

34th
Annual Report
2013 - 2014



CHOKHANI
INTERNATIONAL LIMITED

BOARD OF DIRECTORS

Mr. Jagdish Chokhani
Mr. Satendra Singh
Mr. Naresh Kumar Tulshan

Chairman & Managing Director
Director
Director

Company Secretary

Mr. Varuna Basist

BANKERS

Indian Bank

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

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



CIN: L51109DL1980PLC010428

NOTICE

Notice is hereby given that the 34th Annual General Meeting of Chokhani International Limited will be held on Tuesday the 30th day of September, 2014 at 1, DSIDC Complex, Okhla Industrial Area, Phase-I, New Delhi-110020 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, 2014 and the Profit & Loss Account for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Satendra Singh (holding DIN: 00349554) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and other rules framed thereunder, as mentioned from time to time M/s B K Shroff & Co. , Chartered Accountant , New Delhi (Firm registration No. 302166E) be and is hereby appointed as Auditor of the Company in place of M/s. Doogar & Associates, the retiring statutory Auditor, to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company in mutual consultation with the Auditors."

**By the order of the Board of Directors
For Chokhani International Limited**

Place : New Delhi
Date : 30-07-2014

Varsha Jain
Company Secretary
Membership No. A26040

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 form duly completed and signed should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the Annual General Meeting.***
2. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
3. The Register of Members and Shares transfer Books of the Company will be closed from 21st September, 2014 to 30th September, 2014 (both days inclusive). Members are requested to communicate change of address, if any.
4. Members who hold shares in dematerialized form

are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

5. Brief resume of Directors re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
6. Members are also requested to register and update their e-mail address with the Company in order to receive various documents through electronic mode.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, during business hours up to the date of the Meeting.
9. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday 20th September, 2014, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. **The e-voting period will commence at 9.00 a.m. on 21st September, 2014, and will end at 5.00 p.m. on, 23rd September, 2014.** The Company has appointed Mr. Vishal Lochan of M/s Vishal & Associates, Company Secretaries in whole time practice, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

PROCEDURE FOR E-VOTING

- i. The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instruction for receiving E-voting are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website : www.e-votingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"



- iii. Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN implies issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN requested to use the first two letters name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then you enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records the said demat account or folio in 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. a. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. 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 to be also 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii. 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 implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed



password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- 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 Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to 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.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
 - (B) **The voting period begins at 9.00 a.m. on Sunday, 21st September, 2014 and will end at 5.00 p.m. on Wednesday, 23rd September, 2014.** During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20th September, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report shall also be placed on the website of the Company.
10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
 11. Members holding shares in physical form are requested to forward all applications for transfers and all other shares-related correspondence (including

intimation for change of address) to the Share Transfer Agents of the Company.

12. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Beetal Financial 7 Computer Services P Ltd. (the RTA).

Explanatory Statement Pursuant to section 102(1) of the Companies Act, 2013

ITEM NO. 3

The Company had received Special Notice dated 29th July, 2014 under Section 140(4) read with 115 of the Companies Act, 2013 from Mrs. Kavita Chokhani, in his capacity as a Member of the Company recommending appointment of M/s. B. K. Shroff & Co. Chartered Accountants, New Delhi as Statutory Auditors in place of M/s. Doogar & Associates, Chartered Accountants, New Delhi, the retiring Statutory Auditors.

In view of the same, the Board at its meeting held on 30th July 2014, on the recommendation of Audit Committee, proposed the appointment of M/S B.K. Shroff & Co., (FRN 302166E), Chartered Accountants, New Delhi, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General until the conclusion of next Annual General Meeting. The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made thereunder, as may be applicable.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, the resolution set out at Item No. 3 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

**By the order of the Board of Directors
For Chokhani International Limited**

Place : New Delhi
Date : 30-07-2014

Varsha Jain
Company Secretary
Membership No. A26040



DIRECTORS' REPORT

The Directors present the 34th Annual Report and the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL PERFORMANCE

Particulars	(Rs in Lakhs)	
	<u>31.3.2014</u>	<u>31.3.2013</u>
Total Revenue	38.09	3.39
Profit / (Loss) before Tax	(3.56)	(84.40)
Profit / (Loss) after Tax	(3.56)	(84.40)

OPERATIONS :

During the year under review, there were no operations. The recovery suit filed by the lead Institution i.e. ICICI Bank Ltd., is still pending before the Debt Recovery Tribunal, Mumbai.

Counter claim of Rs.210 crores filed by the Company against ICICI Bank Ltd., in respect of the value of assets as handed over to the Receiver appointed by the Hon'ble Mumbai High Court is still pending before Debt Recovery Tribunal, Mumbai. The ICICI Bank Limited filed an Appeal. However Debt Recovery Appellate Tribunal, Mumbai has dismissed said appeal of ICICI Bank Limited, and allowed the Company to move its counter claim.

Pending decision in the matter of company's claim on ICICI (Lead Bank) amounting to Rs.210 crores, on account of their loss and negligence 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.

Amount due and payable to Financial Institutions i.e. ICICI, IDBI and IFCI in terms of loan agreements

executed by the Company with them were secured by way of first mortgage by deposit of title deeds with the lead institution of all immoveable properties, both present and future, and first charge by way of hypothecation of two Floating Dry Docks of 14000 M.T. and 2400 M.T. lifting capacity and all the other movable assets (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, which have since been disposed of by DRT Receiver during the preceding years.

DIVIDEND:

In view of the existing financial status, Board is not in a position to recommend any dividend for the financial year 2013-2014.

FIXED DEPOSITS:

Since your Company has not accepted any deposits under Section 58A of the Companies Act, 1956 from the public, no information need to be furnished in respect of deposits.

DIRECTORS:

Shri Satendra Singh, Director (DIN 01289658) is to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Brief resume of the above retiring Director, nature of his expertise in specific functional areas and names of companies in which he holds the other directorships, as required by clause 49 of the Listing Agreement with the stock exchanges, are given in the section on Corporate Governance elsewhere in this Annual Report.

AUDITORS:

M/s. Doogar & Associates, Chartered Accountants, Auditors of the Company are retiring at the conclusion of the 34th Annual General Meeting. And special Notice has been received from the Kavita Chokhani, as a member of the Company proposing a resolution at the forthcoming Annual general Meeting for the appointment of B K Shroff & Co., New Delhi, Statutory Auditor of the Company in place of M/s Doogar & Associates.

A resolution proposing appointment of M/s B.K. Shroff & Co. (FRN 302166E) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 forms part of the



Notice. The Company has received a Certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

M/s Doogar & Associates, Chartered Accountant, New Delhi, over many years, have Successfully met the challenge that the size and scale of The Company Company's operations pose auditors and have maintained the highest level of governance, rigour and quality of their Audit. The Board place on record its appreciation for the services rendered by the M/s Doogar & Associates as a Statutory Auditor of the Company.

AUDITORS' REPORT:

Auditors' Report annexed to the Balance Sheet and the Profit and Loss Account are self-explanatory. 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.

LISTING OF SECURITIES:

Presently Securities of the Company are listed on the Bombay Stock Exchange (BSE).

SHARE TRANSFER SYSTEM:

The Company's shares are in Demat Form with Central Depository Services (India) Ltd.

Company has appointed "Beetal Financial & Computer Services (P) Limited" as its Registrar and Share Transfer Agents. Transfer of shares is approved by the Shareholders / Investors Grievance Committee of Directors which meets at a regular interval.

PARTICULARS OF EMPLOYEES:

During the year under review, Company has no employee who is in receipt of remuneration in excess as provided under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

CORPORATE GOVERNANCE CLAUSE 49 OF THE LISTING AGREEMENT:

In compliance with Clause 49 of the Listing Agreement with the Stock Exchange, a report on Corporate Governance along with certificate regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement

and Management Discussion and Analysis are annexed as a part of Annual Report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUT GO:

Information as required by 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 part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, it is hereby confirmed:-

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2014 the applicable accounting standards have been followed along with proper explanations relating to material departure;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the profit and loss of the Company for the year under review;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the Directors had prepared the accounts for the financial year ended 31st March, 2014 on a going concern basis except to the extent as noted in the Auditors' Report.

ACKNOWLEDGMENT :

Board places on record its deep appreciation for the services of the Executives & Staff of the Company.

For and on behalf of the Board

Place : New Delhi
Date : 30/07/2014

Jagdish Chokhani
Chairman
DIN- 00304040

**ANNEXURE - TO DIRECTORS' REPORT :**

1. Particulars required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 for the year ended on 31st March, 2014.

A. 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.

B. Technology absorption, adoption & innovation

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

C. Foreign Exchange Earnings & outgo

	Current Year (2013-14)	Previous Year (2012-13)
Earnings	NIL	NIL
Outgo	NIL	NIL

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

NIL

ADDENDUM TO DIRECTORS' REPORT

Sl. No. of Auditors' Report	Qualification/Observation in the Auditors' Report	Reply/remarks
(i)	<i>Non-Confirmation/reconciliation of certain debit/credit balances, which on final confirmation/reconciliation may affect certain financial disclosures, and has also resulted in the balances being as per books of accounts only. (Refer to note no.24)</i>	The Board noted that most of the balances under the head Term Loans, Loans & Advances, Deposits, Sundry Debtors, Sundry Creditors for Materials and Sub-contractors, remained unconfirmed till the Balance Sheet date.
(ii)	<i>The company's ship repairing operations remained suspended since June 1998. The company has suffered continued losses including in the current year and erosion of equity due to many pending litigation with Govt. / Autonomous bodies & financial institutions and there is substantial doubt that the company will be able to continue as a going concern. Non-adjustment in the compilation of financial statements consequent to company no longer remaining a going concern, in the absence of adequate necessary data for compilation on an alternative basis, the accounts are continued to be prepared on a going concern basis. (Refer note no.25)</i>	The Board noted the said observation/qualification. This could not be addressed since the matter is sub-judice.

Place: New Delhi

Date: 30/07/2014

On behalf of the Board

Jagdish Chokhani

Chairman

DIN 00304040



CORPORATE GOVERNANCE

CORPORATE PHILOSOPHY

The Company believes in the values of transparency, professional accountability and equity in its dealing with the shareholders, lenders, government, employees and every individual who comes in contact with the Company. Company is committed to achieve the high standard of Corporate Governance.

The company is in compliance with most of the requirement prescribed on Corporate Governance.

(A) BOARD OF DIRECTORS

The Board of Directors is headed by Executive Chairman. Board is comprised of Shri Jagdish Chokhani (Chairman and Managing Director), Shri Satendra Singh, and Shri N. K. Tulshan, Independent Directors.

During the year under review 4 Board Meetings were held on 23.05.2013, 31.07.2013, 31.10.2013 and 30.01.2014. The details of composition of Board, other Directorship and Committee Chairmanship/Membership of the Members of the Board and their attendance at the Board Meeting and Annual General Meeting of the Company are as under:

S. No.	Name	Category	Attendance		No. of Directorship and Membership/Chairmanship		
			No. of Board Meetings attended	AGM	Other Directorship	Committee Membership	Committee Chairmanship
1.	Sh. Jagdish Chokhani	Promoter/ Executive Chairman	4	Present	—	2	—
2.	Sh. Satendra Singh	Independent Director	4	Present	2	4	1
3.	Shri N. K. Tulshan	Independent Director	4	Present	1	4	1

Independent Directors do not have any pecuniary relationship or transaction with the Company or with the management that may affect their judgment in any manner. The Company endeavors to place all statutory and other material information before the Board to render it to discharge its responsibilities of strategic supervision of the Company as trustee of shareholders. The Board reviews on periodical basis the compliances status of all laws applicable to the Company as well as the steps taken by the Company to rectify instances of non-compliances, if any.

(B) AUDIT COMMITTEE

Pursuant to Clause 49 of the Listing Agreement, the Company has constituted an Audit Committee. The Audit Committee of the Company consists of Shri Jagdish Chokhani (Promoter/Executive Director), Shri Satendra Singh (Chairman, Audit Committee & Non-Executive Independent Director) and Shri N. K. Tulshan (Non-Executive Independent Director), having expertise in accounting & financial management.

During the year 2013-14, the Committee met on 23.05.2013, 31.07.2013, 31.10.2013 and 30.01.2014.

The functions of the Audit Committee of the Board include the following:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.



- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission of the same to the Board for approval, with particular reference to:-
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' report in terms of sub-section 2AA of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments, if any, made in the financial statements arising out of audit findings;
 - Compliance with Listing Agreement and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications, if any, in the draft audit report; and
 - Reviewing, with the management, the quarterly financial statements before submission of the same to the Board for approval.
- Reviewing, with the management, performance of Statutory Auditors and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussions with management and/or internal auditors, if any, of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations into matters where there is suspected fraud or irregularity.
- Discussions with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in making payments to the specified category of creditors etc.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

(C) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted Shareholders'/Investors' Grievance Committee comprising one executive and two independent directors. The present members of the Committee are Shri N. K. Tulshan (Chairman), Shri Jagdish Chokhani and Shri Satendra Singh (Members).

The Committee inter-alia oversees and reviews matters pertaining to share transfer. The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of Annual Report etc. received from investors in co-ordination with the Company's Registrar and Transfer Agent. The Committee has met 09 times during the year i.e. on 29.04.2013, 23.05.2013, 29.06.2013, 31.07.2013, 30.09.2013, 31.12.2013, 30.01.2013, 28.02.2013, and 29.03.2014.

Status of complaints received during the period ended 31st March, 2014 is as under-

No. of Complaints received - 8
 No. of Complaints replied - 8
 No. of Complaints pending - NIL

**(D) SUBSIDIARY COMPANIES**

The Company does not have any Subsidiary Company.

(E) DISCLOSURES**a) Basis of related Party Transaction**

Related party transactions during the year ended March 31, 2014 are detailed below:

(a) Key Management Personnel and their relatives

Shri Jagdish Chokhani
Shri Satender Singh
Shri N. K. Tulshan
Shri Madhusudan Chokhani
Smt. Anita Chokhani

Related party transaction of Key Management Personnel and their relatives

Particulars	Transaction during the year 2013-14	Balance as on 31.03.2014	Transaction during the year 2012-13	Balance as on 31.3.2013
Sitting fee paid to				
Shri Jagdish Chokhani	8992	-	10430	-
Shri Satendra Singh	9554	-	10430	-
Shri N. K. Tulshan	9554	-	10430	-

B) Disclosure of Accounting Treatment

In the preparation of financial statements for the year ended on March 31, 2014 no treatment different from that prescribed in an accounting standard has been followed.

C) Details of Non-Compliance by the Company

No penalties / strictures have been imposed on the Company by any regulatory authority for non-compliance of any law or any matter related to capital market, during the last three years.

D) Remuneration of Directors

No Director draws any remuneration except the sitting fee from the Company.

Therefore, no Remuneration Committee has been constituted

(F) GENERAL BODY MEETINGS

The last three annual general meeting were held as under :

Financial Year	Date	Location	Special Resolution
2010-2011	30.09.2011	1, DSIDC Complex, Okhla Industrial Area, Phase-I, New Delhi-110020	Nil
2011-2012	30.09.2012	1, DSIDC Complex, Okhla Industrial Area, Phase-I, New Delhi-110020	Nil
2012-2013	28.09.2013	1, DSIDC Complex, Okhla Industrial Area, Phase-I, New Delhi-110020	Nil

**Postal Ballot**

There was no resolution passed by the Company through postal ballot during the year ended 31st March, 2014.

(G) MEANS OF COMMUNICATION

Quarterly Results are sent to the Stock Exchanges regularly and also published in the following newspapers

Sl. No.	Quarter	News Papers	Date of Publication
1.	30/06/2013	Financial Express & Jansatta	01.08.2013
2.	30/09/2013	Financial Express & Jansatta	01/11/2013
3.	31/12/2013	Financial Express & Jansatta	31/01/2013 & 01/02/2014
4.	31/03/2014	Financial Express & Jansatta	29/05/2014 & 30/05/2014

(H) GENERAL INFORMATION FOR SHAREHOLDERS**Annual General Meeting :**

Date and Time : Tuesday, 30th September, 2014 at 10.30 am
 Venue : 1, DSIDC Complex, Okhla Industrial Area, Phase-I,
 New Delhi-110020.

Book Closure Date : **21st September, 2014 to 30th September, 2014 (both days inclusive)**

Listing of Securities : The Securities of the Company are presently listed at Bombay Stock Exchange Limited. The proceedings for revocation of suspension of Securities of the Company are in process with the Bombay Stock Exchange.

Demat ISIN No. in CDSL : **INE-772F01015**

Registrar & Transfer Agent : **M/s Beetal Financial & Computer Services (P) Ltd.**
 (share transfer and communications regarding share certificates, change of address etc.)
 Beetal House, 3rd Floor,
 99, Madangir, Near Dada Harsukh Das Mandir,
 New Delhi-110062.

Distribution of Shareholding	%
Promoters & Promoters Group	- 16.65
Foreign Investors	- 20.60
MFs / FIB / FIIs	- 15.37
Others	- 47.38
TOTAL	100 .00

Address for Correspondence : D-3/2, Okhla Industrial Area, Phase-II, New Delhi-110020

For CHOKHANI INTERNATIONAL LIMITED

JAGDISH CHOKHANI

CHAIRMAN
 DIN 00304040



MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT (CIL)

INDUSTRY STRUCTURE AND DEVELOPMENT

Global sentiments have shown slight recovery towards the beginning 2009 after the steep slowdown. However demand recovery is still undermined by short to medium term uncertainties emerging from global market conditions.

OUTLOOK

Chokhani International Limited (hereinafter referred as "CIL") was established to construct, purchase, take on lease, Import or Export or otherwise acquire and to carry-on the business or to undertake or take part in management, supervision or control of the business or operation of ship repairs and ship building industry including shipyards on land and on water including seasm, and operation of dry-dock and other related facilities and know how.

CIL's ship repairing operations are suspended since June 1998. The Company has suffered continued losses including the current year and erosion of equity due to many pending litigations with Govt. / Autonomous bodies and Financial Institutions.

Loans were recalled by all Indian Financial Institutions viz. IDBI, IFCI, ICICI (including SCICI). IDBI & IFCI filed a suit before the Debt Recovery Tribunal (DRT), Madras and ICICI filed a suit before the Debt Recovery Tribunal, Mumbai for recovery of their dues. Receiver was appointed by the authorities, who disposed of the assets of the Company. CIL filed the claim for negligence which resulted in a total loss of CIL'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 which made CIL purportedly defunct.

Notwithstanding anything stated above, management is trying its best to come out of sub-judice matters and no stone will be left unturned to revive the Company, no sooner circumstances are favorable.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an audit process to ensure adequacy and effectiveness of controls. The internal controls are formulated and implemented by the management with an objective to achieve an effective monitoring and compliance with applicable laws. The independent Audit Committee of the Board of Directors regularly reviews, significant audit findings, compliance with accounting standards and other legal requirements relating to financial statements.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI. The management of Chokhani International Limited accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein.

CAUTIONARY STATEMENT

Certain Statements made in this report relating to Company's objectives, outlook, etc. may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual performance may differ from such estimates, whether express or implied. Important factors that could make a difference to the Company's operations; include Government Regulations, Tax regimes, Economic developments and other allied factors.



CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
CHOKHANI INTERNATIONAL LIMITED

We have examined the compliance of conditions of Corporate Governance in Chokhani International Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement entered into between the Stock Exchanges and the said Company.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of the 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, we certify that the Company has complied with the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no Investor Grievances are pending for a period of exceeding One Month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For N. Agarwal & ASSOCIATES
Company Secretaries

Place : New Delhi
Date : 30.07. 2014

(NIDHI AGARWAL)
Proprietor
C.P. No. 8431

CEO CERTIFICATION

The Members
CHOKHANI INTERNATIONAL LTD.

This is to certify that:

- a) a) We have reviewed financial statement for the year ended 31st March, 2014 and the cash flow statement for the year (consolidated and unconsolidated) and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading; and
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept that Company is maintaining and evaluating internal controls systems and have disclosed to the auditors and the Audit Committee, deficiencies, if any, and the steps taken or proposed to be taken to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee
 - i) that there were no significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - ii) that there were no instances of any significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having such significant role in the Company's internal control system.
- e) We further declare that all the Board Members and senior managerial personnel have affirmed compliance with the Code of Conduct for the current year;

For **CHOKHANI INTERNATIONAL LTD.**

Place : New Delhi
Date : 30th July, 2014

JAGDISH CHOKHANI
CHIEF EXECUTIVE OFFICER
DIN 00304040



AUDITORS' REPORT

To the Members of **CHOKHANI INTERNATIONAL LIMITED**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Chokhani International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for 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 the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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.

Basis for Qualified Opinion

- (i) *Non-confirmation /reconciliation of certain debit & credit balances, which on final confirmation / reconciliation may effect certain financial disclosures, and has also resulted in the balances being as per books of accounts only. (Refer Note no.24)*
- (ii) *The company's ship repairing operations remained suspended since June 1998. The company has suffered continued losses including in the current year and erosion of equity due to many pending litigation with Govt. /Autonomous bodies & financial institutions and there is substantial doubt that the company will be able to continue as a going concern. Non-adjustment in the compilation of financial statements consequent to company no longer remaining a going concern, in the absence of adequate necessary data for compilation on an alternative basis, the accounts are continued to be prepared on a going concern basis.(Refer Note no.25)*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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:

- (a) *in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2014;*
- (b) *in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and*
- (c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - 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. 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;
- c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow statement dealt with by this report are in agreement with the books of account;
- d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for DOOGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.-000561N

Place : New Delhi
Date : 28/05/2014

MUKESH GOYAL
MG. PARTNER
M.No. 081810

ANNEXURE TO AUDITOR'S REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a programme of physical verification of its fixed asset which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets.
- (c) In our opinion substantial part of fixed assets has not been disposed off by the company during the year however a substantial part of Fixed Asset have been disposed off during the prior Years. The company has so far not made any plans to replace the fixed assets that have been sold. These factors, along with other matters as set forth in Note no 4 and 25, raise substantial doubt about the company's ability to continue as a going concern.
2. (a) The company does not have any inventory and therefore the clause of the said order in its entirety is not applicable.
3. (a) The Company has not accepted/granted any unsecured loan from/to Company, Firms or other Parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore no comments are being offered as to the rate of interest, terms & conditions, repayments, overdue etc.
- (b) 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. Accordingly clauses 4 (iii) (f) and (g) of the Order are not applicable.
4. In our opinion, and according to the information and explanations given to us during the course of audit, there are adequate internal control procedures for the purchase of stores, including component, plant and machinery, equipments and material and other assets commensurate with the size of the Company and nature of its business.
5. (a) In our opinion, and according to the information and explanation given to us, there are no transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion, and according to the information and explanation given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year Rs. 5 lakhs or more have been made at prices which are reasonable having regard to prevailing market price, where such market prices are available. However, no such transaction takes place during the year.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposits) Rules, 1975.
7. In view of suspended operations, no internal audit was conducted during the year.
8. The Company is not required to maintain the cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. (a) In our opinion, the Company is regular in depositing, statutory dues including Provident Fund and other statutory dues with the appropriate authorities. There is no undisputed amount of income tax, Custom Duty and Excise Duty outstanding as at the last day of financial year of more than six months except amount payable to Madras Port Trust Rs. 23,360,045-

Name of The Statue	Nature of Dues	Amount(Rs.)	Period to which amount relates
Madras Port Trust	Lease Rent	23,360,045/-	1997- 1998 and 1998-1999



- (b) According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, excise duty and Cess that have not been deposited on account of any dispute.
10. The accumulated losses of the Company are more than fifty percent of its net worth. The company has incurred cash losses during the current financial year. Cash loss was incurred in the immediately preceding the financial year.
11. As per the information and explanation given by the management during the year, we are of the opinion that company has not repaid installments of principal amount of loan since 1993-94 aggregating to Rs. 24,87,14,599/- (in case of Rupee Loans) and Rs. 27,55,93,485 (in case of Foreign Currency Loans). The interest on such loans amounting to Rs. 26,05,46,353/- (provided upto the year 1998-99) is also not paid since 1994-95. However company has not made provision for interest, penal interest and/or other charges from the year 1999-2000. As explained & as per the documents produced before us for our examination, the company has disputed the repayment of dues to Financial Institutions & filed suit for counter claim, since the matter is subjudice the amount of liability on account of interest, penal and/or other charges, if any, as on the balance sheet date is not ascertainable and will be accounted on final settlement of dispute with the Financial Institutions (For details, circumstances & sequences of events refer para 1 to 6 of Note no. 4). Since there is a dispute between the company and the lender; we are unable to determine whether there is a default in repayment of dues to the concerned Financial Institutions.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, and other securities.
13. The Company does not fall within the category of Chit Fund/ Nidhi/ Mutual Fund/ Society and hence the related reporting requirements are not applicable.
14. In respect of dealing or trading in shares, securities and other investments in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares securities and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us the Company has not given any guarantee of any type of loans taken by others.
16. The company has not raised any term loan during the financial year, hence the related reporting requirement are not applicable. However the loans raised in earlier years have been utilized for the purposes for which they were obtained.
17. According to the information and explanations given to us the funds raised in the previous year by the company on short term basis has not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the registered maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures of any type during the financial year.
20. The Company has not raised any money by public issue during the financial year.
21. Based on our examination of the books and records of the Company and according to information and explanations given to us, no fraud on or by the Company have been noticed.

for DOOGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Reg. No.-000561N

Place : New Delhi
Date : 28/05/2014

MUKESH GOYAL
MG. PARTNER
M.No. 081810



BALANCE SHEET AS AT 31ST MARCH, 2013
CIN: L51109DL1980PLC010428

PARTICULARS	Note No.	As at 31.03.2014 ₹	As at 31.03.2013 ₹
I. EQUITY AND LIABILITIES			
1 Shareholder's funds			
(a) Share Capital	2	327,741,500	327,741,500
(b) Reserves and Surplus	3	(557,230,623)	(556,874,558)
2 Non-current liabilities			
(a) Long-term borrowings	4	36,187,957	36,187,957
(b) Long-term provisions	5	28,839	466,840
3 Current liabilities			
(a) Trade payables	6	30,907,928	33,513,661
(b) Other current liabilities	7	284,887,949	285,408,024
(c) Short-term provisions	8	59,830	27,195
		<u>122,583,380</u>	<u>126,470,619</u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		1,715,590	2,021,892
(b) Non-current investments	10	4,250,302	3,718,000
(c) Other non-current assets	11	249,670	249,670
2 Current assets			
(c) Trade receivables	12	109,977,833	109,977,833
(d) Cash and cash equivalents	13	6,063,506	10,228,931
(e) Short-term loans and advances	14	114,471	127,502
(f) Other current assets	15	212,008	146,791
		<u>122,583,380</u>	<u>126,470,619</u>

Signed in terms of our report of even date
for DOOGAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 000561N

For and on behalf of the Board of Directors of
Chokhani International Ltd.

MUKESH GOYAL
MANAGING PARTNER
M.No. 081810

JAGDISH CHOKHANI
CHAIRMAN AND MANAGING DIRECTOR
DIN-00304040

SATENDRA SINGH
DIRECTOR
DIN-01289658

PLACE: NEW DELHI
DATE: 28.05.2014

VARSHA JAIN
COMPANY SECRETARY



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014
CIN: L51109DL1980PLC010428

PARTICULARS	Note No.	For the year ended 31.03.2014 ₹	For the year ended 31.03.2013 ₹
I. Revenue from operations		-	-
II. Other income	16	3,809,722	339,517
III. Total Revenue (I + II)		<u>3,809,722</u>	<u>339,517</u>
IV. Expenses:			
Cost of materials consumed		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	17	522,028	672,184
Finance costs	18	4,277	3,643
Depreciation and amortization expense	29	258,111	261,623
Other expenses	19	3,271,259	3,454,584
Diminution in value of investments		-	1,350,000
Loss on sale of shares		76,922	3,037,689
Loss on sale of Fixed Assets		33,190	-
Total expenses		<u>4,165,787</u>	<u>8,779,723</u>
V Profit before tax (VII- VIII)		(356,065)	(8,440,206)
VI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
VII Profit (Loss) for the period		<u>(356,065)</u>	<u>(8,440,206)</u>
VIII Earnings per equity share:	20		
(1) Basic		-0.01	-0.26
(2) Diluted		-0.01	-0.26

Signed in terms of our report of even date
for DOOGAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 000561N

**For and on behalf of the Board of Directors of
Chokhani International Ltd.**

MUKESH GOYAL
MANAGING PARTNER
M.No. 081810

JAGDISH CHOKHANI
CHAIRMAN AND MANAGING DIRECTOR
DIN-00304040

SATENDRA SINGH
DIRECTOR
DIN-01289658

PLACE: NEW DELHI
DATE: 28.05.2014

VARSHA JAIN
COMPANY SECRETARY



Note-1: SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts are prepared under the historical cost convention and on the basis of a going concern with revenues recognised and expenses accounted on their accrual including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the financial year. Excise duty and Customs duty are accounted as and when the liability for payment arises.

REVENUE RECOGNITION

- (a) Revenue earned from ship repair has been accounted on the basis of ship repair work done and billed after adjusting credit notes/discounts. However, in respect of invoices raised and accounted but under negotiations till the finalisation of the balance Sheet, no provision has been made to meet the possible contingencies arising, if any, after the Balance Sheet date, wherever it is not possible to ascertain with reasonable accuracy the quantum to be provided for.
- (b) Scrap generated is not valued but accounted for when sold.
- (c) Other income/claims are accounted when right to receive the same is established.

FIXED ASSETS

- (a) Certain Fixed Assets which were revalued on 31st March, 1993 are stated at revalued cost as adjusted on account of translation difference, Other Fixed Assets are stated at historical cost of acquisition including installation and commissioning.
- (b) Borrowing costs eligible for capitalisation incurred, in respect of acquisition / construction of a qualifying asset, till the asset is substantially ready for use, are Capitalised as part of the cost of that asset.

DEPRECIATION OF FIXED ASSETS

- (a) Depreciation for the year has been provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 (as amended) on Straight Line Method. The Straight Line Method rates have been applied to the original cost of all the assets including existing assets.
- (b) In case of assets where actual cost does not exceed Rs. 5,000/- at the rate of 100%.
- (c) On revalued assets on straight line method on the revalued amount. The difference between depreciation on assets based on revaluation and that on original cost is transferred from Revaluation Reserve to Statement of Profit & Loss..
- (d) No depreciation is charged on assets not put to use.

INVESTMENT

Investments are stated at present market rate.

CURRENT ASSETS

Inventories are valued at cost except damaged material which is valued at lower or cost of estimated net realisable value. Work in Progress is valued at direct material cost plus direct labour cost, including manufacturing & administrative overheads to the work in progress. The cost of materials is arrived by Weighted Average Method.



AMORTIZATION OF MISC. EXPENDITURE

- a) Miscellaneous expenditure like preliminary and share issue expenses are written off over a period of 10 years. Accordingly 1/10th of such expenditure has been written off during the year.
- b) Deferred Revenue Expenditure on Major Maintenance Programme is charged to revenue over a period of 5 years following the year it is incurred.

FOREIGN CURRENCIES

Foreign Currency assets and liabilities are translated into rupees at the exchange rates prevailing as on the date of Balance Sheet. Translation differences on foreign currency liabilities related to fixed assets are adjusted in the cost of fixed assets. Other material exchange translation differences are reflected in the Statement of Profit & Loss under appropriate income /expenses account.

RETIREMENT AND OTHER BENEFITS

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005) issued by the ICAI.

(a) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses, if any, arising from past experience and changes in actuarial assumptions are charged or credited to the Profit and loss account in the year to which such gains or losses relate.

(c) Leave Encashment

Liability in respect of leave encashment becoming due or expected after the balance date is estimated on the basis of an actuarial valuation performed by an independent Actuary using the projected unit credit method.

**Note-2**

Share Capital	As at 31.03.2014		As at 31.03.2013	
	Number	₹	Number	₹
Authorised				
Preference Shares of ₹ 100 each	-	-	-	-
Equity Shares of ₹ 10 each	40,000,000	400,000,000	40,000,000	400,000,000
Issued				
Equity Shares of ₹ 10 each	32,774,150	327,741,500	32,774,150	327,741,500
Subscribed & Paid up				
Equity Shares of ₹ 10 each	32,774,150	327,741,500	32,774,150	327,741,500
Subscribed but not fully Paid up				
Equity Shares of ₹ 10 each	-	-	-	-
Forfeited Equity Shares	-	-	-	-
Total	32,774,150	327,741,500	32,774,150	327,741,500

A) RECONCILIATION OF THE SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD**EQUITY SHARES**

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	32,774,150	327,741,500	32,774,150	327,741,500
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	32,774,150	327,741,500	32,774,150	327,741,500

b) Detail of Shareholder holding more than 5% Shares in the Company

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Goodwill Navigation Inc.	4,041,800	12.33	4,041,800	12.33
Kepindia Investments Pvt Ltd	2,708,200	8.26	2,708,200	8.26
ICICI Bank Limited	1,996,895	6.09	1,996,895	6.09
IDBI Bank Limited	1,695,735	5.17	1,695,735	5.17
Amrex Marketting Private Limited	1,639,060	5.00	1,639,060	5.00



c) The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash nor has allotted any fully paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date

Note-3 Reserve & Surplus

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
a. Capital Reserves		
Opening Balance	216,500	216,500
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	216,500	216,500
b. Surplus		
Opening balance	(557,091,058)	(548,650,852)
(+) Net Profit/(Net Loss) For the current year	(356,065)	(8,440,206)
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	(557,447,123)	(557,091,058)
Total	(557,230,623)	(556,874,558)

Note No.- 4 Long Term Borrowings

Note 1 Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Secured		
a) Rupee Term loans		
From Banks:		
ICICI Bank Ltd.	81,362,670	81,362,670
Industrial Development Bank of India	133,104,950	133,104,950
Industrial Finance Corporation of India	34,246,979	34,246,979
b) Foreign Currency loans		
From Banks:		
ICICI Bank Ltd.	106,752,364	106,752,364
Industrial Development Bank of India	78,498,651	78,498,651
Industrial Finance Corporation of India	90,342,470	90,342,470
Less : Assets sold/ Disposed off by		
DRT Receiver (Refer foot not No.5)	-488,120,127	-488,120,127
	36,187,957	36,187,957



Notes :-

- 1 Amount due and payable to Financial Institutions i. e. ICICI, IDBI and IFCI in terms of loan agreements executed by the Company with them were secured by way of first mortgage by deposit of title deeds with the lead institution of all immoveable properties, both present and future, and first charge by way of hypothecation of two Floating Dry Docks of 14000 M.T. and 2400 M.T. lifting capacity and all the other movable assets (save and except book debts) including movable machinery, machinery spares, tools and accessories present and future, which have since been disposed off by DRT Receiver during the preceding years.
- 2 The above term loans stand recalled by all the financial institutions i e ICICI, IDBI and IFCI (Refer foot note no.6)
- 3 (I) Rupee Term Loan includes amount due to erstwhile SCICI Ltd amount Rs.35,951,120/- (Previous Year Rs.35,951,120/-)
"II) Foreign Currency Loan includes amount due to erstwhile SCICI Ltd amount Rs.69,603,824/-
“(Previous Year Rs.69,603,824/-)”
- 4 The Financial Institution (ICICI, IDBI & IFCI) had an option to convert at par Rs. 518.35 lakhs out of the total sanctioned rupee term loan of Rs.2990 lakhs into fully paid equity shares of the company during the period from July 01, 1992 to June 30, 1995. In exercise of this option the institutions have converted rupee term loans to extent of Rs. 253.42 lakhs during the year 1992-93.
- 5 Cost of Fixed Assets (Less Depreciation Provided till the date of disposal) and value of inventories disposed off by DRT Receiver (also refer foot note No.6(iii))
- 6 (i) Notices of recall of loans have been received from All Indian Financial Institutions viz. IDBI, IFCI, ICICI (including SCICI). IDBI & IFCI have filed a suit before the Debt Recovery Tribunal (DRT), Madras and ICICI have filed a suit before the Debt Recovery Tribunal, Mumbai for recovery of their dues.
(ii) ICICI has also sued the Company before the Mumbai High Court & an Official Receiver has been appointed who has taken 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, vehicle and 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.
(iii) Pending decision in the matter of company's claim on ICICI (Lead Bank) amounting to Rs.210 crores, on account of their loss and negligence 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.
(iv) Owing to the recall of loans by the Financial Institutions, the liability in respect of foreign currency loans has been accounted in terms of Indian rupees. Hence the adjustment with respect to variation in the foreign exchange rates from 1st April 1997 has neither been considered necessary, nor provided.
(v) Without prejudice to the dispute regarding default in repayment of loan from 1993-94 and payment of interest from 1994-95 to the date of balance sheet as per figures given hereunder:-



Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹
1. Loan (Rupee loan ₹ 248714599, FC loan ₹ 275593485) (Previous year ₹ 248714599, FC loan ₹ 275593485)	524308084	524308084
2. Interest (Refer Note No. 7- Current Liabilities)	260546353	260546353

Since the matter is subjudice, the amount of penal interest and other charges from 1999-2000 has neither been provided nor considered necessary to be disclosed by the company. As in the opinion of the management such charges (including interest) are not at all payable in view of the counter claim of the company (refer para 6(iii) above).

Note No.5 Long Term Provisions

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
(a) Provision for employee benefits		
Gratuity (Unfunded)	28,839	390,170
Leave Encashment (Unfunded)	-	76,670
Superannuation (funded)	-	-
ESOP /ESOS	-	-
(b) Others (Specify nature)	-	-
Total	28,839	466,840

Note No. 6 TRADE PAYABLES

Trade Payables	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Trade Payables Due to Micro, Small & Medium	Nil	Nil
Trade Payables Other(Net of Advance)	30,907,928	33,513,661
Due from related party	Nil	Nil
Others'	Nil	Nil

Micro, Small & Medium Enterprises

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors. Disclosure in respect of interest due on delayed payment has been determined only in respect of payments made after the receipt of information, with regards to filing of memorandum, from the respective suppliers. Disclosure as required under section 22 of the Act, is as under

S. No.	Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹
(i)	Principal amount remaining unpaid as at end of the year	-	-
(ii)	Principal amount remaining unpaid as at end of the year	-	-
(ii)	Interest due on above	-	-
1	Total of (i) & (ii)	-	-
2	Interest paid on delayed payment of principal, paid along with such interest during the year	-	-
3	Interest due on delayed payment of principal, paid without such interest during the year	-	-
5	Total interest due and payable together with that from prior year(s)	-	-

**Note-7 OTHER CURRENT LIABILITIES**

OTHER CURRENT LIABILITIES	As at 31.03.2014	As at 31.03.2013
	₹	₹
Current Maturities Long Term debts other Payables-Employees	759,117	1,090,709
Trade Deposits & Advances	-	-
Sales Tax & Withholding taxes	56,318	20,657
Interest accrued and due unpaid matured Deposits and Intrest accrued	260,546,353	260,546,353
Unpaid / Unclaimed dividends	-	-
Lease Rent (MPT)	23,360,046	23,360,046
other Payables	166,115	390,259
Total	284,887,949	285,408,024

Note-8 SHORT TERM PROVISIONS

Short Term Provisions	As at 31.03.2014	As at 31.03.2013
(a) Provision for employee benefits	₹	₹
Salary & Reimbursements	46,607	25,083
Contribution to PF	423	2,112
Gratuity (Unfunded)	5,740	-
Leave Encashment (Unfunded)	7,060	-
Superannuation (funded)	-	-
ESOP /ESOS	-	-
(b) Others (Specify nature)		
Total	59,830	27,195



(Amount in Rupees)

NOTE : 9 FIXED ASSETS

	GROSS BLOCK				Accumulated Depreciation				NET BLOCK	
	Balance as at 1 April 2013 ₹	Additions/ (Disposals) ₹	Acquired through business ₹	Revaluations/ (Impairments) ₹	Balance as at 31 March 2014 ₹	Depreciation charge for the year ₹	Adjustment due to revaluations ₹	On disposals ₹	Balance as at 31 March 2014 ₹	Balance as at 1 April 2013 ₹
a										
Tangible Assets										
Furniture and Fixtures	940,472	-	-	-	940,472	58,018	-	-	646,847	704,864
Vehicles	1,961,744	-	-	-	1,961,744	186,366	-	-	1,055,444	1,241,810
Office equipment	876,008	(69,705)	-	-	816,303	13,727	-	11,515,000	13,299	75,216
Total	3,778,224	(69,705)	-	-	3,718,519	268,111	-	11,515,000	1,715,590	2,021,890
b										
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
c										
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
d										
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Total (a+b+c+d)	3,778,224	(69,705)	-	-	3,718,519	268,111	-	11,515	1,715,590	2,021,890
Previous year	3,778,224	-	-	-	3,778,224	261,623	-	-	2,021,891	2,283,514



Note 2 Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956

The following disclosure should be made for each class of asset as required

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
	₹	₹	₹	₹	₹
Asset details:					
Balance as at 1 April	3778224	3778224	3778224	3778224	848930
Impairment/ Revaluation	-	-	-	-	-
Balance as at 31 March	3718519	3778224	3778224	3778224	3778224

Note-10 NON CURRENT INVESTMENTS

Particulars	As at 31.03.2014	As at 31.03.2013
	₹	₹
A Trade Investments (Refer A below)		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	-	-
(c) Investments in preference shares	-	-
(d) Investments in Government or Trust securities	-	-
(e) Investments in debentures or bonds	-	-
(f) Investments in Mutual Funds	-	-
(g) Investments in partnership firms*	-	-
(h) Other non-current investments (specify nature)	-	-
Total (A)	-	-
B Other Investments (Refer B below)		
(a) Investment Properties		
(b)(i) Investment in Equity instruments(Quoted)		
Investment in INDRATNA (Quoted 1000 Units of Rs. 10/- each fully paid up. *Present Market value Rs. Nil (Previous Year Rs. NIL)	10,641	10,641
Less : Provision for diminution in the value of Investments	10,641	10,641
	-	-
Investment in Equity Shares of IDBI (Quoted) **5760 Shares (Previous year 5760 Share) of Rs. 10/- each at a premium of Rs.120/- each, fully paid up Present Market Value Rs.462240/- (Previous year Rs.603072/-)	468,000	468,000
291000 Equity Shares (Previous year 100000 shares) of Rs.10/- each of Electrosteel Steels Ltd fully paid up Present Market Value Rs.488000/- (Previous year Rs.12,24,000/-)	15,32,302	1,000,000
(b) (ii) Investment in Equity instruments(Unquoted)		
Investment in Equity Shares of JCO Gas Pipe Ltd 300000 Shares (Previous year 300000 Share) of Rs. 10/- each fully paid up	3,600,000	3,600,000



Less: Provision for diminution in value of investments	1,350,000	1,350,000
	2,250,000.00	2,250,000.00
Total (B)	4,250,302	3,718,000
Grand Total (A + B)	4,250,302	3,718,000
Total	4,250,302	3,718,000

NOTE:-

	As at 31.03.2014	As at 31.03.2013
Aggregate amount of quoted investments	2,010,943	1,478,641
Market value of quoted investments	1,535,172	950,240
Aggregate amount of unquoted investments	3,600,000	3,600,000
Aggregate provision for diminution in value of investments (#)	1,360,641	1,360,641

****5760 shares includes 2160 Bonus Shares**

Note-11

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful debts	-	-
b. Others (specify nature)		
Secured, considered good	249,670	249,670
Unsecured, considered good		
Doubtful		
Less: Provision	-	-
	249,670	249,670

Note-12 TRADE RECIEVABLES

	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good		
Unsecured, considered doubtful		
Less: Provision for doubtful debts	-	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good (refer foot note)	109,977,833	109,977,833
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	109,977,833	109,977,833
Total	109,977,833	109,977,833



Trade Receivable stated above include debts due by:

Particulars	As at 31.03.2014 ₹	As at 31.03.2013 ₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-

Foot Note

Debtors includes amounts due at the time of discontinued operations from (i) The Shipping Corporation of India (ii) The Commander, Coast Guard (iii) D. B. Madan & Co. which are under litigation at various stages. The management is confident of recovery, therefore no provision has been considered necessary.

Note-13 CASH AND CASH EQUIVALENT

Note 1 Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956

Cash and cash equivalents	As at 31.03.2014 ₹	As at 31.03.2013 ₹
a. Balances with banks*		
Current Account	1,040,083	3,046,400
b. Cash on hand includes Imprest Amount	23,423	182,531
c. Others (Fixed Deposit, Maturity less than 12 months)	5,000,000	7,000,000
	6,063,506	10,228,931

Note-14 SHORT TERM LOANS & ADVANCES

Short-term loans and advances	As at 31.03.2014 ₹	As at 31.03.2013 ₹
a. Loans and advances to related parties “ (refer note 2)”		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Less:Provision for doubtful loans and advances	-	-
b. Others (specify nature)		
Secured, considered good	114,471	127,502
Unsecured, considered good	-	479,335
Doubtful		
Less:Provision for doubtful loans and advances.	-	479,335
	<u>114,471</u>	<u>127,502</u>

Note-15 Other Current Assets

Short-term loans and advances	As at 31.03.2014	As at 31.03.2013
Pre Paid Expenses	7,231	6,814
Others (Malvi Ranchoodas & Co.)	-	-
Interest accrued but not due	204,777	139,977
	<u>212,008</u>	<u>146,791</u>

**Note-16 OTHER INCOME**

Particulars	For the Year	For the Year
	ended 31 March	ended 31 March
	2014	2013
	₹	₹
Interest Income	682,324	328,295
Dividend Income	20,160	8,640
Net gain/loss on sale of investments	-	-
Sundry balance W/Back (NET)	3,107,238	2,582
Total	3,809,722	339,517

NOTE-17 EMPLOYEE BENEFIT EXPENSES

Employee Benefits Expense	For the Year	For the Year
	ended 31 March	ended 31 March
	2014	2013
	₹	₹
(a) Salaries and incentives	486,558	604,740
(b) Contributions to -		
(i) Provident fund	5,784	30,962
(c) Gratuity fund contributions	5,740	-
(d) Earn Leave Salary	9,115	16,005
(e) Staff welfare expenses	14,831	20,477
Total	522,028	672,184

NOTE-18 FINANCE COST

Particulars	For the Year	For the Year
	ended 31 March	ended 31 March
	2014	2013
	₹	₹
Interest expense	-	-
Bank Charges	4,277	3,643
Total	4,277	3,643

**NOTE-19 OTHER EXPENSES**

Other Expenses	For the Year ended 31 March 2014 ₹	For the Year ended 31 March 2013 ₹
Travelling & Conveyance	267,940	293,364
Communication Expenses	11,007	13,647
Printing & Stationery	6,010	7,977
Legal & Professional Charges	1,955,759	2,318,012
Directors Sitting Fees	28,100	31,290
Auditor's Fees & Expenses	71,798	68,540
AGM Exp. & Board Meeting Exps.	480,055	296,462
Listing Fees	81,461	81,461
Registrar & Transfer Agent Fees	135,469	138,782
Insurance exp.	29,700	38,356
Share Depository Expenses	56,180	56,180
Notice Publishing Expenses	67,850	62,380
Other Miscellaneous Expenses	79,930	48,133
Total :-	3,271,259	3,454,584

Note 2 Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as	For the Year ended 31 March 2014 ₹	For the Year ended 31 March 2013 ₹
a. auditor	47,191	47,191
b. for taxation matters	-	-
c. for company law matters	-	-
d. for management services	-	-
e. for other services	24,607	21,349
f. for reimbursement of expenses	-	-
Total	71,798	68,540

NOTE No. 20 Earnings per share (EPS)

Earnings per share (EPS)		Current Year	Previous Year
Calculation of EPS			
S.No.	Particulars	Equivalent of shares	Equivalent of shares
1	Opening no. of shares	3,27,74,150	3,27,74,150
2	Closing no. of shares	3,27,74,150	3,27,74,150
3	Weighted average no. of shares for basic EPS	3,27,74,150	3,27,74,150
4	Profit/(Loss) for the year	(356,065)	(8,440,206)
5	EPS : Basic	-0.01	-0.26
	: Diluted	-0.01	-0.26

**Note 21:****Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956**

Contingent liabilities and commitments (to the extent not provided for)	As at 31.03.2014 ₹	As at 31.03.2013 ₹
(i) Contingent Liabilities		
(a) Claims against the company not acknowledged as debt	-	-
(b) Guarantees	-	-
(c) Other money for which the company is contingently liable	49,120,000	49,120,000
	49,120,000	49,120,000

22. Income Tax Assessments of the Company have been completed upto Assessment Year 2012-13 u/s 143(1) (a). For the current year, the company has been advised that no provision for Income Tax is necessary in the absence of taxable income.

23. Remuneration paid to Managing Director NIL (Previous Year NIL)
*In view of the prevailing circumstances, Managing Director has consented to waive-off his remuneration and other benefits.

24. (i) Balances under the head Term Loans, Loans & Advances, Deposits, Sundry Debtors, Sundry Creditors for materials and Sub-contractors, remained unconfirmed till the Balance Sheet date.

(ii) In the opinion of the Management, the aggregate values of Current Assets, loans and advances on realisation in ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet. Certain advances & Debtors which are under dispute/litigation, pending decision, have not been provided.

25) SEGMENT REPORTING

The company operated in only one operating segment i.e. ship repairs. However the operation remained suspended since June, 1998.

26) RELATED PARTY TRANSACTIONS

Related party transactions during the year ended March 31, 2014 are detailed below:
Key Management Personnel and their relatives

Mr. Jagdish Chokhani
Mr. Satender Singh
Mr. Naresh Tulshan
Mr. Madhusudan Chokhani
Mrs. Anita Chokhani



Related party transaction of Key Management Personnel and their relatives

Particulars	Transaction during the year 2013-14	Balance as on 31.03.2014	Transaction during the year 2012-13	Balance as on 31.03.2013
Sitting fee paid to				
Sh. Jagdish Chokhani	8992	-	10430	-
Sh. Satendra Singh	9554	-	10430	-
Sh. Naresh Tulshan	9554	-	10430	-

27) ACCOUNTING STANDARD -15 (AS - 15) 'EMPLOYEE BENEFITS'**Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

	F.Y. 2013-14	F.Y. 2012-13
Employer's contribution to Provident Fund:	Rs. 5784	Rs. 30962

Defined Benefit Plan

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

(i) Reconciliation of opening and closing balances of Defined Benefit Obligation.

	Gratuity (UnFunded)		Leave Encashment (Unfunded)	
	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)
Defined Benefit obligation at the beginning of the year	28839	187415	3945	30509
Current Service Cost	4868	1973	3254	270
Interest Cost	2596	15419	355	2510
Actuarial (gain)/loss	(1724)	(19974)	5506	7392
Benefits Paid	-	(155994)	(6000)	-
Settlement cost	-	-	-	-
Defined Benefit obligation at the end of the year	34579	28839	7060	3945

(ii) Reconciliation of opening and closing balances of Fair Value of Plan Assets

	Gratuity (Unfunded)	
	F.Y. 2013-14	F.Y. 2012-13
Fair value of plan assets as at the beginning of the year	-	-
Expected Return	-	-
Actuarial (gain)/loss	-	-
Contribution by Employer	-	-
Benefits Paid	-	-



Settlement cost	-	-
Fair value of plan assets as at the end of the year	-	-
Actual return on plan assets	-	-

(iii) Reconciliation of amount recognised in Balance Sheet

	Gratuity (UnFunded)		Leave Encashment (Unfunded)	
	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)
Fair Value of Plan Assets as at 31st March, 2014	-	-	-	-
Present value of obligation as at 31st March, 2014	34579	28839	7060	3945
Net asset/(liability) recognised in the Balance Sheet	(34579)	(28839)	(7060)	(3945)

(iv) Expense Recognised during the year (under the head)

	Gratuity (UnFunded)		Leave Encashment (Unfunded)	
	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)
Current Service Cost	4868	1973	3254	270
Interest Cost	2596	15419	355	2510
Expected return on plan assets				
Net Actuarial(gain)/ loss recognised during the period	(1724)	(19974)	5506	7392
Expenses recognised in the statement of Profit & Loss	5740	(2582)	9115	10172

(v) Actual Return on Plan Assets

	Gratuity (Unfunded) F.Y. 2013-14	F.Y. 2012-13
Expected Return on Plan Assets	-	-
Actuarial (gain)/ loss	-	-
Actual return on plan assets	-	-

**(vi) Principal Actuarial Assumptions**

	Gratuity (UnFunded)		Leave Encashment (Unfunded)	
	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)	FY 2013-14 (Rs.)	FY 2012-13 (Rs.)
Mortality Table (LIC)	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified	1994-96 duly modified
Discount rate	9.00%	8.25%	9.00%	8.25%
Future Salary Increase	5.00%	5.00%	5.00%	5.00%
Expected rate of return on plan assets	-	-	-	-
Retirement Age	60 years	60 years	60 years	60 years
Withdrawal Rates	2%	2%	2%	2%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

28) DEFERRED TAX (NET)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Assets		
Arising on account of Timing difference	-	-
Accumulated Depreciation as per Income Tax	106299045	106619313
Accumulated loss as per Income Tax	4267000	4267000
Deferred Tax Liabilities		
Arising on account of Timing difference	-	-
Due to section 43B of the Income Tax Act	4591	15402
Others	-	-
Net Deferred Tax Assets	110570636	110901715
Movement		
Opening Balance	110901715	110016977
Addition/(deduction) during the year	(331079)	884738
Closing Balance	110570636	110901715

Since the operations of the company remained suspended since June, 1998, the management believes there is no certainty that deferred tax assets could be realized in future, therefore the recognition of deferred tax assets has been deferred.

29) Depreciation & Amortization

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
Depreciation & Amortization Expense	258111	261623



30) Additional information pertaining to provisions of part II of Schedule VI of the Companies Act. 1956.

	Current Year (Amount in Rs.)	Previous Year (Amount in Rs.)
(i) Capacities	NIL	NIL
(ii) Actual Production:		
Being a Service Industry	NIL	NIL.
(iii) Value of Imports (CIF) in respect of:	NIL	NIL
(iv) Expenditure (on remittance basis) in Foreign Currency on Account of :		
1.Travelling	NIL	NIL
2. Subscription, Advertisement, Port Dues, Agency Fee etc.	NIL	NIL
(v) Earnings in Foreign Exchange	NIL	NIL
(vi) Details of Imported & Indigenous Raw Materials & Spares consumed	NIL	NIL

(vii) There was no employee who was employed throughout the Financial year and was in receipt of an aggregate remuneration of more than Rs.60,00,000/- p.a. or Rs.5,00,000/- per month if employed for part of the year

NOTE :-

- I. Previous year figures have been re-grouped and re-arranged wherever necessary.
- II. Figures in brackets represent previous year's figures.
- III. Figures have been rounded off to nearest Rupee.

Note 1 to 30 form an integral part of accounts.

As per our report of even date
for DOOGAR AND ASSOCIATES
Chartered Accountants
Firm Regn. No. 000561N

For and on behalf of the Board of Directors of
Chokhani International Ltd

Place: New Delhi
Date : 28.05.2014

Mukesh Goyal
Mg. Partner
M. No. 081810

Jagdish Chokhani
Chairman & Managing Director
DIN : 00304040

Satendra Singh
Director
DIN : 01289658

Varsha Jain
Company Secretary



CHOKHANI INTERNATIONAL LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	FOR THE YEAR 2013-14 (Rs.)	FOR THE YEAR 2012-13 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	(356,065.00)	(8,440,206.00)
ADJUSTMENT FOR:		
Depreciation	258,111.00	261,623.00
Dividend / Interst	(702,484.00)	(336,935.00)
Loss on sale of shares	76,921.84	3,037,689.00
Loss/(Profit) on sale of Fixed Assests	33,190.00	-
Operating profit before working capital changes	(690,326.16)	(5,477,830.00)
ADJUSTMENT FOR:		
Trade and Other receivables	(52,186.00)	3,039,597.00
Inventories	-	-
Trade Payables & other liabilities	(3,531,174.00)	29,973.00
Cash Generated from operations	(4,273,686.16)	(2,408,260.00)
Interest paid	-	-
Direct Tax paid	-	-
Dividend paid	-	-
Net cash from operative activities	(4,273,686.16)	(2,408,260.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) /Sale of fixed assets	15,000.00	-
Dividend / Interst received	702,484.00	336,935.00
Sale of Investment	73,078.16	11,312,311.00
(Purchase) of investments	(682,301.00)	-
Receipt from Other Non-Current investments	-	500,000.00
Net Cash used in investing activities	108,261.16	12,149,246.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share & other equity instrument	-	-
Proceed from long term borrowings	-	-
Repayment of long tem borrowings	-	(177,007.00)
Increase in bank borrowings	-	-
Net cash from financing activities	-	(177,007.00)
Net increase/(Decrease) in cash and cash equivalents	(4,165,425.00)	9,563,979.00
Cash and cash equivalents (Opening Balance)	10,228,931.00	664,952.00
Cash and cash equivalents (Closing Balance)	6,063,506.00	10,228,931.00

NOTE: Figures in parentheses represent cash outflow
See accompany notes to the financial statements

As per our report of even date
for DOOGAR AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Regn. No. 000561N

For and on behalf of the Board of Directors of
Chokhani International Ltd.

MUKESH GOYAL
MANAGING PARTNER
M.No. 081810

JAGDISH CHOKHANI
CHAIRMAN AND MANAGING DIRECTOR
DIN-00304040

SATENDRA SINGH
DIRECTOR
DIN-01289658

PLACE: NEW DELHI
DATE: 28.05.2014

Varsha Jain
COMPANY SECRETARY

FOR ATTENDING THE ANNUAL GENERAL MEETING, NO GIFTS SHALL BE DISTRIBUTED BY THE COMPANY.

CHOKHANI INTERNATIONAL LIMITED

Regd. Office: D-3/2, Okhla Industrial Area, Phase - II, New Delhi - 110 020

PROXY

PROXY FORM

I/Weof

being a member(s) of the above named Company, hereby appoint

or failing him.....of.....

as my/our proxy to vote for me/us behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, 30th September, 2014 at 10.30 A.M.

Signed at this day of 2014.

Ledger Folio No.

Number of Equity Shares held

Signature

Affix
Re 1
revenue
stamp

Notes:

- 1. The Proxy need not be a member.
- 2. The Proxy duly signed across Re. 1/- revenue stamp should reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

CHOKHANI INTERNATIONAL LIMITED

Regd. Office: D-3/2, Okhla Industrial Area, Phase - II, New Delhi - 110 020

ATTENDANCE SLIP

I hereby record my presence at the 34th Annual General Meeting being held on Tuesday, 30th September, 2014 at 10.30 A.M. at 1, DSIDC Complex, Okhla Industrial Area, Phase-I, New Delhi-110 020.

1. Full Name of the Shareholder/Proxy.....
(in Block Letters)

2. Ledger Folio No.

3. No. of Equity Shares held:.....4. Signature of the Shareholder/Proxy Attending.

To be used only when First named shareholder is not attending.

Please give full name of the Joint Holders.

1. Mr./Mrs./MissSignature.....

2. Mr./Mrs./MissSignature.....
(in Block Letter)

Notes:

- 1. Please fill in this attendance slip and hand it over at the ENTRANCE TO THE HALL.
- 2. Shareholders who come to attend the meeting are requested to bring their copies of the Annual Reports with them.

If undelivered please return to:
CHOKHANI INTERNATIONAL LIMITED
D-3/2, Okhla Industrial Area, Phase-II
New Delhi-110020

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