

CHOKSH

CHOKSH INFOTECH LIMITED

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For Choksh Infotech Limited

Chokshi Dap

Director

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**11th
ANNUAL
REPORT
2004-2005**

CHOKSH**CHOKSH INFOTECH LIMITED**

Board of Directors : Shri. Bharat C. Sutaria Chairman (NED I)
 : Shri. Vijay S. Chokshi Managing Director
 : Shri. Darshan Majmudar Director (NED I)
 NED-I : Non Executive Director Independent

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 Commercial Complex,
 New Link Road, Oshiwara,
 Next to Oshiwara Police Strn.,
 Jogeshwari (West),
Mumbai 400 102.

ELEVENTH ANNUAL GENERAL MEETING :

DATE : SATURDAY, DECEMBER 31, 2005.

TIME : 10:00 A.M.

VENUE : 106, Mhada Commercial Complex,
 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 Eleventh Annual General Meeting of the Shareholders of CHOKSH INFOTECH LIMITED, will be held at Company's Registered Office 106, Mhada Commercial Complex, New Link Road, Oshiwara, Next to Oshiwara Police Station, Jogeshwari (West), Mumbai-400 102, on Saturday 31st December 2005, at 10:00 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 30.06.2005 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. Bharat C. Sutaria, who retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
- 3) To appoint Auditors and fix their remuneration.

Registered Office:

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

Dated: - November 30, 2005

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 29th December 2005 to 31st December 2005. (Both days inclusive).
- 3) Members are requested to notify the change of address, if any to the Company's Registered Office, 106, Mhada Commercial 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 Eleventh Annual Report and Audited accounts of the Company for the year ended June 30, 2005 (consisting 15 months).

FINANCIAL RESULTS :

	(Rupees in lacs)	
	2004-05 (15 months)	2003-04 (12 months)
Income from operations (Including Interest & Dividend Income)	19.59	14.29
Total Expenditure	19.42	15.51
Depreciation	5.75	7.28
Provision for Taxation	Nil	Nil
Profit / (Loss) available for appropriation	(5.58)	(8.50)
Surplus / (Deficit) carried to Balance Sheet	(5.58)	(8.50)

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 earning cash profit since last 2 years and the Company has earned profit in the last 2 quarters (i.e. June 2005 & September 2005). This has been possible since Company has started exploring business opportunities abroad. The Company is fully geared up to meet the demand in the BPO section mainly into non-voice area. The Company is targeting Medical Billing, Financial Accounting & related international projects. The Company is ready to commit resources only on agreement for business on long-term basis, with an assured return. The Company has not been able to secure business in Registrar activities due to the competition & monopolistic environment prevailing in the industry. However, we have stepped up our efforts with various merchant bankers and are expecting the business to grow. We hope that our Company will have good growth prospects in coming 2 to 3 years since lot of projects are being outsourced to India and India itself is growing in all aspects of business cycle.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE EARNING AND OUTGO :

During the year under review, the company's foreign earnings were Rs. 1,30,650/- actual realized (Previous year Nil.) and outgo were Nil (Previous year Nil).

DEPOSITS:

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

CHOKSH**CHOKSH INFOTECH LIMITED****DIRECTORS :**

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

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 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;
- 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 of 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 30th June, 2005.

For and On Behalf of the Board

Place : Mumbai

Date : November 30, 2005.

Bharat C. Sutaria
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 30th June 2005 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 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 June 30, 2005 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. 9 regarding non-provision in the accounts for liability towards gratuity.*
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 and Profit and Loss Account and Cash Flow Statement are in agreement therewith.
5. In our opinion, these financial statements 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 June 30, 2005 and taken on record by the Board of Directors of the Company,

CHOKSH**CHOKSH INFOTECH LIMITED**

none of the directors of the Company is disqualified as on June 30, 2005 from being appointed as a director in terms clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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 loans, secured or unsecured, 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. 8,75,577/- 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