

20th

Annual Report

1999-2000

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CHOKHANI
INTERNATIONAL LIMITED

CHOKHANI INTERNATIONAL LIMITED



BOARD OF DIRECTORS

Mr. Jagdish Chokhani
Mr. K.M. Jayarao
Mr. K.P. Taimni
Mr. R. Visveswaran
Mr. R. Sampath
Mr. Lai Ching Chuan
Mr. A.C. Taiwani

Chairman & Managing Director
(ICICI Nominee)
(ICICI Nominee)
(ICICI Nominee)
(ICICI Nominee)
(Keppel Nominee)

COMPANY SECRETARY

Mr. B.K. Dhingra

BANKERS

Indian Bank
Canara Bank
Oriental Bank of Commerce

AUDITORS

M/s. Doogar & Associates
Chartered Accountants,
13, Community Centre, East of Kailash,
New Delhi-110 065

REGISTERED OFFICE

D-3/2, Okhla Industrial Area, Phase-II,
New Delhi-110 020

MADRAS OFFICE & SHIPYARD

CHOKHANI SHIPYARD
Near Container Terminal,
Madras Port Trust, Madras-600 001

REGISTRARS & SHARE TRANSFER AGENTS

M/s MCS Limited,
Shri Venkatesh Bhavan, 212-A, Shahpur Jat
Behind Panchsheel Club,
New Delhi-110 049.

CHOKHANI INTERNATIONAL LIMITED



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of CHOKHANI INTERNATIONAL LIMITED will be held at Convention Centre Jamia Hamdard (Hamdard University), Hamdard Nagar, New Delhi-110062 on Friday, 29th September, 2000 at 10.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit & Loss Account for the financial year ended as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr K M Jayarao, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr R Visveswaran who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr Lai Ching Chuan who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit to pass with or without modification, the following resolution as an ordinary resolution:
"RESOLVED THAT, Mr Suresh Kumar Goenka who was appointed as Additional Director of the company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the company, liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a special resolution:
"RESOLVED THAT M/s. Doogar & Associates, Chartered Accountants, the retiring Auditors, be and are hereby re-appointed as the Auditors of the company to hold office from the conclusion of the next Annual General Meeting of the company on a remuneration to be fixed by the Board of Directors of the company."

By order of the Board
for CHOKHANI INTERNATIONAL LIMITED

Place : New Delhi
Date : 14.08.2000

Jagdish Chokhani
Managing Director

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the Proxy need not be a member. In order to be effective, the proxy must reach 48 hours before the commencement of the Annual General Meeting.
2. Members/Proxies should bring the attendance slip sent herewith duly filed up for attending the meeting.
3. The Register of Members and Shares Transfer Books of the company will be closed from 27th September, 2000 to 29 September, 2000 (both days inclusive). Members are requested to communicate change of address if any.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr Suresh Kumar Goenka was appointed as a Additional Director of the company with effect from 14th August, 2000 pursuant to Section 260 of the Companies Act, 1956, he will hold office of Director upto the date of ensuing Annual General Meeting. The company has received a notice in writing from a member proposing the candidature of Mr Suresh Kumar Goenka for the office of Director under the provisions of Section 257 of the Companies Act, 1956. In the opinion of the Director it would be in the interest of the company that Mr Suresh Kumar Goenka be appointed as a Director of the company.

ITEM NO. 6

Section 224A of the Companies Act, 1956, inter alia, provides that in the case of a Company in which not less than 25% of the subscribed share capital is held either singly or in any combination by Public Financial Institution, Government Companies etc., appointment or re-appointment at each Annual General Meeting of an Auditor or Auditors shall be made by a Special Resolution. The subscribed share capital of the Company held collectively by public Financial Institutions and Nationalised Banks is more than 25% thereof, it is, therefore, necessary that the re-appointment of Auditors be made by a Special Resolution. The Resolution is recommended for the approval of the Members.

None of the directors of the Company is concerned or interested in the Resolution.

By order of the Board
for CHOKHANI INTERNATIONAL LIMITED

Place : New Delhi
Date : 14.08.2000

Jagdish Chokhani
Managing Director

CHOKHANI INTERNATIONAL LIMITED



DIRECTOR'S REPORT

The Directors present the 20th Annual Report and the audited Accounts for the financial year ended 31st March, 2000.

	(Rs in Lakhs)	
FINANCIAL PERFORMANCE	31.3.2000	31.3.1999
Ship repair income	NIL	531.49
Increase in work in progress	NIL	NIL
	NIL	531.49
Less: Credit notes relating to earlier years	NIL	347.53
Ship Repair Income Net	NIL	183.96
Excess Provision written back	0.14	83.15
Other Income	11.85	4.89
Total Income	11.99	272.00
Expenditure before interest, Depreciation & Tax	210.29	850.52
Interest	NIL	309.92
Gross Profit/(Loss)	(198.30)	(888.44)
Depreciation	338.33	342.12
Profit/(Loss) before tax	(536.63)	(1230.56)
Provision for Tax	NIL	8.85
Profit/(Loss) after tax	(536.63)	(1239.41)

OPERATIONS :

As reported in the preceding year, the lead Institution approached the Mumbai High Court and was successful in obtaining the appointment of Receiver who has taken possession of the company's assets. Further, the case has been transferred from Mumbai High Court to Debt Recovery Tribunal at Mumbai for disposal. Debt Recovery Tribunal, Mumbai has ordered the Court Receiver, High Court Mumbai to put the property i.e. Dry Docks located at Chennai port, for auction sale and sale proceeds to be deposited in the office of the Court Receiver, High Court, Mumbai. The operations were remain suspended during the year.

DIVIDEND :

In view of the loss, your Directors are unable to recommend payment of dividend.

FIXED DEPOSITS :

Since your Company has not accepted any deposits from the public, no information is required to be furnished in respect of outstanding deposits.

BOARD OF DIRECTORS :

During the year under review, Mr Atul Garg has resigned as Director of the company. The Board place on the record its deep appreciation of the valuable services rendered by Mr Atul Garg during his tenure as member of the Board of Directors of our company.

Mr Suresh Kumar Goenka was co-opted as additional Director of the company to hold office under Section 260 of the Companies, Act till the date of ensuing Annual General Meeting.

The Board recommends his appointment as Director.

RETIREMENT OF DIRECTORS :

Mr. K M Jayarao, Mr. R Visveswaran and Mr. Lai Ching Chuan are to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

AUDITORS :

M/s. Doogar & Associates, Chartered Accountants retire as Auditors of the Company at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment. The Company has received a certificate from the Auditors to the effect that their appointment if made, would be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

AUDITORS' REPORT :

Auditors observation are self explanatory and are suitably explained in the notes to the accounts.

LISTING OF SECURITIES :

The securities of the company are listed on the following stock exchanges:

1. The Delhi Stock Exchange Association Ltd.
2. The Stock Exchange Mumbai.

The company is taking steps to delist the shares at Calcutta Stock Exchange Association Ltd., Chennai Stock Exchange and The Stock Exchange Ahmedabad.

SHARE TRANSFER SYSTEM :

MCS Ltd. is the Registrar & Share Transfer Agent of the company. Transfer of shares are approved by the Share Transfer Committee of Directors which meets at frequent intervals.

PARTICULARS OF EMPLOYEES :

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, there was no employee who was in receipt of remuneration in excess of provisions of Section 217(2) of the Companies Act.

PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, is set out in the annexure and forms a part of this Report.

ACKNOWLEDGMENT :

Your Directors wish to place on record, their deep sense of appreciation for devoted services of the Executives, Staff and workers of the Company.

On behalf of the Board of Directors

Place : New Delhi
Date : 14.08.2000

JAGDISH CHOKHANI
MANAGING DIRECTOR

**ANNEXURE - TO DIRECTOR'S REPORT**

1. Particulars under Section 217(1) (e) read with the companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 for the year ended on 31st March, 2000.

A. Conservation of Energy

The operation of the company remain suspended during the year. Hence, company could not take any reasons to conserve the energy.

B. Technology absorption, adoption & innovation

In view of (A) above, this is not applicable.

C. Foreign Exchange Earnings & outgo

Earnings : NIL
Outgo : NIL

2. Information regarding Technology imported during the last five years:

Technology imported	Year of import	Has technology been fully absorbed?	If technology not fully absorbed the reasons thereof
From Keppel Corpn. Ltd., Singapore	1988	Yes	N.A.

On Behalf of the Board of Directors

Place: New Delhi
Date : 14.08.2000

JAGDISH CHOKHANI
MANAGING DIRECTOR



CHOKHANI INTERNATIONAL LIMITED



AUDITORS' REPORT

To the Members of CHOKHANI INTERNATIONAL LIMITED

We have audited the Balance Sheet of M/s.Chokhani International Limited as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and report that:

- 1) As required by the Manufacturing and other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of section 227 (4-A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above.
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b) Proper Books of Accounts as required by Law have been kept by the Company so far as it appears from our examination of the Books. Certain records pertaining to stores, purchases, gate inward and outward records and time office records could not be verified by us being in possession of the Receiver appointed by the High Court, Mumbai.
 - c) The Balance Sheet and Profit and Loss Account referred to in this Report are in agreement with the Books of Accounts.
 - d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
 - e) In our opinion and to the best of our information and according to the explanation given to us subject to non-provision of certain sub-contractors bills (Refer Note No. 7), site lease rent of Rs. 170.40 lacs, additional open space rent Rs. 1.32 lacs, custom bond officer's salary Rs. 0.92 lacs, interest on term loans Rs. 826.68 lacs, penal interest & liquidated damages Rs. 931.77 lacs, electricity & power Rs. 2.50 lacs (approximately), (for details Refer Note No. 14(i) to (vii)) and their consequent impact on the loss for the year. Further we are unable to comment at this stage as regards to certain pending confirmation/reconciliation, resulting in the balance as per books of accounts only. (Refer Note No. 12) the said statement of Accounts read together with the Accounting Policies and other notes thereon, given in schedule 16 of "Notes on Accounts"

give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2000 and
- ii) in the case of Profit and Loss Account of the Loss for the year ended on that date.

for DOOGAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Place : New Delhi

Date : 14.08.2000

MUKESH GOYAL

PARTNER

ANNEXURE TO THE AUDITORS' REPORT

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. However, these records are under updation. Fixed Assets have not been physically verified by the Management during the year being in the possession of the Receiver. Therefore, we are unable to comment on discrepancies, if any.
- ii) The Company has not revalued any Fixed Assets during the year.
- iii) The Stock of Stores, Spare parts and materials have not been physically verified by the management during the year as there were in the possession of the Receiver. Therefore we are unable to comment on discrepancies, if any. Being a service industry, there is no stock of finished goods.
- iv) In the absence of physical verification no comments are being offered on the procedure of physical verification. The question of adjustment on account of discrepancies in the books of account does not arise.
- v) On the basis of our examination of stocks records, we are satisfied that the valuation of the stock of stores, spare parts and materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
- vi) The Company has not taken any loans from parties listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub-section (6) of Section 370 of the Companies Act, 1956, provisions of the Section are not applicable to the Company on or after 31st October, 1998.
- vii) The Company has not granted loans to companies, firms and other parties listed in the register maintained under Section 301 of the Companies