

35th
Annual Report
2014 - 2015



CHOKHANI
INTERNATIONAL LIMITED

Board and Committee's of Chokhani International Limited

The Board of Directors

Jagdish Prasad Chokhani
Chairman and Managing Director

Aditya Tulshan
Independent Director

Lakshmi Devi Chokhani
Independent Director

Rekha Suresh Goenka
Non Executive, Women Director

Executive Officers

Ram Kumar Tiwari
Chief Financial Officer

Debarati Goswami
Company Secretary

Board Committees

Audit Committee

Aditya Tulshan
Chairperson

Jagdish Prasad Chokhani
Member

Lakshmi Devi Chokhani
Member

Nomination and Remuneration Committee

Aditya Tulshan
Chairperson

Lakshmi Devi Chokhani
Member

Rekha Suresh Goenka
Member

Stakeholder's Relationship Committee

Aditya Tulshan
Chairperson

Jagdish Prasad Chokhani
Member

Lakshmi Devi Chokhani
Member

Operational Decision Making Committee

Jagdish Prasad Chokhani
Chairperson

Aditya Tulshan
Member

Lakshmi Devi Chokhani
Member

Risk Management Committee

Jagdish Prasad Chokhani
Chairperson

Aditya Tulshan
Member

BANKERS

Indian Bank

AUDITORS

M/s. B. K. Shroff & Company
Chartered Accountants,
3/7-B, Asaf Ali Road, Plot No. 4, 1st Floor,
New Delhi-110 002

REGISTERED OFFICE

Z-20, 1st Floor, Okhla Industrial Area, Phase-II,
New Delhi-110 020

REGISTRARS & SHARE TRANSFER AGENTS

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor,
99, Madangir, Near Dada Harsukh Das Mandir
New Delhi-110 062



BOARD REPORT

To the Members,

The Directors are pleased to present their 35th Report along with the audited accounts of the Company for the year ended 31st March, 2015.

FINANCIAL PERFORMANCE

Particulars	(Rs in Lakhs)	
	2014-15	2013-14
Operational Income	-	-
Other Income	8,40,376	38,09,722
Total Revenue	8,40,376	38,09,722
Profit / (Loss) before Tax	(57,40,134)	(3,56,065)
Profit / (Loss) after Tax	(57,40,134)	(3,56,065)
General Reserves	(56,29,81,506)	(55,72,30,623)

Performance Overview

During the year under review, there were no operations. The lead Institution i.e. ICICI Bank Ltd., IDBI Ltd. and IFCI have filed a suit before the Debt Recovery Tribunal (DRT) Madras and ICICI have also filed a suit before the Debt Recovery Tribunal (DRT), Mumbai for recovery of their dues.

ICICI had also sued the company before the Mumbai high court and an official receiver has been appointed who has taken the possession of the suit securities on 14.08.1998. Mumbai high court transferred this case to DRT Mumbai. On request of ICICI, DRT Mumbai has appointed a private receiver in place of court receiver. As per direction of DRT Mumbai, ICICI /Receiver inserted an advertisement in the newspaper on 27.11.2002 for sale / disposal of assets of the company viz. floating dry docks, Machineries, furniture and fixtures, vehicles stores and spares etc. on as is where is basis and as is what is basis. These assets as intimated by DRT receiver have since been disposed off.

Pending decision in the matter of company's claim on ICICI (Lead Bank) amounting to Rs.210 crores, on account of the institution company has suffered loss which resulted in a total loss of company's most valuable assets which had a value more than sufficient to meet the claims of all secured and/or unsecured creditors. By failing to carry out timely maintenance despite reminders from the Court

Receiver, High Court, Mumbai and others the financial institutions allowed dissipation and ultimate destruction of the two dry docks and other imported & indigenous machineries. Therefore the cost of fixed assets (net of relevant revaluation reserve) less depreciation provided till the date of disposal and value of inventories aggregating to Rs.48.81 crores as intimated by DRT Receiver has been deducted from secured loans. In view of above, the management is of the considered opinion that no amount whatsoever is due and payable to the Financial Institutions.

However in the financial year 2015-16, on 30th June 2015, Debt Recovery Tribunal, Mumbai has allowed a claim of Rs. 18,81,15,054/- to ICICI Bank Ltd. with subsequent simple interest @12% per annum from 1.04.1997 till realization. The Counter Claim of the company amounting to Rs. 210 Crores has been rejected by the DRT. Your Company has decided to file an appeal against this order before Debt Recovery Appellate Tribunal, Mumbai.

Subsidiaries and Associates

Pursuant to section 129 and other applicable provisions, if any, of the Companies Act, 2013, a separate statement containing salient features of financial statements of all subsidiaries and associates of your Company forms part of the financial statements as the same section is not applicable to the Company as Company doesn't have any Subsidiaries or Associates Company.

Material Subsidiaries

Pursuant to Clause 49(V)(D) of the Listing Agreement, the Company is required to formulate a policy for determining material subsidiaries but the same Clause is not applicable on Company as Company doesn't have any Subsidiary Company.

Management Discussion and Analysis

A separate chapter on Management Discussion and Analysis is given in this Annual Report.

Dividend

Considering the facts and prevailing circumstances, your directors have not recommended any dividend for the financial year 2014-15.

Reserves

In the above disclosure, General reserves are negative and equity has been eroded.

**Public Deposits**

During the F.Y. 2014-15, your Company has not accepted any deposits within the meaning of Section 73 and 76 Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and as such no amount of principal or interest was outstanding as on date of the Balance Sheet.

Corporate Governance A separate report on Corporate Governance along with the General Shareholders Information, as prescribed under the Listing Agreement, is annexed as a part of the Annual Report along with the Auditor's Certificate on Corporate Governance.

Extract of Annual Return

The details forming part of the extract of the Annual Return in the Form MGT-9, in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as "Annexure A" to this report.

Particulars of loans, guarantees or investments

The Net Worth of the Company is negative and company has not given any loans or guarantee or investment under the provision of section 186 of the Companies Act, 2013.

Meetings of the Board and Committees

The details in respect to the number of Board and Committees meetings of your Company are set out in the Corporate Governance Report which forms part of this Report.

Audit Committee

Pursuant to the provisions of section 177 of Companies Act, 2013 your Company has re-constituted its Audit Committee consisting of three Independent Directors - Mr. Aditya Tulshan as Chairman, Mr. Jagdish Prasad Chokhani and Mrs. Lakshmi Devi Chokhani as members.

Board of Directors of the Company has duly accepted the recommendations of Audit Committee during financial year 2014-15.

Vigil Mechanism-

The Company has established a Vigil Mechanism/ Whistle Blower Policy. The purpose of this mechanism is to provide a framework to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code

of conduct or ethics policy and provide adequate safeguards against victimization of the person availing this mechanism. This Policy has been appropriately communicated within the organisation and is effectively operational. The policy provides mechanism whereby whistle blower may send protected disclosures directly to the Chairman of Audit Committee or Ethics Officer.

Risk Management

As per the requirement of Clause 49 of Listing Agreement, the Company has developed and implemented a Risk Management Policy to identify and mitigate key risks that may threaten the existence of the Company.

However it is to be noted that company's ship repairing business has been suspended since June 1998 and it has many pending litigation with govt./autonomous bodies and financial institution

Internal Financial Controls

Your Company has put in place adequate internal financial controls with reference to financial statements. Such system has been designed to provide for:

"Adoption of accounting policies in line with applicable accounting standards.

"Proper recording of transactions with internal checks and reporting mechanism.

"Compliance with applicable statutes, policies, management policies and procedures.

The management of your Company periodically reviews the financial performance against the approved plans across various parameters and takes necessary action, wherever necessary. However trading of the Company has been suspended since 1998 but the Company has to incur continuous expenses in the form of litigation and other miscellaneous expenses.

Declaration of Independence

Your Company has received declaration from all the Independent Directors confirming that they meet the criteria of Independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules made thereunder as well as Clause 49 of the Listing Agreement.

The details of the familiarization programme for the Independent Directors have been uploaded on the



website of the Company and may be accessed through the link: http://www.cilsd.in/CIL/Policy/Familiarisation_Programme%20for%20Independent%20Directors.pdf

Directors and Key Managerial Personnel

Appointments

During the financial year 2014-15 Mr. Aditya Tulshan, Mrs. Lakshmi Devi Chokhani and Mrs. Rekha Suresh Goenka were appointed on 30th March, 2015, 30th March, 2015 & 24th November, 2014 respectively

In accordance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreement, Mr. Aditya Tulshan and Mrs. Lakshmi Devi Chokhani were appointed as Independent Directors on the Board of Directors of your Company at Board Meeting held on 30th March, 2015 of your Company to hold office for a term which will expire on 10th April, 2019.

In accordance with the provisions of Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Agreement, Mrs. Rekha Suresh Goenka was appointed as Non Executive (woman) Director with effect from 24th November, 2014 to hold office as a Director of the Company.

In accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, no Director is liable to retire by rotation at the forthcoming Annual General Meeting.

In terms of provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, the Board of Directors of the Company has, in its meeting held on 30th January, 2015, appointed Mr. Ram Kumar Tiwari, Chief Financial Officer, and on meeting held on 9th December, 2014 appointed Ms. Debarati Goswami, Company Secretary as Key Managerial Personnel of the Company.

Resignations

During the financial year 2014-15 Mr. Naresh Tulshan and Mr. Satendra Singh, Directors of the Company have resigned with effect from 30th March, 2015 respectively.

The Board places on record its appreciation for their valuable contribution during their association with your Company

Directors' Responsibility Statement

Pursuant to Section 134(3)(c), the Directors hereby state and confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have 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 and loss of the company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis; and
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statement indicating the manner in which formal annual evaluation has been done

In terms of provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out the annual evaluation of its own performance and that of its Directors individually.



The evaluation criteria as laid down by the Nomination & Remuneration Committee included various aspects of the functioning of Board such as composition, process & procedures including adequate & timely information, attendance, delegation of responsibilities, decision-making; roles & responsibilities including monitoring, benchmarking, feedback; stakeholder relationship and committees.

The performance of individual Directors including the Chairman was evaluated on various parameters such as knowledge & experience, interest of stakeholders, time devoted etc. The evaluation process has been explained in the Corporate Governance Report of the Annual Report. The evaluation of Independent Directors was based on aspects like participation in & contribution to the Board decisions, knowledge & experience and judgment.

The Company recognizes and embraces the importance of diversity in the Board in its success. We believe that a truly diverse Board will leverage difference in thought, perspective, knowledge, skill, regional and industry experience, culture and geographical background, age, ethnicity which will help us retain our competitive advantage.

Particulars of Remuneration

The information as required in accordance with Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. However, as per the provision of Section 136 of the Companies Act, 2013, the Report and the Accounts are being sent to all members of the Company.

There is no remuneration paid to any Director for the financial year 2014-15 due to the prevailing condition in the Company. There is only one employee in the Company. Company Secretary i.e. Key Managerial Personnel of the Company was appointed in the month of December, 2014 hence there is no requirement to disclose her remuneration and Chief Financial Officer of the Company is not getting any remuneration.

Nomination and Remuneration Policy

The Nomination & Remuneration Policy as approved by the Board on the recommendation of the Nomination & Remuneration Committee is annexed with this Report as **Annexure "B"**.

Corporate Social Responsibility

Since Company's Business has been suspended since June 1998, thus corporate social responsibility (CSR) provision is not applicable to the company.

Internal Complaints Committee (Anti-Sexual Harassment Policy)

During the period under review, no complaints were received by the Internal Complaints Committee established under the Policy for Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace.

Related party transactions

Board has accorded its approval for entering into any related party transactions which are in the ordinary course of business and at arm's length basis. The Company has formulated a policy on Related Party Transactions which is available on the website of the Company and can be accessed through the mentioned link <http://www.cilsd.in/CIL/Policy/Related%20Party%20Policy.pdf>. However there are certain transactions which need to be entered by the company with its related party which are in the interest of the company and which are not in the ordinary course of business and at arm's length basis and for such transactions, Board has recommended resolution and forwarded it for shareholder's approval in the forthcoming annual general meeting in the interest of the company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as required by Section 134 (3) (m) read with relevant rules of the Companies Act, 2013, is set out as under :

Conservation of Energy

Pursuant to DRT Mumbai's directions all the ship repairing assets of the Company have been sold off. There are no more ship repair operations. Therefore, no measures to conserve the energy are required to be undertaken.

Technology absorption, adoption & innovation

N.A. (in view of (A) above)

**Foreign Exchange Earnings & outgo**

	Current Year	Previous Year
	(2014-15)	(2013-14)
Earnings	Nil	Nil
Outgo	Nil	Nil

Auditor and Auditor's Report**Statutory Auditors**

M/s B.K. Shroff & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company in the 34th Annual General Meeting of the Company to hold office till conclusion of 35th AGM. Your Company has received confirmation from abovementioned firm regarding consent and eligibility under Section 139 and 141 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 for ratification of appointment as the Statutory Auditors of the Company. As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review of the Institute of Chartered Accountants of India.

The Audit Committee and the Board of Directors recommended the ratification of appointment of M/s B.K. Shroff & Co., Chartered Accountants as the Auditors of your Company for the financial year 2015-16 till the conclusion of the next AGM.

However the Board discussed the qualifications raised by the Auditors in their Reports and noted the same along with the explanations provided by the Management as annexed to this Report. Board confirm that certain debit and credit balances are

not confirmed and reconciled which may affect certain financial disclosure which is unavoidable due to pending litigation with Govt./autonomous bodies and financial Institutions.

Secretarial Auditor

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Ms. Sapna Garg, ACS, Company Secretary in Practice and proprietor of M/S Sapna Garg & Associates., Company Secretaries to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as '**Annexure D**' to this Report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

Acknowledgements

The Board hereby places on record its sincere appreciation for the continued assistance and support extended to the Company by its collaborators, customers, bankers, vendors, Government authorities and employees.

Your Directors acknowledge with gratitude the encouragement and support extended by our valued Shareholders.

For and on behalf of the Board

Jagdish Prasad Chokhani
Chairman
DIN- 00304040

Place : New Delhi
Date : 13/08/2015



Annexure-A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	L51109DL1980PLC010428
ii	Registration Date	5/15/1980
iii	Name of the Company	CHOKHANI INTERNATIONAL LIMITED
iv	Category/Sub-category of the Company	Listed with BSE
v	"Address of the Registered office" & contact details"	Z-20, First Floor, Okhla Industrial Area Phase-II New Delhi-110020
vi	Whether listed company	Listed with BSE
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind LSC Near Dada Harsukhdas Mandir, New Delhi-110062 Contact No- 011-29961281-83

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Company is not in Operation since 1999	N.A.	N.A.
2			
3			
4			

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Not having holding, subsidiary or Associate Company	N.A	N.A	N.A	N.A
2					
3					

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

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	
A. Promoters									
(1) Indian									
a) Individual/HUF	1534330	714747	2249077	6.86%	1534330	714747	2249077	6.86%	0.00%
"b) Central Govt.or" State Govt."				0.00%				0.00%	0.00%
c) Bodies Corporates	1282280	1925392	3207672	9.79%	1282280	1925392	3207672	9.79%	0.00%
d) Bank/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL:(A) (1)	2816610	2640139	5456749	16.65%	2816610	2640139	5456749	16.65%	0.00%
(2) Foreign									
a) NRI- Individuals	0	6750000	6750000	20.60%	0	6750000	6750000	20.60%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks/FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any other...	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (A) (2)	0	0	6750000	20.60%	0	0	6750000	20.60%	0.00%
"Total Shareholding of Promoter "(A)= (A) (1)+(A)(2)"									
	2816610	9390139	12206749	37.25%	2816610	9390139	12206749	37.25%	0.00%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	73900	73900	0.23%	0	73900	73900	0.23%	0.00%
b) Banks/FI	4710503	253940	4964443	15.15%	4710503	253940	4964443	15.15%	0.00%
C) Central govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g) FIIS	0	0	0	0.00%	0	0	0	0.00%	0.00%
"h) Foreign Venture" Capital Funds"	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
SUB TOTAL (B)(1):	4710503	327840	5038343	15.37%	4710503	327840	5038343	15.37%	0.00%
(2) Non Institutions									
a) Bodies corporates	103940	2885210	2989150	9.12%	104220	2885210	2989430	9.12%	0.00%
i) Indian	0	0	0	0.00%	0	0	0	0.00%	0.00%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	248775	10354458	10603233	32.35%	258360	10344343	10602703	32.35%	0.00%



ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	872880	553830	1426710	4.35%	872880	553830	1426710	4.35%	0.00%
c) Others (specify)	2940	507025	509965	1.56%	3190	507025	510215	1.56%	0.00%
SUB TOTAL (B)(2):	1228535	14300523	15529058	47.38%	1238650	14290408	15529058	47.38%	0.00%
"Total Public Shareholding"(B)= (B)(1)+(B)(2)"	5939038	14628363	20567401	62.75%	5949153	14618248	20567401	62.75%	0.00%
"C. Shares held by Custodian for "GDRs & ADRs"	0	0	0	0.00%	0	0	0	0.00%	0.00%
Grand Total (A+B+C)	8755648	24018502	32774150	100.00%	8,765,763	24,008,387	32,774,150	100.00%	0%

(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding 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	Jagdish Prasad Chokhani	872,050	2.661	0	872050	2.661	0	NIL	
2	Jagdish Prasad Chokhani HUF	325,200	0.992	0	325200	0.992	0	NIL	
3	Urmila Devi Chokhani	71,431	0.218	0	71,431	0.218	0	NIL	
4	V P Chokhani	87,571	0.267	0	87,571	0.267	0	NIL	
5	Vani Singhania	56,100	0.171	0	56,100	0.171	0	NIL	
6	Vishnu Chokhani	45,500	0.139	0	45,500	0.139	0	NIL	
7	R C Chokhani	19,200	0.059	0	19,200	0.059	0	NIL	
8	Lalita Devi Chokhani	4,000	0.012	0	4,000	0.012	0	NIL	
9	Arun Chandra Talwani	1,650	0.005	0	1650	0.005	0	NIL	
10	Madhusudan Chokhani	4,000	0.003	0	4,000	0.003	0	NIL	
11	Renu Talwani	600	0.002	0	600	0.002	0	NIL	
12	Atul Garg	500	0.002	0	500	0.002	0	NIL	
13	S M Dugar	200	0	0	200	0	0	NIL	
14	Chokhani Business Limited	847080	2.58	0	847080	2.58	0	NIL	
15	M/S Sujan Fertilisers & Chemicals Ltd	793950	2.42	0	793950	2.42	0	NIL	
16	Kesri Investment Limited	510930	1.55	0	510930	1.55	0	NIL	
17	Chokhani Investments Ltd	615000	1.87	0	615000	1.87	0	NIL	
18	Chokhani Shipyard Bengal Ltd	120000	0.366	0	120000	0.366	0	NIL	