15.51	12.10
Depreciation	7.28	7.06
Provision for Taxation	Nil	Nil
Profit / (Loss) available for appropriation	(8.50)	(12.06)
Surplus / (Deficit) carried to Balance Sheet	(8.50)	(12.06)

DIVIDEND :

In view of the incurred losses, your directors do not recommend any dividend for the accounting year under review.

FUTURE PROSPECTS :

Your Company has been able to withstand the depression and was able to sustain mainly due to cost cutting measures adopted by the Management. Your company has obtained connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) electronic connectivity since as per the SEBI Guidelines it is compulsory to have physical & electronic connectivity at single point. We therefore see that lot of public limited companies would outsource their total Share Accounting. We expect number of companies to whom we cater would increase, resulting in increase in revenue for your company. The company is also looking out for opportunities in BPO segment mainly related to Accounting Functions, for which your company has developed capabilities. The company will embark on expansion based on assured business.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :

During the year under review, the company's activities are in nature of service industry. Therefore the particulars of conservation of energy, technology absorption, and foreign exchange earnings and outgo are not applicable.

DEPOSITS :

During the year under review the company has not accepted any Fixed Deposits.

DIRECTORS :

Shri. Darshan Majmudar, director of the Company retires by rotation at the ensuing Annual General Meeting, and being eligible offer himself for re-appointment.

CHOKSH**CHOKSH INFOTECH LIMITED****DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 217 of the Companies Act, 1956, the Directors hereby confirm that:

1. In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. The Directors had selected such accounting policies and applied them consistently and made judgements 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;
3. The Directors had taken proper and sufficient care 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;
4. The Directors had prepared the annual accounts on a going concern basis.

AUDITORS REPORT :

The notes to the account referred to in the Auditors Report are self-explanatory and therefore do not call for any further explanation.

PARTICULARS OF EMPLOYEES:

There are no employees falling within the purview of section 217 (2A) of the Companies Act, 1956.

AUDITORS :

M/s. S. P. Merchant Associates, Chartered Accountants, the auditors of the company hold office until the conclusion of the ensuing Annual General Meeting and the Board recommends their re-appointment.

APPRECIATION :

Your Directors wish to place on record their appreciation of the wholehearted and continued support extended by its bankers, its clients, its employees and its Investors.

REPORT ON CORPORATE GOVERNANCE :

In terms Clause 49 of the Listing Agreement with Stock Exchanges, the Board is in the opinion that Report on Corporate Governance is not applicable to the Company, since Company's present paid up capital is below 3.00 crores as on 31st March, 2004.

FOR AND ON BEHALF OF THE BOARD

Place: Mumbai
Date: September 7, 2004.

Bharat C. Sutarla
Chairman

CHOKSH**CHOKSH INFOTECH LIMITED****REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

1. We have audited the attached Balance Sheet of CHOKSH INFOTECH LIMITED, as at 31st March 2004 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 and also gives respectively, *subject to paragraphs 3.1 to 3.2 below alongwith the related notes to the financial statements referred to therein, the impact whereof on the assets, loss for the year reserves and surplus is not ascertainable a true and fair view*, in conformity with the accounting principles generally accepted in India of the state of the Company's affairs as at March 31, 2004 and the loss for the year ended on that date and the cash flows for the year ended on that date.
 - 3.1 *Note No. 8 regarding non-provision in the accounts for liability towards gratuity.*
 - 3.2 *Note No. 9 regarding non-observance of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.*
4. We have obtained all the information and explanation, which, to the best of our knowledge and belief were necessary for the purpose of our audit. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and the above mentioned Balance Sheet, Profit and Loss Account and Cash Flow Statement are in agreement therewith.
5. In our opinion, these financial statements dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in section 211(3C) of the Companies Act, 1956.
6. On the basis of written representations received from the Directors of the Company as on March 31, 2004 and taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on March 31, 2004 from being appointed as a director in terms clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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7. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:
- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b. The management has at the year-end physically verified all the fixed assets and in our opinion, the frequency of verification of fixed assets is at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.
 - c. No substantial part of the fixed assets have been disposed off by the Company during the year.
 - ii.
 - a. In our opinion, the management at reasonable intervals has physically verified the inventory of the Company.
 - b. In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventory and discrepancies noticed on such physical verification between stock and book records were not material.
 - iii. The Company has not taken any unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 save and except an amount of Rs.658985/- by way of temporary advance repayable on demand from a director of the Company which is interest free.
 - iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and inventories and for the sale of shares. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
 - v.
 - a. According to the information and explanations given to us, the transactions that needed to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. During the year, there have been no transactions in excess of Rs.5 lacs in respect of any party. Accordingly, sub-clause (b) of clause (v) is not applicable.

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- vi. The Company has not accepted any deposits from the public and consequently, the provisions of sections 58A and 58AA of the Companies Act, 1956 as well as the directives of the Reserve Bank of India are not applicable.
- vii. In our opinion, the Company has an adequate in-house internal audit system commensurate with the size and nature of its business.
- viii. We were informed that the Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.
- ix.
 - a. There are delays during the year in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees State Insurance, Profession tax and income tax but which have been regularized at the year end. There are no undisputed statutory dues outstanding as at 31st March, 2004 for a period of more than six months from the date they became payable except Rs.4200/- pertaining to TDS and which has been paid in the subsequent year.
 - b. According to the information and explanations given to us There are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- x. In our opinion, the accumulated losses of the Company have not exceeded fifty per cent of its net worth as at the end of the year. The Company has not incurred cash losses in the current year. However, it has incurred cash losses in the financial year immediately preceding the current year. However, the effect of unquantified qualifications on the accumulated losses, cash losses and net worth has not been taken into consideration for the purpose of this clause.
- xi. Since the Company has no dues payable to a financial institution or bank or debenture holder, clause (xi) is not applicable.
- xii. Based on our examination of documents and records produced before us, we are of the opinion, that no loans or advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society and therefore, the provisions of clause 4(xiii) are not applicable.
- xiv. Based on our examination of the records pertaining to trading in shares, securities and other investments, we are of the opinion that:
 - a. proper records have been maintained of the transactions and contracts pertaining to shares, securities, debentures and other investments;
 - b. timely entries have been made of the transactions in the said records; and the investments are held by the Company in its own name.