

24th
ANNUAL REPORT
2016 - 2017



6/3, Manoramaganj, Indore - 452 001 (M. P.)

CHOKSI LABORATORIES LIMITED

BRANCHES/LAB

1. 829, GIDC Makarpura,
Vadodara – 390 010 (Gujrat)
2. Gokul Complex, IInd & IIIrd Floor,
101/8 GIDC Char Rasta Vapi - 396 195
(Gujrat)
3. Plot No. 362, Industrial Area
Phase II, Panchkula - 134 113
(Hariyana)
4. Plot No. C-18 & 20, Phace 1-A,
Verna Industrial Estate.
Verna - 403 722 (GOA)
5. Plot No. 8, 2nd Floor, Siddhivinayak
Complex, Phase - II, Near BDA Complex,
80, Feet Ring Road, Nagarbhavi
Bangalore - 560072, (Karnataka)

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083.
Tel No : +91 22 49186000
Fax : +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

BANKERS :

Axis Bank
Bank Of India
HDFC Bank
Union Bank of India

BOARD OF DIRECTORS :

Mr. Sunil Choksi - Managing Director
Mrs. Stela Choksi - Whole-time Director
Mr. Vyangesh Choksi - Whole-time Director & CFO
Ms. Himika Choksi – Additional Director
(w.e.f. 01.03.2017)
Mr. Sudarshan Shastri - Independent Director
Mr. Pradip Karmakar - Independent Director
Mr. Satish Chandra Joshi - Independent Director
Mr. N. K. Mani – Independent Director

COMMITTEES OF DIRECTORS :

Audit Committee :

1. Mr. Sudarshan Shastri, Chairman
2. Mr. Satish Chandra Joshi, Member
3. Mr. N.K. Mani, Member

Stakeholder Relationship Committee :

1. Mr. Sudarshan Shastri, Chairman
2. Mr. Satish Chandra Joshi, Member
3. Mr. N.K. Mani, Member

Nomination and Remuneration Committee :

1. Mr. Sudarshan Shastri, Chairman
2. Mr. Pradip Karmakar, Member
3. Mr. N.K. Mani, Member

COMPANY SECRETARY & COMPLIANCE OFFICER :

Mr. Abhishek Sharma

AUDITORS :

PRATEEK JAIN & CO.
Chartered Accountants
212, Shalimar Corporate Centre,
8-B, South Tukoganj, Indore – 452 001 (M.P.)

REGISTERED OFFICE & LABORATORY :

6/3, Manoramaganj, INDORE- 452 001 (M.P.)
CIN : L85195MP1993PLC007471

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of the Company will be held on Monday, 25th day of September, 2017 at 11.00 A.M. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March, 2017 and the Reports of the Directors and Auditors thereon.
- To appoint a Director in place of Mr.Vyangesh Choksi (DIN:00154926), who retires by rotation and being eligible offer himself for reappointment.
- To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants (ICAI FRN: 004733C), be and is hereby appointed as Statutory Auditor of the Company for a term of 5 (five) consecutive years from the financial year 2017-2018, subject to ratification by the members at every Annual General Meeting of the Company, at such remuneration as shall be fixed by the Managing Director of the Company in consultation with the Audit Committee and the Auditor."

SPECIAL BUSINESS:

- To consider and if thought fit to pass with or without modification(s), the following resolutions as Ordinary Resolution:-

APPOINTMENT OF DIRECTOR:

"RESOLVED THAT pursuant to provisions of sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 as may be amended from time to time and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Himika Choksi (DIN:00155007), who was appointed as an Additional Director of the Company and in respect of whom the Company has received a notice under section 160 from a member proposing her candidature for the office of Director and who is eligible for appointment, be and is hereby appointed as Director liable to retire by rotation of the Company."

- To consider and if thought fit to pass with or without modification(s), the following resolutions as Ordinary Resolution:-

APPOINTMENT OF WHOLE TIME DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions if any, and in terms of schedule V of the Companies Act 2013 as amended up to the date for the appointment of Ms. Himika Choksi (DIN:00155007), as Whole Time Director of the Company be and is hereby approved for a period of 5 (Five) years w.e.f. 01.06.2017, on remuneration and the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors to sanction and/or vary the terms as they in their discretion deem fit in conformity with any amendments to relevant provisions of the Companies Act and/or the Rules and Regulations made in there under and/or such guidelines as may be announced by the Central Government from time to time."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out the material facts relating to the Special Business.

Item No.4:

The Board of Directors had appointed Ms. Himika Choksi (DIN:00155007), on 01.03.2017 as an Additional Director of the Company. In terms of the provisions of Section 160 of the Companies Act, 2013; Ms. Himika Choksi holds office as an Additional Director up to the date of the ensuing Annual General Meeting.

As per provisions of Section 160 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, a member proposed to appoint her as regular Director in the Company alongwith the requisite deposit.

Your Directors, therefore recommend for approval of members for the appointment of Ms. Himika Choksi as a Director of the Company by passing the resolution set out at Item no. 4 of the notice as an Ordinary Resolution.

Your Directors recommend the resolution for approval. None of the Directors, Key Managerial Personnel, Relatives thereof, except Mr. Sunil Choksi, Mrs. Stela Choksi, Mr. Vyangesh Choksi and Ms. Himika Choksi, are interested in the resolution.

Item No.5:

Ms. Himika Choksi (DIN:00155007) was appointed as Additional Director of the Company w.e.f. 01/03/2017, the Board of Directors of the Company has considered it desirable to appoint her as Whole Time Director of the Company for a period of 5 (Five) years w.e.f. 01/06/2017, on the terms and conditions mentioned hereunder:

- | | |
|--------------------------|------------------------------------|
| 1. Period of Appointment | 5 (Five) years w. e .f. 01/06/2017 |
| 2. Salary | Rs. 2,00,000 – 3,00,000 pm |

Perquisites and Allowances:

In addition to the salary payable to the Whole Time Director, she shall also be entitled to perquisites like commission, accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House maintenance allowance together with reimbursement of expenses or allowances for utilities such as Gas, Electricity, Water, Furnishing and repairs, medical reimbursement, leave concession for herself and her family, Club fees, Medical Insurance and such other perquisites and allowances in accordance with the rules of the company or as may be agreed to by the Board and such perquisites and allowances to be restricted to 50% of the annual salary of the Whole Time Director.

Company's contribution to Provident Fund and superannuation fund to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limit for the remuneration or perquisites aforesaid.

Minimum Remuneration:

Where in any financial year during her tenure of the Whole Time Director, the Company has not made any profit or its profits are inadequate, the remuneration proposed to be paid to the Whole Time Director by way of salary and perquisites as above shall be paid as minimum remuneration.

The proposed Resolution is recommended for passing.

This may be treated as an abstract of the draft agreement between the company and Ms. Himika Choksi pursuant to

Section 190 of the Companies Act 2013.

Except Mr. Sunil Choksi, Mrs. Stela Choksi, Mr. Vyangesh Choksi and Ms. Himika Choksi, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

DATE : 14/08/2017
PLACE : INDORE

By Order of the Board
For CHOKSI LABORATORIES LIMITED
ABHISHEK SHARMA
COMPANY SECRETARY

NOTES:

- 1 . The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 4 and 5 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors proposed to be appointed/re-appointed at the Annual General Meeting, is annexed hereto.
- 2 . **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.** The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered office of the Company not less than FORTY- EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member. Proxies shall not have any right to speak at the meeting.
- 3 . The register of members and transfer books of the Company shall remain closed from 23rd day of September, 2017 to 25th day of September, 2017 (both days inclusive) for the purpose of Annual General Meeting.
- 4 . As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring copies to the meeting.
- 5 . All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M upto the date of meeting.
- 6 . Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at 6/3, Manoramaganj Indore-M.P. at least seven days before the date of the Meeting.
- 7 . Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting authorizing such person to attend and vote on its behalf at the meeting.
- 8 . Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
- 9 . Members / Proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to inform company of any change in their address immediately so as to enable the company to dispatch any further communication at their correct address.
- 10 . In compliance with provisions of the Listing Agreement entered into with the Stock Exchange(s), the Company is pleased to offer e-voting facility to enable members to cast their votes electronically. The Company has agreement with CENTRAL DEPOSITORY SERVICES LIMITED (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.
- 11 . Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report 2016-2017 will be available on the Company's website www.choksilab.com

SECTION A - E-VOTING PROCESS:

Step 1 : Open your web browser during the voting period and log on to the e-Voting Website: www.evotingindia.com.

Step 2: Click on "Shareholders" to cast your vote(s)

Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. "170816019" along with "COMPANY NAME" i.e. " Choksi Laboratories Limited" from the drop down menu and click on "SUBMIT".

Step 4 : Please enter User ID -

a. For account holders in CDSL :- Your 16 digits beneficiary ID

b. For account holders in NSDL :- Your 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.

Step 5 : Enter the Image Verification as displayed and Click on Login.

Step 6 : 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 your existing password is to be used.

Step 7: If you are a first time user follow the steps given below:

7.1 Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their 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 enter RA00000100 in the PAN field.

7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in DD/MM/YYYY format#

Step 8: After entering these details appropriately, click on "SUBMIT" tab.

Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution 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. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.

Step 10: Click on the EVSN of the Company i.e. "170816019" to vote.

Step 11: On the voting page, you will see Resolution description and against the same the option 'YES/NO' for voting. Select the relevant option as desired YES or NO and click on submit.

Step 12: Click on the Resolution File Link if you wish to view the Notice.

Step 13: 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.

Step 14: Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Step 15: Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS:

1. The e-Voting period commences on from 10.00 A.M. (IST) on 22nd September, 2017 and ends on upto 05.00 P.M. (IST) on 24th September, 2017. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date (record date) of 18th September, 2017 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
2. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
4. CS Kaushal Ameta, Practicing Company Secretary, Membership No.: 8144 , COP No. 9103, Address: 404, Navneet Plaza, 5/2 Old Palasia, Indore (M.P.) -452001 (India), Email ID: 7kaushal@gmail.com has been appointed as the Scrutinizer to scrutinize the e-Voting process.
5. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same, provided that the chairman or a person authorized by him in writing who shall countersign the same.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.choksilab.com and on the 'website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.
7. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
8. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
9. 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 Corporate, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity helpdesk.evoting@cdslindia.com.
10. They should also upload a scanned copy of the Board Resolution / 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 vote.
11. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
12. 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.com under help section or write an e-mail to

**By Order of the Board
For CHOKSI LABORATORIES LIMITED**

**DATE : 14/08/2017
PLACE : INDORE**

**ABHISHEK SHARMA
COMPANY SECRETARY**

ANNEXURE TO NOTICE

Details of Directors seeking Appointment / Re-appointment

Name of Director	Date of Birth	No. of Shares Held	Qualification	Nature of Expertise	Name of the Company in which Director holds Directorship	Name of the Committee of the Company in which Director holds Membership & Chairmanship
Mr. Vyangesh Choksi DIN:00154926 Appointed on 01/08/2009	04/12/1979	447099	BCA MCSA MCSE GAMP	IT, Finance and General Administration	1. Choksi Holding Company Private Limited 2. Brucke Consulting Private Limited 3. Choksi Toxlab Private Limited 4. Auro Vision Infotech And Marketing Private Limited	NIL
Ms. Himika Choksi DIN: 00155007 Appointed as Additional Director on 01.03.2017	23/08/1976	1000	BMs PGDBA	Quality Assurance & Quality control	1. Brucke Consulting Private Limited	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure presenting the 24th Annual Report alongwith Audited Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS

(Rs. In lacs)

	(31.03.2017)	(31.03.2016)
Operational Receipts	2519.87	2230.48
Other Income	62.96	1.49
Profit before Depreciation, Interest & Tax	542.77	509.81
Depreciation	286.35	273.21
Interest	126.42	122.69
Provision for tax	50.74	70.40
Income Tax Earlier year	9.15	0.35
Deferred Tax Liability for Current Year	(18.46)	(29.02)
Net Profit	88.57	72.18
Balance brought forward	1151.65	1079.47
Balance carried to Balance Sheet	1240.22	1151.65

OPERATIONS

The turnover for the year under review was Rs. 2519.87 Lacs as compared to Rs. 2230.48 Lacs in the previous year. The Company has recorded a profit before depreciation, interest and tax of Rs. 542.77 Lacs during the year as compared to Rs. 509.81 Lacs in the previous year and earned profit after tax of Rs. 88.57 Lacs during the year as compared to Rs. 72.18 Lacs in previous year. During the year, company has received other income of 62.96 Lakh, which includes capital gain from selling of spare land at vapi and interest on tax refund. Company has made addition/ invested in capacity building in the current units to counter old/legacy Instruments. Company has written off bad debt(s) amounting to forty seven lakh of previous years and discounted current sales by 12 Lakh only.

The current expansion(s) will help company to yield better results in forthcoming years.

EXTRACT OF ANNUAL RETURN

In compliance with section 92(3), section 134 (3) (a) and rule 11 of the Companies (Management and Administration) Rules, 2014 the extract of the annual return is annexed as Form No. MGT-9 with this report.

MEETINGS OF THE BOARD

6 (Six) meetings of the Board of Directors and 5 (Five) meetings of the Audit Committee were held during the year. The details of the above are given in the Corporate Governance Report.

DIRECTORS

Mr.Vyangesh Choksi (DIN:00154926), Director of the Company, retire by rotation and being eligible offer himself for reappointment. Board recommends his reappointment as Director of the Company.

Ms.Himika Choksi (DIN:00155007) was appointed as Additional Director of the Company w.e.f. 01.03.2017. The Board of Directors of the Company have recommended to appoint her as Director of the Company liable to retire by rotation and have considered it desirable to also appoint her as Whole Time Director for a period of 5 (Five) years w.e.f. 01.06.2017.

Policy on Director's appointment and remuneration

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. The current policy is to have a balanced mix of executive and non-executive Independent Directors to maintain the independence of the Board, and separate its functions of governance and management.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (5) of the Companies Act, 2013, the Directors confirm that: -

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.

- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a vigil Mechanism named Vigil Mechanism/ Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint pertaining to sexual harassment were received during FY 2016-2017.

AUDIT COMMITTEE

The Audit Committee comprises of all Independent Directors namely Mr. Sudarshan Shastri (Chairman), Mr. Satish Chandra Joshi and Mr. N.K. Mani as other members. All the recommendations made by the Audit Committee were accepted by the Board.

There are no recommendations of the Audit Committee which have not been accepted by the Board.

AUDITORS AND AUDITORS REPORT

As per the provisions of the Act, the period of office of M/s Prateek Jain & Co., Chartered Accountants, Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants (ICAI FRN: 004733C), as Statutory Auditor of the Company, for a term of 5 (five) consecutive years. They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditor of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer Except Note No. 30(c) to the Notes on Financial Statements.

Explanatory statement for Note No. 30(C) to the notes on financial statements :

The Company has already provided for the Service Tax Liability in its books of accounts and is also evident from the annual result & Auditor's Report dated 29.5.2016. The said liability could not be discharged due to late receipts of prior period Government Refunds & Grants pending amounting to around Rs.425 Lakh, which created temporary liquidity crunch. The said liability of service tax was duly paid within 30 days from the date of the demand. The Company has filed a Settlement Application with the Customs, Central Excise & Service Tax Principal Bench, Settlement Commission against the Show Cause Notice dated 19.5.2017.

SECRETARIAL AUDITOR

The Board appointed M/s. M. Maheshwari & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the FY 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the financial statements provided in this Annual Report.

DIVIDEND

In order to conserve the resources of the Company and retain internal accruals for funding growth and maximizing capacity so that Company generates a good return for shareholders in the long run, the Board of Directors do not propose dividend for the year ended 2016-2017.

PUBLIC DEPOSITS

The Company has not invited/accepted public deposit within the meaning of section 73 of the Companies Act, 2013 and rules made thereunder, during the year under review.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Report on Corporate Governance and Management Discussion and Analysis Report are annexed and form part of this Annual Report. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMMITTEES OF THE BOARD

Currently, the Board has three committees : the audit committee, the nomination & remuneration committee and the stakeholders relationship committee. All committees consist entirely of independent directors. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report of this Annual Report.

TRANSFER TO RESERVES

During the year the Board of Directors have decided not to transfer any amount to the reserves for the financial year ended 31st March, 2017.

BOARD EVALUATION

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee.

LISTING OF SECURITIES

The Equity Shares of the Company are listed at Bombay Stock Exchange. The Company had duly paid the listing fees to the Bombay Stock Exchange for the financial year 2017-2018.

DEMAT STATUS

The Company's shares are presently held in both electronic and physical modes.

BUSINESS RISK MANAGEMENT

The company does not have any risk other than normal business risk therefore there is no any written risk management policy so far adopted by the company.

INTERNAL FINANCIAL CONTROLS

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

The Internal financial controls with reference to the financial statements were adequate and operating effectively.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed to the Board's report.

CORPORATE SOCIAL RESPONSIBILITY

The Company is not required to constitute a Corporate Social Responsibility Committee, as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company in accordance with the SEBI (Prohibition of Insider Trading) Regulations 2015.

The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code.

DECLARATION FROM MANAGING DIRECTOR & CFO CERTIFICATION

The Board of Directors have received declaration from Managing Director and certificate from CFO under Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate have been enclosed in the Corporate Governance Report, is annexed herewith marked as "Declaration from Managing Director" & "CFO Certificate Under Regulation 17 (8) and part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015".

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not provided in the Annual Report, as none of the employees of the Company who was drawing remuneration in excess of the limits set out in the provision of the section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The requisite particulars required to be furnished under Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, regarding energy conservation technology absorption and R & D are not applicable, since the Company is not engaged in any manufacturing or processing activities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange outgo : Rs. 5,802,057/-
Foreign Exchange Earnings : Rs. 3,408,651/-

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

**FOR AND ON BEHALF OF THE BOARD
CHOKSI LABORATORIES LIMITED**

**DATE: 14/08/2017
PLACE: INDORE**

**STELA CHOKSI
WHOLE-TIME DIRECTOR
DIN: 00155043**

**SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Choksi Laboratories Limited,
CIN: L85195MP1993PLC007471
6/3,Manorama Ganj,
Indore (M. P.) - 452 001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Choksi Laboratories Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Choksi Laboratories Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under read with notifications, exemptions and clarifications thereto;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period hence, these regulations have not been considered for the purpose of this report).
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time. (Not applicable as the Company during the reporting period under Audit)
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014. (Not applicable as the Company during the reporting period under Audit).
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable as the Company during the reporting period under Audit);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 as amended from time to time. (Not applicable as the Company during the reporting period under Audit).

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999. (Not applicable as the Company during the reporting period under Audit)
- vi. As confirmed by the Management, there is no sectoral law specifically applicable to the Company based on their Sector/Business.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards on Board and General Meeting (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

We rely on Statutory Auditor's Report in relation to the financial statements and accuracy of financial figures for Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under Financial Statements, Accounting Standard 18 and note on foreign currency transactions during our audit period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Board Committee Meetings are carried out unanimously/majority as recorded in the Minutes of the Board of Directors of the Company or committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit period the Company has no specific events / actions that having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standard, etc.

Note : This Report is to be read with our letter dated 3rd August, 2017 which is annexed as Annexure A and forms and integral part of this report.

Date : 03.08.2017
Place : Indore

For M Maheshwari & Associates
Company Secretaries
MANISH MAHESHWARI
FCS 5174C.P. No.3860

To,
The Members,

CHOKSI LABORATORIES LIMITED

CIN: L85195MP1993PLC007471

6/3,MANORAMA GANJ, INDORE

(M. P.) - 452001

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliances of laws, rules, regulations and happening of events etc.
5. The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

For M. Maheshwari & Associates
Company Secretaries

Manish Maheshwari
FCS-5174
CP-3860

Date: 03.08.2017
Place: Indore

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third provision is given below:

1. Details of contracts or arrangements or transactions not at arm's length basis:

S. No.	Particulars	Details
a)	Name(s) of the related party and nature of relationship:	
b)	Nature of contracts/arrangements/transactions:	
c)	Duration of the contracts / arrangements/transactions:	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions:	
f)	Date(s) of approval by the Board:	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	

2. Details of material contracts or arrangement or transactions at arm's length basis:

S. No.	Particulars	Sunil Choksi	Stela Choksi	Vyangesh Choksi	D G Choksi HUF	Khyati Choksi	Neeta Shah
a)	Name(s) of the related party and nature of relationship:	Managing Director	Whole time Director	Whole time Director	Director's HUF	Spouse of Director	Sister of Director
b)	Nature of contracts/arrangements/transactions:	Remuneration paid & Loan Re-Payment	Remuneration paid & Rent Paid & Loan Re-Payment	Remuneration paid	Rent Paid	Salary Paid	Commission Paid
c)	Duration of the contracts / arrangements/transactions:	12 Mths.	12 Mths.	12 Mths.	12 Mths	12 Mths.	12 Mths.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	27.00 Lakhs & 4.00 Lacs	21.00 Lakhs & 3.00 Lacs & 4.00 Lacs	21.00 Lakhs	11.37 Lakhs	4.80 Lakhs	6.50 Lakhs
e)	Justification for entering into such contracts or arrangements or transactions:	Int. Free Loan from Director	Rent of Baroda & Interest free Loan from Director	Director Remuneration	Rent of Indore & VAPI Lab	JOB at Indore	Franchisee Commission for Gujrat
f)	Amount paid as advances, if any:	No	No	No	No	No	No

**FOR AND ON BEHALF OF THE BOARD
CHOKSI LABORATORIES LIMITED**

DATE: 14/08/2017
PLACE: INDORE

STELA CHOKSI
WHOLE-TIME DIRECTOR
DIN: 00155043

SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L85195MP1993PLC007471
- ii) Registration Date: 29/01/1993
- iii) Name of the Company: CHOKSI LABORATORIES LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares/ Indian Non-Government Company.
- v) Address of the Registered office and contact details: 6/3, Manorama Ganj, Indore, Madhya Pradesh.
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
M/s. Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai 400 083.
Tel No: +91 22 49186000
Fax: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Testing Laboratories	93 Other Service Activities.	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

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	1891754	Nil	1891754	27.16	1892754	Nil	1892754	27.17	0.01
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	300000	Nil	300000	4.31	300000	Nil	300000	4.31	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) AnyOther....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	2191754	Nil	2191754	31.47	2192754	Nil	2192754	31.48	0.01

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	
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	2191754	Nil	2191754	31.47	2192754	Nil	2192754	31.48	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) StateGovt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1) :-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	714908	210000	924908	13.27	193220	210000	403220	5.79	-7.48
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1332205	758115	2090320	30.01	1288336	756515	2044851	29.36	-0.65
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1370961	207000	1577961	22.65	1956829	207000	2163829	31.06	8.41
c) Others (specify)	180320	Nil	180320	2.60	160609	Nil	160609	2.31	-0.29
Sub-total (B)(2):-	3598394	1175115	4773509	68.53	3598994	1173515	4772509	68.52	-0.01
Total Public Shareholding (B) = (B)(1) + (B)(2)	3598394	1175115	4773509	68.53	3598994	1173515	4772509	68.52	-0.01
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
GrandTotal (A+B+C)	5790148	1175115	6965263	100	5791748	1173515	6965263	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	Sunil Choksi	523192	7.51	Nil	523192	7.51	Nil	Nil
2	Vyangesh Choksi	447099	6.42	Nil	447099	6.42	Nil	Nil
3	Sunil Kumar Choksi	400000	5.74	Nil	400000	5.74	Nil	Nil
4	Khyati Choksi	301263	4.33	Nil	301263	4.33	Nil	Nil
5	Choksi Holding Company Private Limited	300000	4.31	Nil	300000	4.31	Nil	Nil
6	Stela Choksi	220200	3.16	Nil	220200	3.16	Nil	Nil
7	Himika Choksi	Nil	Nil	Nil	1000	0.01	Nil	0.01
	Total	2191754	31.47	Nil	2192754	31.48	Nil	0.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Name of Transferor	No. of Shares at the beginning of the year	% of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year No.of Shares	Cumulative Share holding during the year:% of total shares of the Company
1.	Himika Choksi	Nil	Nil	30/09/2016	1000	Buy	1000	0.01
	Total	Nil	Nil	-	1000	-	1000	0.01

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Pratap Singh Hardia	250000	3.59	Nil	Nil	Nil	250000	3.59
2	Gaurav Anand	-	-	02/12/2016	200000	Buy	200000	2.87
3	Dheeraj Kumar Lohia	108486	1.55	10/02/2017	45910	Buy	154396	2.21
4	Shantanu Trivedi	-	-	02/12/2016	150000	Buy	150000	2.15
5	Timsy Kapoor	-	-	02/12/2016	150000	Buy	150000	2.15
6	Quest Laboratories Pvt. Ltd.	142200	2.04	Nil	Nil	Nil	142200	2.04
7	Lucky Fofriya	100000	1.44	Nil	Nil	Nil	100000	1.44
8	Purshottam Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
9	Sakar Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
10	Sonia Gulati	76221	1.09	Nil	Nil	Nil	76221	1.09
	Total	876907	12.59	-	545910	-	1422817	20.42

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Sunil Choksi	523192	7.51	Nil	Nil	Nil	523192	7.51
2	Vyangesh Choksi	447099	6.42	Nil	Nil	Nil	447099	6.42
3	Stela Choksi	220200	3.16	Nil	Nil	Nil	220200	3.16
4	Sudarshan Shastri	400	0.006	Nil	Nil	Nil	400	0.006
5	Himika Choksi	Nil	Nil	30/09/2016	1000	Buy	1000	0.01
	Total	1190891	17.096	-	1000	-	1191891	17.106

V. INDEBTEDNES of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	78877662	30119563	Nil	108997225
ii) Interest due but not paid	742912	67500	Nil	810412
iii) Interest accrued but not due.	Nil	Nil	Nil	Nil
Total (i+ii+iii)	79620574	30187063	Nil	109807637
Change in Indebtedness during the financial year?				
• Addition	750000	Nil	Nil	750000
• Reduction	24947826	10484669	Nil	35432495
Net Change	24197826	10484669	Nil	34682495
Indebtedness at the end of the financial year				
i) Principal Amount	54679836	19634894	Nil	74314730
ii) Interest due but not paid	517285	Nil	Nil	517285
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	55197121	19634894	Nil	74832015

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sunil Choksi	Stela Choksi	Vyangesh Choksi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2700000	2100000	2100000	6900000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
	Total (A)	2700000	2100000	2100000	6900000
	Ceiling as per the Act	As per Schedule V.			

B. Remuneration to other directors:

S.N.	Particulars of Remuneration	Name of Directors				Total Amount
		Sudarshan Shastri	Satish chandra Joshi	Pradip Karmakar	N. K. Mani	
1.	Independent Directors					
	• Fee for attending board committee meetings	19000	3000	3000	19000	44000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	19000	3000	3000	19000	44000
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	19000	3000	3000	19000	44000
	Total					6944000
	Managerial					
	Overall Ceiling as per the Act	As per Schedule V.				

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:

S.N.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	252491	0.00	252491
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Not Applicable	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	Nil	Nil	Nil
2.	Stock Option	Not Applicable	Nil	Nil	Nil
3.	Sweat Equity	Not Applicable	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify...	Not Applicable	Nil	Nil	Nil
5.	Others, please specify	Not Applicable	Nil	Nil	Nil
	Total	Not Applicable	252491	Nil	252491

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We have pleasure in submitting the Management Discussion & Analysis Report on the Company's business.

A. OPPORTUNITIES AND THREATS

The year was marked with considerable activity be it pharmaceutical, food or construction. Indian economy was adapting to the global factors and compliance levels were being made stringent on the global as well as domestic front. Human resource play as a vital role in the success or failure of an organisation. To make the organisation ready for tomorrow, the management invested in upgrading/ capacity building at current locations as well as building a team that can take your company forward in the coming years.

B. SEGEMENT- WISE PERFORMANCE

The Company is engaged in the single segment of analytical testing. Company is not involved in manufacturing, exports or trading of any commodity currently.

C. OUTLOOK

The outlook for the Company stands promising. CLL with six units across India and capacity increase underway. We hope to improve considerable in the coming years. Company is poised to continue an upward trend.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control system is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g. reputation or intellectual property such as trademarks). The Company has adequate internal control systems including suitable monitoring procedures commensurate with its size and the nature of the business. Everyone in a company has responsibility for internal control to some extent. Virtually all employees produce information used in the internal control system or take other actions needed to affect control. Also, all personnel are responsible for communicating upward problems in operations, non-compliance with the code of conduct, or other policy violations or illegal actions and each major entity in corporate governance has a particular role to play. The management fulfills this duty by providing leadership and direction to senior managers and reviewing the way they're controlling the business.

The statutory auditors while conducting the statutory audit, review and evaluate the internal controls and their observations are discussed with the Audit committee of the Board.

E. FINANCIAL AND OPERATIONAL PERFORMANCE

Please refer to performance review in the Board of Directors Report.

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

CLL recognizes that nurturing and recruiting the best talent is vital to the long term success of the enterprise. During the year under review, various training and development programmes were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals, which are viewed as key drivers of their personal growth and the success of CLL.

G. CAUTIONARY STATEMENT

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securities law and regulations and actual results may differ materially from those expressed or implied. These statements are likely to address the Company's growth strategy, financial results, product development, product approvals, product potential and development programs based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of subsequent developments, information of events.

REPORT ON CORPORATE GOVERNANCE

In accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Company's Report on Corporate Governance.

1. Company Philosophy of Corporate Governance.

The Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it. Your Company confirms the compliance of Corporate Governance as per the Listing Agreement and as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2. Best Corporate Governance Practices.

CHOKSI LABORATORIES LIMITED maintains the highest standards of Corporate governance. It is the company constant endeavor to adopt the best corporate governance practice keeping in view the international codes of Corporate Governance and practice of well-known global companies. Some of the best implemented global governance norms include the following:

- The Company has a designated Lead Independent Director with a defined role.
- All Securities related filing with Stock Exchanges and SEBI are reviewed every quarter by the Company's Stakeholders relationship Committee (previously Shareholders'/Investors' Grievance Committee of Directors).
- The Company also undergoes secretarial audit conducted by independent company secretary who is in whole time practice & the annual secretarial audit report placed before the Board, is annexed in the Annual Report.

3. Role Of The Company Secretary On Overall Governance Process.

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are available to the directors, and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in conduct of affairs of the Company to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

4. Board of Directors.

Composition:

The Company has a balanced mix of executive and nonexecutive Independent Directors. As at 31.03.2017, the Board of Directors comprises of 8 (Eight) Directors, out of which 3 (Three) are executive, including 1 (One) Woman Director & 1 (One) Additional Director and 4 (Four) are Independent Directors.

The detailed statement on composition of the Board is as under :

S N	Name of the Director	Promoter, Executive, Non-Executive, Independent	No. of Director-ship/ Committees membership of other Companies	No. of Board Meetings		Whether attended Last Annual General Meeting
				Held	Attended	
1.	Mr. Sunil Choksi	Promoter/Executive	1	6	6	Yes
2.	Mrs. Stela Choksi	Promoter/Executive	0	6	6	Yes
3.	Mr. Vyangesh Choksi	Promoter/Executive	4	6	5	Yes
4.	Ms. Himika Choksi (w.e.f. 01/03/2017, (Additional Director)	Promoter	1	-	-	-
5.	Mr. Sudarshan Shastri	Independent	4	6	6	Yes
6.	Mr. Pradip Karmakar	Independent	0	6	1	Yes
7.	Mr. N.K. Mani	Independent	0	6	6	Yes
8.	Mr. Satish Chandra Joshi	Independent	0	6	1	Yes

Number of Board Meetings held and the dates on which held

During the year under review a total of 6 (Six) Board Meetings were held. The details of the date(s) on which the meetings were held are as follows:

28th May, 2016	12th August, 2016	27th Sept, 2016	12th Nov., 2016	10th Feb., 2017	01st March., 2017
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Meetings of Independent Directors:

During the year under review, the Independent Directors met on 27th September, 2016, inter alia, to discuss:

- (i) Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- (iii) Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

5. Performance Evaluation.

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

6. Committees Of The Board.

In Compliance with the requirements under the Listing Agreement and the applicable laws, the Board has constituted the following committees:

- 1. Audit Committee;
- 2. Nomination & Remuneration Committee;
- 3. Stakeholder Relationship Committee.
- 4. Disclosure Under The Sexual Harassment Of Women At Work Place (Prevention, Prohibition And Redressal) Act, 2013:

Audit Committee.

Power of the Audit Committee

- 1. To investigate any activity within its terms of reference.
- 2. To seek information from any employee.
- 3. To obtain outside legal or other professional advice.
- 4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference and Role of Audit Committee

The scope and function of the Audit Committee is to regularly review the internal control, systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws, and monitor with a view to provide effective supervision of the management's process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/ functions of the Audit Committee constituted by the Company comply with the requirements of Regulation 18 (3) and part C of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Companies Act, 2013. Role of Audit Committee includes the following:

- 1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- 2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors including Cost Auditors and fixation of audit fees.
- 3. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Changes, if any, in accounting policies and practices and reasons for the same.
 - b) Significant adjustments made in the financial statements arising out of audit findings.

- c) Compliance with listing and other legal requirements relating to financial statements.
- d) Disclosure of related party transactions.
- e) Qualifications in draft audit report.
- 4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 5. Reviewing with the management, the performance of Statutory Auditors and adequacy of internal control systems.
- 6. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

COMPOSITION:

The Audit Committee presently comprises of three Independent Non-Executive Directors:

- 1. Mr. Sudarshan Shastri, Chairman
- 2. Mr. Satish Chandra Joshi, Member
- 3. Mr. N.K. Mani, Member

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2017, 5 (Five) meetings of the Audit Committee were held, as follows:

28th May, 2016	12th August, 2016	12th Nov., 2016	10th Feb., 2017	01st March 2017
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Attendance of each Member at the Audit Committee meetings held during the year

Name	Number of Meetings during the year 2016-17	
	Held	Attended
Mr. Sudarshan Shastri	5	5
Mr. Satish Chandra Joshi	5	0
Mr. N.K. Mani	5	5

Nomination and Remuneration Committee.

Description and Role of the Nomination & Remuneration Committee:

- 1. To determine the policy on specific remuneration packages for Executive/Whole- time Directors including pension rights and any compensation payments.
- 2. Recommends to the Board the remuneration of the Executive Directors in all its forms (i.e. salary, contribution to provident fund, superannuation fund, gratuity, bonus, stock option, compensation for loss of office, other amenities, perquisites etc.).
- 3. Takes into account the financial position of the Company, profitability, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc. and brings out objectivity in determining the remuneration package, while striking a balance between company's interest and that of the shareholders.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

COMPOSITION:

The Nomination & Remuneration Committee comprises of the following independent Non-Executive Directors:

- 1. Mr. Sudarshan Shastri, Chairman
- 2. Mr. Pradip Karmakar, Member
- 3. Mr. N.K. Mani, Member

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2017, 2 (Two) meetings of the Nomination & Remuneration Committee were held, as follows:

12th August, 2016	01st March, 2017
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Attendance of each Member at the Nomination & Remuneration Committee meetings held during the year.

Name	Number of Meetings during the year 2016-17	
	Held	Attended
Mr. Sudarshan Shastri	2	2
Mr. Pradip Karmakar	2	0
Mr. N.K. Mani	2	2

Remuneration paid to the Directors during 2016-17 :

Sr.	Name of the Director	Nature of Directorship	(Rs.) Salary and Perquisites	(Rs.) Sitting Fee
1	Mr. Sunil Choksi	Executive	*27,00,000/-	-
2	Mrs. Stela Choksi	Executive	*21,00,000/-	-
3	Mr. Vyangesh Choksi	Executive	*21,00,000/-	-
4	Ms. Himika Choksi	Additional Director	-	-
5	Mr. Sudarshan Shastri	Non-Executive	-	19,000/-
6	Mr. Pradip Karmakar	Non-Executive	-	3,000/-
7	Mr. N.K. Mani	Non-Executive	-	19,000/-
8	Mr. Satish Chandra Joshi	Non-Executive	-	3,000/-

Notes

- The remuneration to the executive directors is being paid as per the approval of the shareholders at the general body meeting.
- No service contract has been executed between the company and executive directors. The services of Executive Directors are subject to the personnel policy of the Company. No severance fees is payable to executive directors.
- *The remuneration to the executive directors is being paid as per the recommendation of Nomination & Remuneration Committee and approval of the shareholders at the general body meeting.
- *Salary and perquisites includes provident Fund and Gratuity etc.
- Presently, the Company does not have a scheme for grant of Stock Options either to the executive directors or employees.
- Mr. Sunil Choksi, Mrs. Stela Choksi, Mr. Vyangesh Choksi and Ms. Himika Choksi are related to each other. All other directors do not have any pecuniary relationship with the Company, other than receipt of sitting fee.
- Non- executive Directors are entitled only for sitting fees for attending meetings of the Board and Committees and no remuneration is payable to them.
- The company does not pay commission or performance linked incentives to any of the directors.

Stakeholder Relationship Committee.

Role of the Stakeholder Relationship Committee:

The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, all of whom are Independent Directors. The Stakeholders Relationship Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms of reference of the Committee are as follows:

- To review the reports submitted by the Registrars and Share Transfer Agents of the Company at half yearly intervals.
- To periodically interact with the Registrars and Share Transfer Agents to ascertain and look into the quality of the Company's Shareholders / Investors grievance redressal system and to review the report on the functioning of the Investor grievances redressal system.
- To follow-up on the implementation of suggestions for improvement, if any.
- To periodically report to the Board about serious concerns if any.
- To consider and resolve the grievances of the security holders of the company.

COMPOSITION:

The Stakeholder Relationship Committee is headed by a Non-Executive Independent Director and comprises the following Directors:

- Mr. Sudarshan Shastri, Chairman
- Mr. Satish Chandra Joshi, Member
- Mr. N.K. Mani, Member

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2017, 4 (Four) meetings of the Stakeholder Relationship Committee were held, as follows:

28th May, 2016	12th August, 2016	12th Nov., 2016	10th Feb., 2017
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Attendance of each Member at the Stakeholder Relationship Committee meetings held during the year.

Name	Number of Meetings during the year 2016-17	
	Held	Attended
Mr. Sudarshan Shastri	4	4
Mr. Satish Chandra Joshi	4	0
Mr. N.K. Mani	4	4

Name, Designation & Address of Compliance Office:

Mr. Abhishek Sharma, Company Secretary
6/3, Manoramaganj, Indore - 452 001, M.P., Tel. : 4243888
Email at compliance_officer@choksilab.com

During the year the Company received 0 (Nil) complaints from its shareholders and as on 31.03.2017 no complaint is pending beyond 30 days.

7. General Body Meetings.

i. Annual General Meetings:

The location and time of the last three Annual General Meetings are as under:

Year	Date of Annual General Meeting	Time	Venue	No. of Special Resolutions Passed
2015-16	27 th Sept., 2016	11:00 A.M.	6/3, Manoramaganj, Indore	-
2014-15	30 th Sept., 2015	11:00 A.M.	6/3, Manoramaganj, Indore	-
2013-14	30 th Sept., 2014	10:30 A.M.	6/3, Manoramaganj, Indore	Six

Financial Calendar F.Y. 2017-18 (Tentative)

Board meeting for first three quarters ending on 30th June 2017, 30th Sept. 2017 and 31st Dec. 2017	On or before 45th day from the end of Quarter
Board Meeting for Last quarter ending on 31st March 2018	On or before 30th May 2018
Annual General Meeting for FY 2017-18	On or before 30th Sept. 2018

ii. Postal Ballot:

- The Company has not passed any Special Resolution during last three years requiring voting through Postal Ballot.
- There is no proposal for passing any resolution through Postal Ballot at the ensuing Annual General Meeting scheduled to be held on 25th day of September, 2017 .

8. Disclosures.

i. Legal Compliances

The Company has complied with all the requirement of regulatory authorities on the matters related to capital market hence no penalties or strictures have been imposed on the company by stock exchanges, SEBI or any other statutory authority during the last three years.

ii. CEO/CFO Certification

In terms of Regulation 17 (8) and part B of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certification by Chief Executive Officer and Chief Financial Officer on the financial statement and internal controls relating to financial reporting has been obtained.

iii. Disclosure Regarding Materially Significant Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of company at large in the financial year 2016-17. Related party transactions have been disclosed in Note No.27 of Notes on Financial Statement part of the Annual Accounts for the year ended 31st March, 2017.

iv. Whistle Blower Policy

The Company has conveyed existence of Whistle Blower Policy to all its employees and it is hereby affirmed by the Board that no personnel has been denied access to the Audit Committee.

v. Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Non- mandatory requirements are being complied with in a phased manner.

The company has complied with the requirement of remuneration committee, whistle blower policy / Vigil Mechanism.

9. Means of Communication.

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end –

Financial Results: The results are submitted to the Stock Exchanges in accordance with the Listing Agreement and simultaneously published in English edition of 'Free Press' and Hindi edition of 'Choutha Sansar'.

Corporate Filing: Announcements, Quarterly Results, Shareholding Pattern etc. of the Company regularly filed by the Company, are also available on the website of The Bombay Stock Exchange Limited– www.bseindia.com.

Website: The Company's website www.choksilab.com contains a separate dedicated section "Investor Relations" where information for shareholders is available. The Quarterly/ Annual Financial Results, Annual Reports are posted on the website.

10. Familiarisation Programmes for Board Members.

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

11. Code of Conduct for prevention of Insider Trading.

The Company has adopted a Code of Conduct for prevention of Insider Trading for its Management, Staff and Directors. The Code lays down guidelines and procedures to be followed and disclosures to be made by Directors, Top Level Executives and Staff whilst dealing in shares of the Company.

12. Compliance Officer.

Mr. Abhishek Sharma, Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

13. SEBI Complaints Redress System (SCORES).

The investor complaint(s) are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

14. Payment of Listing Fees.

Annual listing fee for the year 2017-2018 has been paid by the Company to BSE.

15. Payment of Depository Fees.

Annual Custody/Issuer fee for the year 2017-2018 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

16. General Shareholders' Information

i.	24th Annual General Meeting
Date	Monday, 25th day of September, 2017
Time	11.00 A.M.
Venue	6/3, Manoramaganj, Indore-452001
ii. Financial Year	1st April, 2016 to 31st March, 2017
iii. Date of Book Closure	from 23rd day of September, 2017 to 25th day of September, 2017 (both days inclusive)
iv. Dividend Payment Date	None, as no dividend has been recommended for the year.
v. Listing on Stock Exchange(s)	The Shares of the company are listed on Bombay Stock Exchange Limited (BSE)
vi. BSE Stock Code	CHOKSILA
Scrip Code	526546
ISIN	INE493D01013 (NSDL & CDSL)
CIN	L85195MP1993PLC007471

vii. Market Price Data

The reported high and low closing prices during each month of the financial year ended on 31st March, 2017 on the Bombay Stock Exchange, where the Company's shares are being traded are given below:

Month	Quotations on BSE	
	High Price	Low Price
Apr, 2016	13.30	10.56
May, 2016	12.64	12.01
June, 2016	12.50	10.76
July, 2016	15.36	10.56
Aug, 2016	16.45	12.25
Sept, 2016	14.46	11.67
Oct, 2016	15.29	13.30
Nov, 2016	16.39	12.60
Dec, 2016	14.40	12.25
Jan, 2017	14.49	12.31
Feb, 2017	19.15	12.40
Mar, 2017	18.75	14.75

viii. Registrar and Transfer Agent

The Company has appointed M/s. Link Intime India Pvt. Ltd. as Registrar & Share Transfer Agents, details of whom are as under:

Link Intime India Pvt. Ltd.

C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083.
Tel No: +91 22 49186000
Fax: +91 22 49186060
Email : rnt.helpdesk@linkintime.co.in

ix. Share Transfer System

To expedite the process of share transfer, transmission, split, consolidation, rematerialisation, dematerialization, payment of dividend and issue of duplicate dividend warrants and resolution of the shareholder's grievances, the Board of Directors has delegated the powers to M/s. Link Intime India Private Limited, Mumbai (Formerly known as Intime Spectrum Registry Limited). The shareholders are requested to approach M/s. Link Intime India Private Limited for resolution of all their issue.

x. Distribution of Shareholding

(a) Class-wise Distribution of Equity Shares as on 31st March, 2017

Slab of Shareholding	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	2896	76.2105	690569	9.9145
501-1000	464	12.2105	408061	5.8585
1001-2000	193	5.0789	301602	4.3301
2001-3000	78	2.0526	199865	2.8695
3001-4000	34	0.8947	123452	1.7724
4001-5000	28	0.7368	134628	1.9328
5001-10000	45	1.1842	334076	4.7963
10001-and above	62	1.6316	4773010	68.5259
Total	3800	100.0000	6965263	100.0000

(b) Shareholding Pattern as on 31st March, 2017

SR. NO. CATEGORY	NO. OF SHARES HELD	% OF SHARE-HOLDING
A PROMOTER'S HOLDING		
1. <u>Promoters</u>		
Indian	2192754	31.48%
Foreign	-	-
2. <u>Persons acting in Concert</u>	-	-
Sub-Total	2192754	31.48%
B NON-PROMOTER'S HOLDING		
3. <u>Institutional Investors</u>		
(a) Mutual funds and UTI	-	-
(b) Banks, Financial Institutions Central/State Govt. Institutions/ Non-government Institutions)	-	-
(c) Insurance Companies	-	-
(d) FII's	-	-
4. <u>Others</u>		
(a) Bodies Corporate	403220	5.79%
(b) Indian Public	4208680	60.42%
(c) NRIs/OCBs	15457	0.22%
(d) Any Other (Clearing Members, Trust, Directors)	145152	2.09%
Sub-Total	4772509	68.52%
GRAND TOTAL (A+B)	6965263	100%

xi. Dematerialization of shares

Trading in Company's share is permitted compulsorily in dematerialized form as per notification issued by SEBI. The break-up of shares in physical and demat form as on 31st March, 2017 is as follows:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	4581868	65.78%
CDSL	1209880	17.37%
Sub-Total	5791748	83.15%
Physical	1173515	16.85%
Total	6965263	100.00

Note: As on 31st March, 2017 paid up capital of the Company is Rs. 69,65,2630/-.

Shareholders, who continue to hold their equity shares in physical form, are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/dematerialized form.

xii. Outstanding GDRs/ADRs/Warrants or any other convertible instruments and their impact on equity:

The Company does not have any outstanding instruments GDRs/ADRs or any convertible instruments as on 31.03.2017.

xiii. Laboratory Locations

Sr.	Location	Address
1.	Indore, Madhya Pradesh	Registered Corporate Office & Central Laboratory at 6/3 Manoramaganj, Indore – 452 001 M. P. - India
2.	Branch at Vadodara, Gujrat	At 829, GIDC, Makarpura Vadodara – 390 010 (GUJ.) – India
3.	Branch at Vapi, Gujrat	At IInd & IIIrd Floor, Gokul Complex, 101/8 GIDC – Char Rasta Vapi – 396 195 – (GUJ.) India
4.	Branch at Panchkula, Harayana	At Plot No. 362, Industrial Area, Phase – II Panchkula – 734 112 - (HARYANA) India
5.	Branch at Goa, Goa	C-18 & 20, Verna Industrial Estate Phase – 1A, Verna – 403 722 - (GOA) India
6.	Branch at Bangalore, Karnataka	Plot No. 8, 2nd Floor, Siddhivinayak Complex, Phase II, Near BDA Complex, 80, Feet Ring Road, Nagarbhavi, Bangalore - 560079, (Karnataka)

xiv. Address for Correspondence

For all investor related issues, the address for correspondence shall be:

Company

“Company Secretary”
Choksi Laboratories Limited,
6/3, Manoramaganj
Indore (M.P.)-452001
E-mail: Compliance_officer@choksilab.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
C 101, 247 Park,
L B S Marg, Vikhroli West,
Mumbai 400 083.
Tel No: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

Date : 14/08/2017
PLACE : INDORE

FOR AND ON BEHALF OF THE BOARD

SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078

DECLARATION FROM MANAGING DIRECTOR

A declaration signed by the Managing Director of the company on behalf of the members of the Board and Senior Management Personnel in terms of Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended on 31st March, 2017:

Declaration

I, Sunil Choksi, Managing Director of the Company do hereby affirm and declare on behalf of all the Directors and Senior Management Personnel in terms of Schedule V (D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 that the Company has laid down and complied with the Code of Conduct have confirmed compliance with the code of conduct as adopted by the Company.

DATE : 14/08/2017
PLACE : INDORE

SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of

Choksi Laboratories Limited,

We have examined the compliance of conditions of Corporate Governance by Choksi Laboratories Limited, for the year ended 31 March 2017 as stipulated in Regulations 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**For PRATEEK JAIN & Co.
Chartered Accountants
(Registration No. 009494C)**

DATE : 14/08/2017

PLACE : INDORE

**(Prateek Jain)
Proprietor
M.No. 079214**

CEO/CFO CERTIFICATE

**Regulation 17 (8) and part B of Schedule II of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,

The Board of Directors
Choksi Laboratories Limited

1. We have reviewed financial statements and the cash flow statement of Choksi Laboratories Limited for the year ended 31st March, 2017 and 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 statements that might be misleading;
 - (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.
2. 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.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and We have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Date : 14/08/2017

Place : Indore

**Sunil Choksi
Chief Executive Officer**

**Vyangesh Choksi
Chief Financial Officer**

INDEPENDENT AUDITORS' REPORT

To,

The Members of **CHOKSI LABORATORIES LIMITED**

Report on the Financial Statements :

We have audited the accompanying financial statements of CHOKSI LABORATORIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 :

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2017, its Profit and its 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, 2017, issued by the Central Government of India in terms of subsection (11) of section 143 of the Act, (hereinafter referred to as "the Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014
 - e) on the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in "Annexure B" and;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses..
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 which are in accordance with the books of accounts maintained by the company- refer note 28 of the notes to accounts.

For PRATEEK JAIN & CO.
Chartered Accountants
(Registration No. 009494C)

Place : Indore
Date : 29-05-2017

Prateek Jain
Proprietor
M.No. 079214

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Referred to in Paragraph 1 of the Report on Other Legal & Regulatory Requirements of Independent Auditor's Report of Choksi Laboratories Limited of Even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report to the extent:

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- c. In respect of immovable property, title deeds of all the immovable properties are in the name of the Company.
- ii. This being a service rendering Company, there are no Manufacturing/Trading Activities in the Company, the only inventory for the Company is Chemicals which is used & consumed for testing purposes. Since its inception, the Company follows the practice of charging to revenue, the purchases of chemicals in the year of purchase itself. Due to this reason ,and considering the nature of volatility of the item, as per the explanations given to us, no inventory register is maintained for the same. Hence we are unable to express our opinion on Clause ii of the Order.
- iii. The Company has not granted loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, our comments on clauses iii a and iii b of the order are NIL. However, the Company has given an interest free rent deposit of Rs.20 Lacs for building to one such party.
- iv. The Company has not given any loans; made investments; given guarantees to any Company to which the provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- v. The Company has not accepted any deposits from the public covered under the provision of Section 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- vi. The Central Government has not prescribed maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by sub Section (1) of Section 148 of the Companies Act, 2013.
- vii. (a) According to the information & explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities except Service Tax dues of Rs. 90,16,231/- from Dec 2016 to March 2017 which is still due to be paid.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2017 for a period of more than six months from the date they become payable;
- (c) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of disputes.
- viii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued debentures.
- ix. According to the records of the Company examined by us and the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).The term loans availed were applied for the purposes for which those are raised.
- x. Based on the audit procedures performed and the information & explanations given to us, we report that no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.
- xiii. According to the records of the Company examined by us and the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the records of the Company examined by us, the Company has not made any preferential allotment or private allotment of shares or fully or partly convertible debenture during the year.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-I of the Reserve bank of India Act, 1934.

For PRATEEK JAIN & CO.
Chartered Accountants
(Registration No. 009494C)

Place : Indore
Date : 29.05.2017

Prateek Jain
Proprietor
M.No. 079214

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Choksi Laboratories Limited ("The Company") as of 31st March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company, has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Prateek Jain & Co.
Chartered Accountants
(Firm Registration No.009494C)**

**Prateek Jain
Proprietor
(Membership No.079214)**

Indore, dated : 29.05.2017

BALANCE SHEET AS AT 31ST MARCH 2017

Amount in ₹

PARTICULARS	Note	AS AT 31st March, 2017	AS AT 31st March, 2016
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	1	69,652,630	69,652,630
Reserves and Surplus	2	139,537,845	130,681,161
		209,190,475	200,333,791
Non-Current Liabilities			
Long-term borrowings	3	42,725,618	80,644,739
Deferred tax Liability (Net)	4	4,018,799	5,864,622
		46,744,417	86,509,361
Current Liabilities			
Short-term Borrowings	5	37,603,943	28,238,198
Trade Payables	6	48,136,846	40,069,034
Other Current Liabilities	7	43,979,755	44,858,762
Short-term Provisions	8	23,921,398	25,278,629
		153,641,943	138,444,623
TOTAL		409,576,835	425,287,774
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	220,025,945	174,057,604
Intangible Assets	9a	2,279,877	2,334,430
Capital Work-in-progress	10	42,834,787	89,946,313
		265,140,609	266,338,346
Long-term Loans and Advances	11	-	-
Other Non-current Assets	12	8,051,352	9,037,256
Trade receivables	13	88,232,135	85,778,923
Cash and Cash Equivalents	14	6,836,637	9,230,687
Short-term Loans and advances	15	6,076,665	8,006,305
Other Current Assets	16	35,239,437	46,896,257
TOTAL		409,576,835	425,287,774

Significant Accounting Policies

Notes on Financial Statements 1 to 34

As per our report of even date

For and on behalf of the Board

For PRATEEK JAIN & CO.
Chartered Accountants
Registration No. 009494C

Prateek Jain
Proprietor
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

Vyangesh Choksi
Whole Time Director & C.F.O.
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore

Date : 29-05-2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2017

Amount in ₹

PARTICULARS	Note	2016-17	2015-16
INCOME			
Revenue from operations	17	251,986,566	223,047,565
Other Income	18	6,296,412	148,631
Total Revenue		258,282,978	223,196,196
EXPENDITURE :			
Cost of materials Consumed	19	29,749,450	28,233,058
Employee Benefits Expenses	20	94,635,114	79,182,696
Finance Costs	21	12,642,000	12,269,226
Depreciation and Amortization Expenses	9	28,634,584	27,320,917
Other Expenses	22	79,621,523	64,799,155
Total Expenses		245,282,670	211,805,053
Profit before Tax		13,000,308	11,391,144
Tax expenses			
Income Tax earlier years		915,447	35,473
Current tax		5,074,000	7,039,588
Deferred tax		(1,845,823)	(2,901,924)
Profit after tax		8,856,684	7,218,007
Net Profit for the year		8,856,684	7,218,007
Earnings per equity share of Face Value ₹ 10 each			
Basic		1.27	1.04
Diluted		1.27	1.04
Significant Accounting Policies			
Notes on Financial Statements	1 to 34		

As per our report of even date

For and on behalf of the Board

For PRATEEK JAIN & CO.
Chartered Accountants
Registration No. 009494C

Prateek Jain
Proprietor
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

Vyangesh Choksi
Whole Time Director & C.F.O.
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore
Date : 29-05-2017

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2016-17

(Amount in thousands)

	For the year ended 31-03-2017	For the year ended 31-03-2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	13000	11391
Adjustments for :		
Depreciation and Amortisation Expense	28635	27321
Finance Costs	12642	12269
Interest Income	(6296)	(149)
Loss on Sale / Discard of Assets (Net)	(3559)	603
Operating Profit before working capital changes	44422	51436
Adjustments for :		
Trade and other receivables	(2453)	(1238)
Trade and other payables	4091	21506
Other current assets	(925)	12370
Movement in Non Current Assets	986	1018
Cash generated from Operations	46121	85092
Direct Taxes Paid (Net)	6556	(18014)
Net Cash from Operating Activities	52677	67078
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(79500)	(12093)
Proceeds from sale of Fixed Assets	8510	570
Capital Work in Progress	47112	(62617)
Interest received	6296	149
Net cash used in investing activities	(17582)	(73991)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings Net	750	76039
Repayment of Long Term Borrowings	(34963)	(54426)
Short Term Borrowings (Net)	9366	(1357)
Interest Paid	(12642)	(12269)
Net cash (Used in)/generated from financing activities	(37489)	7988
Net Increase (Decrease) in cash and cash equivalents (A+B+C)	(2394)	1075
Opening Balance of Cash and cash Equivalents	9231	8156
Closing Balance of Cash and cash Equivalents (As per note 14)	6837	9231

Notes:1. The above statement has been prepared under the "indirect method" as set out in Accounting Standard (AS) 3, Cash Flow Statements.

2. Previous year's figures have been regrouped/ reclassified wherever considered necessary to conform to the current year classification.

As per our report of even date

For and on behalf of the Board

For PRATEEK JAIN & CO.
Chartered Accountants
Registration No. 009494C

Prateek Jain
Proprietor
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

Vyangesh Choksi
Whole Time Director & C.F.O.
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore
Date : 29-05-2017

Significant Accounting Policies & Notes to the accounts for the year ended March 31, 2017

CORPORATE INFORMATION :

Choksi Laboratories Limited ("the Company") was incorporated on 29/01/1993 under the Companies Act, 1956. The Company is engaged in the business of Testing & Analytical Services. The Company's equity shares are listed at BSE.

SIGNIFICANT ACCOUNTING POLICIES:

A) Basis of Preparation of Financial Statements:

- i) The financial statements are prepared under the historical cost convention and are prepared on accrual basis in accordance with the generally accepted accounting principles in India (GAAP), applicable provisions of the Companies Act, 2013, the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules 2014. All incomes and expenditures, having a material bearing on the financial statements, are recognized on an accrual basis.

Use of Estimates

- ii) The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

B) Fixed Assets :

Tangible Assets

- i) Tangible Assets are stated at historical cost of acquisition / construction, net of cenvat less accumulated depreciation and impairment loss, if any. All costs including financial costs and revenue expenditure till commencement of services, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the tangible assets are capitalized.

Grants/ subsidies received, if any, from Government and others towards cost/ part of the cost fixed asset(s) are reduced from the cost of the respective asset(s) and the net cost incurred by the Company only is carried to the fixed assets block.

Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use .

- ii) Capital Work-in-Progress: Amounts spent on expansion project are carried at cost under the head Capital Works in Progress. As and when the assets are put to commercial use, cost of the respective asset is capitalized. Besides the direct cost, indirect costs relating to the acquisition and installation of assets incurred till the assets are put to use are capitalized in the proportionate value of assets.

Depreciation, Amortization and Depletion

- iii) Depreciation on tangible fixed assets is provided under straight line method (SLM) over the useful lives of assets estimated by the management in the manner prescribed in Schedule II to the Companies Act, 2013.
- iv) Amortization of intangible assets is provided as per the useful lives of the same.
- v) Impairment of Assets : An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

C) Revenue Recognition:

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- i) Revenue from Testing and Analysis Services is recognized as the service is performed in accordance with the methods prescribed in AS - 9, Revenue Recognition.
- ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

D) Employee Benefits:

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to Statement of Profit & Loss of the year when contributions to the fund is due. There are no other obligations other than the contributions payable to the respective authority.

Gratuity liability is a defined benefit plan and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of the each financial year. The Gratuity scheme is maintained and administered by an insurer to which the Company make periodic contributions.

Leave encashment is provided on year to year basis.

Short-term employee benefits such as wages, salaries and short-term compensated absences like bonus and other Non-monetary benefits are provided for as per Company's Rules on best estimate basis.

E) Prior Period Expenses/ Income:

The Company follows the practice of making adjustments through "expenses/income under/over provided" in previous years in respect of material transactions pertaining to that period prior to the current accounting year.

F) Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.

G) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

H) Earnings per Share :

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.

I) Provision for Current and Deferred Tax :

Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.

J) Provisions, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

K) General :

Accounting policies not specifically referred to above are consistent with the generally accepted accounting principles followed in India.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		Amount in (₹)		
		AS AT 31st March, 2017	AS AT 31st March, 2016	
1	SHARE CAPITAL			
	Authorised Share Capital			
	(120 Lacs Equity Shares of Rs.10/- each & 30 Lacs Preference Shares of Rs. 10 each)	150,000,000		150,000,000
	Issued			
	6965263 Equity Shares of ₹ 10/- Each (Previous year 6965263 Equity shares)	69,652,630		69,652,630
	Subscribed, Called up and Paid up			
	6965263 Equity Shares of Rs. 10/- each (Previous year 6965263 Equity Shares of Rs.10/- each)	69,652,630		69,652,630
		AS AT 31st March, 2017	AS AT 31st March, 2016	
1.1	The details of shareholders holding more than 5% shares			
	Name of the Shareholder	No. of shares	% held	No. of shares
	Sunil Choksi	523,192	7.51%	523,192
	Sitashree Food Products Ltd.	-	0.00%	500,000
	Vyangesh Choksi	447,099	6.42%	447,099
	Dhansukhbhai Gulabdas Choksi HUF	400,000	5.74%	400,000
1.2	The reconciliation of the number of shares outstanding is set out below :	AS AT 31st March, 2017	AS AT 31st March, 2016	
		No. of shares	No. of shares	
	Equity shares at the beginning of the year	6,965,263	6,965,263	
	Equity shares at the end of the year	6,965,263	6,965,263	
1.3	The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share. Dividend on equity shares whenever proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.			
2	RESERVE AND SURPLUS	AS AT 31st March, 2017	AS AT 31st March, 2016	
	Capital Reserve			
	As per last Balance Sheet	2,005,500	2,005,500	2,005,500
	Securities Premium Reserve			
	As per last Balance Sheet	13,510,478	13,510,478	13,510,478
	Profit and Loss Account			
	As per last Balance Sheet	115,165,183	107,947,176	
	Add : Profit for the year	8,856,684	7,218,007	
	Total	124,021,867	115,165,183	
		139,537,845	130,681,161	

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
3 LONG-TERM BORROWINGS		
Secured		
From Banks :		
Term Loan From Axis Bank	20,155,756	50,683,756
Term Loan From Bank of India	4,482,495	5,624,000
Vehicle Loans From HDFC Bank Ltd.	88,687	47,608
Vehicle Loans From ICICI Bank Ltd.	-	225,360
Unsecured		
From Others :		
Term Loan From Magma Fincorp Ltd.	91,882	1,073,590
Term Loan From Religare Finvest Ltd.	-	687,009
Term Loan from Bajaj Finance Ltd.	706,798	1,693,276
Term Loan from Tata Capital Financial Services Ltd.	-	110,140
Term Loan from Viji Finance Ltd.	-	2,500,000
Term Loan from Sunil Choksi (Director)	15,200,000	15,600,000
Term Loan from Stela Choksi (Director)	2,000,000	2,400,000
	<u>42,725,618</u>	<u>80,644,739</u>

3.1 Maturity Profile of Term Loans :

Maturity Profile of Term Loans are set out below	Rate of Interest	upto 1 year	After a year	2-3 years	3-4 years
Secured : Term Loan from Axis Bank	Base rate + 3.00% p.a.	26,339,570	13,053,000	7,102,756	-
Secured : Term Loan from Bank of India	11.25% p.a.	1,707,515	1,913,618	2,144,599	424,278
Secured : Vehicle Loans from HDFC Bank	10.50% p.a.	551,332	88,687	-	-
Secured : Vehicle Loans from ICICI Bank	10.60% p.a.	225,360	-	-	-
Unsecured: Term Loan from Magma Fincorp Ltd.	21.00% p.a.	981,708	91,882	-	-
Unsecured: Term Loan from Religare Finvest Ltd.	19.50% p.a.	687,009	-	-	-
Unsecured: Term Loan from Bajaj Finance Ltd.	18.50% p.a.	986,478	706,798	-	-
Unsecured: Term Loan from Tata Capital Financial Services Ltd.	19.30% p.a.	110,140	-	-	-
Unsecured: Term Loan from Director Sunil Choksi	-	-	15,200,000	-	-
Unsecured: Term Loan from Director Stela Choksi	-	-	2,000,000	-	-
Total		31,589,112	33,053,985	9,247,355	424,278

3.2 The Term Loans from Axis Bank is secured by hypothecation of Indore & Goa fixed assets. The above loans are also personally guaranteed by the directors Mr. Sunil Choksi & Mr. Vyngesh Choksi. Loan from Bank of India is secured by Freehold Land at Kumedi in Indore and Land and Building situated at GIDC Industrial Estate, Makarpura, Baroda.

3.3 All unsecured Loans are also personally guaranteed by the director Mr. Vyngesh Choksi.

3.4 There are no defaults as on the Balance Sheet date in repayment of the above loans and interest thereon.

	AS AT 31st March, 2017	AS AT 31st March, 2016
4 DEFERRED TAX LIABILITY (Net)		
Deferred Tax Liability		
Related to fixed assets	7,909,065	8,663,143
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	2,439,930	1,263,682
Others	1,450,335	3,890,266
	<u>4,018,799</u>	<u>5,864,622</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
5 SHORT-TERM BORROWINGS		
Working Capital Loans (From Banks)		
Rupee Loans		
Cash Credit From Axis Bank	30,000,000	28,238,198
Over Draft From Bank of India	7,603,943	-
	37,603,943	28,238,198
5.1	Cash Credit from Axis Bank is Sanctioned for Rs. 300 Lacs and is secured by joint hypothecation of running stocks of consumable and all Book debts, both present and future alongwith Indore and Goa Fixed Assets. The said Cash Credit is also personally guaranteed by the directors Mr. Sunil Choksi & Mr. Vyangesh Choksi.	
5.2	Overdraft from Bank of India is sanctioned for Rs. 120 Lacs against primary security of Land at Kumedi. This loan is personally guaranteed by the directors Mr. Sunil Choksi & Mrs. Stela Choksi.	
6 TRADE PAYABLES	AS AT 31st March, 2017	AS AT 31st March, 2016
Micro, Small and Medium Enterprises	58,741	137,526
Others	48,078,105	39,931,508
	48,136,846	40,069,034
6.1	The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:	
	Principal amount due and remaining unpaid	-
	Interest due on above and the unpaid interest	-
	Interest paid	-
	Payment made beyond the appointed day during the year	-
	Interest due and payable for the period of delay	-
	Interest accrued and remaining unpaid	-
	Amount of further interest remaining due and payable in succeeding years	-
7 OTHER CURRENT LIABILITIES		
Advance payments from Customers	2,167,287	1,450,800
Tax Liabilities: Service Tax Payable & TDS Payable	9,890,340	15,490,299
Current maturities of Long Term Debt (Note 3.1)	31,589,112	27,883,036
Credit Balances of Staff & Others	333,016	34,626
	43,979,755	44,858,762
8 SHORT-TERM PROVISIONS		
Provision for employee benefits	16,126,023	15,691,597
Provision for Income Tax	5,074,000	7,039,588
Provision for Expenses	2,721,375	2,547,444
	23,921,398	25,278,629

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

9. : TANGIBLE ASSETS For the Period of 01.04.2016 to 31.03.2017

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Total As at 01.04.2016	Addition during the year	Deductions during the year	Total As at 31.03.2017	Up to 01.04.2016	For the year	Deductions during the year	Total As at 31.03.2017	As on 31.03.2016	As on 31.03.2017
Land (Freehold)	30,382,718	2,255,000	4,951,350	27,686,368	-	-	-	0	27,686,368	30,382,718
Land (Leasehold)	5,330,200	-	-	5,330,200	-	-	-	0	5,330,200	5,330,200
Instruments	127,949,344	51,780,830	-	179,730,174	56,114,842	17,484,306	-	73,599,148	106,131,026	71,834,502
Computers	6,159,510	2,115,840	-	8,275,350	3,849,361	1,413,078	-	5,262,439	3,012,911	2,310,149
Air Conditioners	3,091,115	1,038,132	-	4,129,247	1,463,233	355,368	-	1,818,601	2,310,646	1,627,882
Electrical Installation	10,580,870	844,434	-	11,425,304	5,502,843	816,071	-	6,318,914	5,106,390	5,078,027
Furniture & Fixtures	30,396,641	13,891,582	-	44,288,223	14,021,189	3,720,372	-	17,741,562	26,546,661	16,375,452
Buildings	46,679,316	3,294,314	-	49,973,630	14,721,726	1,779,959	-	16,501,685	33,471,945	31,957,590
Office Equipment	2,295,370	1,265,969	-	3,561,339	1,400,579	412,742	-	1,813,320	1,748,019	894,791
Motor Car	12,973,559	1,480,904	-	14,454,463	5,109,088	1,151,026	-	6,260,114	8,194,349	7,864,471
Motor Cycle	748,382	153,199	-	901,581	346,561	67,590	-	414,151	487,430	401,821
Total	276,587,025	78,120,204	4,951,350	349,755,879	102,529,422	27,200,512	-	129,729,933	220,025,945	174,057,603
Previous Year	266,866,106	11,712,040	1,991,121	276,587,025	77,344,020	25,970,458	785,056	102,529,421	174,057,604	189,522,086
9a : INTANGIBLE ASSETS For the Period of 01.04.2016 to 31.03.2017										
Softwares	8,589,786.00	1,379,519	217,801	9,751,504	6,255,356	1,434,073	217,801	7,471,627	2,279,877	2,334,430
Total	8,589,786.00	1,379,519	217,801	9,751,504	6,255,356	1,434,073	217,801	7,471,627	2,279,877	2,334,430
Previous Year	8,208,568.00	381,218	-	8,589,786	4,904,897	1,350,459	-	6,255,356	2,334,430	3,303,671
Grand Total	285,176,811	79,499,723	5,169,151	359,507,383	108,784,778	28,634,584	217,801	137,201,561	222,305,822	176,392,033

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
10 CAPITAL WORK IN PROGRESS (AT COST)		
Building	1,166,537	2,449,966
Furniture & Fixtures	1,804,253	10,749,267
Instruments	39,863,997	74,428,459
Air Conditioner	-	791,983
Electrical Installation	-	648,859
Office Equipments	-	11,805
Computers	-	865,974
	<u>42,834,787</u>	<u>89,946,313</u>
11 LONG-TERM LOANS & ADVANCES		
(Unsecured considered good)		
Recoverable in cash or in kind or for value to be received		
(a) Capital Advances	-	-
(b) Other Loans and Advances	-	-
Note: Due by Directors either severally or jointly with any other persons or due by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL	<u>-</u>	<u>-</u>
12 OTHER NON CURRENT ASSETS		
Long Term Trade Receivables	-	-
<i>Others:</i>		
Prepayments & Others	1,889,050	2,789,711
Deposits	6,162,302	6,247,545
	<u>8,051,352</u>	<u>9,037,256</u>
13 TRADE RECEIVABLES		
(Unsecured Considered Good)		
: Outstanding for a period exceeding six months	23,392,615	21,721,127
: Others	64,839,520	64,057,796
Note: Due by Directors either severally or jointly with any other persons or due by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL	<u>88,232,135</u>	<u>85,778,923</u>
14 CASH & CASH EQUIVALENTS		
i) a) Balances with Banks	1,908,555	1,538,105
b) Cheques, Drafts on hand	-	-
c) Cash on hand	3,692,485	6,088,291
ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments		
* Bank deposits with less than 12 months maturity	41,491	556,155
* Bank deposits with more than 12 months maturity	1,194,106	1,048,136
	<u>6,836,637</u>	<u>9,230,687</u>
15 SHORT TERM LOANS & ADVANCES		
(Unsecured Considered Good)		
Misc advances	5,223,195	4,450,167
Service Tax Credit Unutilised	853,470	3,556,139
Note: Due by Directors either severally or jointly with any other persons or due by Firms/private Companies in which any of the Director is a Partner or a Member: NIL	<u>6,076,665</u>	<u>8,006,305</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017		AS AT 31st March, 2016	
16 OTHER CURRENT ASSETS				
Income Tax Refundable		11,602,135		25,266,942
Tax Deducted at Source		14,583,521		15,430,511
Prepayments & Others		4,484,733		3,857,546
Advance to staff		682,137		517,075
Advance to suppliers		886,911		1,100,317
Advance for Capital Goods		3,000,000		723,865
		<u>35,239,437</u>		<u>46,896,257</u>
17 REVENUE FROM OPERATIONS				
a) Sale of Services	287,263,366		251,318,020	
Less: Service Tax	<u>35,299,998</u>	251,963,368	<u>28,313,947</u>	223,004,073
b) Other Operating Revenues:				
Miscellaneous Income	<u>23,198</u>	23,198	<u>43,492</u>	43,492
		<u>251,986,566</u>		<u>223,047,565</u>
18 OTHER INCOME				
Interest on FDR		112,267		114,363
Interest on IT Refund		2,591,428		-
Interest Received from Others		34,067		34,268
Profit on sale of Fixed Assets		3,558,650		-
		<u>6,296,412</u>		<u>148,631</u>
19 COST OF MATERIALS CONSUMED				
	% of consumption	Amount	% of consumption	Amount
Imported	-	-	-	-
Indigenous	100.00	29,849,450	100.00	28,233,058
	<u>100.00</u>	<u>29,849,450</u>	<u>100.00</u>	<u>28,233,058</u>
19.1 PARTICULARS OF MATERIALS CONSUMED				
Glassware		712,636		983,294
Chemicals		14,926,853		16,932,834
Consumable		14,109,961		10,316,931
		<u>29,749,450</u>		<u>28,233,058</u>
20 EMPLOYEE BENEFITS EXPENSES				
Salaries and allowances to staff		75,040,240		63,369,795
Contribution to provident fund		5,560,892		4,683,541
Contribution to ESIC		1,226,774		1,013,056
Bonus to Staff		2,576,000		2,319,100
Exgratia to Staff		698,559		423,533
Group Gratuity Premium of LIC		1,921,568		512,779
EDLI Premium to LIC		221,887		106,566
Staff Welfare		489,194		514,326
Directors Remuneration		6,900,000		6,240,000
		<u>94,635,114</u>		<u>79,182,696</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
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20.1 As per Accounting Standard 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below:

1) Defined Contribution Plans **As at 31/03/2017** **As at 31/03/2016**

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

Employer's Contribution to Provident Fund	6,787,666	5,696,597
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2) Defined Benefit Plan

employees' benefit entitlement and measures each unit separately to build up the final obligation.

i) Assumption As on **31/03/2017** **31/03/2016**

Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%

ii) Obligation As at 31/03/2017 As at 31/03/2016

Present value of obligations as at beginning of year	8,176,730	7,975,213
Interest cost	654,139	638,017
Current Service Cost	1,341,592	1,248,101
Benefits Paid	(1,282,086)	(391,890)
Actuarial (gain)/ loss on obligations	95,172	(1,292,711)
Present value of obligations as at end of year	8,985,547	8,176,730

iii) Assets

Fair value of plan assets at beginning of year	3,226,866	2,382,048
Expected return on plan assets	238,909	233,130
Contributions	856,051	1,003,578
Benefits Paid	(1,282,086)	(391,890)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	3,039,740	3,226,866

iv) Table showing fair value of plan assets

Fair value of plan assets at beginning of year	3,226,866	2,382,048
Actual return on plan assets	238,909	233,130
Contributions	856,051	1,003,578
Benefits Paid	(1,282,086)	(391,890)
Fair value of plan assets at the end of year	3,039,740	3,226,866
Funded status	(5,945,807)	(4,949,864)
Excess of Actual over estimated return on plan assets	NIL	NIL

(Actual rate of return = Estimated rate of return as ARD falls on 31st March)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
v) Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	(95,172)	1,292,711
Actuarial (gain)/ loss for the year - plan assets	-	-
Actuarial (gain)/ loss on obligations	95,172	(1,292,711)
Actuarial (gain)/ loss recognized in the year	95,172	(1,292,711)
vi) The amounts to be recognized in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	8,985,547	8,176,730
Fair value of plan assets as at the end of the year	3,039,740	3,226,866
Funded status	(5,945,807)	(4,949,864)
Net asset/(liability) recognized in the balance sheet	(5,945,807)	(4,949,864)
vii) Expenses Recognised in statement of profit and loss		
Current Service cost	1,341,592	1,248,101
Interest Cost	654,139	638,017
Expected return on plan assets	(238,909)	(233,130)
Net Actuarial (gain)/ loss recognized in the year	95,172	(1,292,711)
Expenses recognised in statement of Profit and loss	1,851,994	360,277
21 FINANCE COSTS		
Interest to Bank		
(a) on Term Loans	4,514,622	3,633,267
(b) on Working Capital Loans	3,902,212	3,749,729
Interest to Others	3,574,068	3,459,769
Bank charges	651,098	1,426,461
	12,642,000	12,269,226
22 OTHER EXPENSES		
22.1 Direct Expenses		
Laboratory Expenses	8,867,930	8,908,727
Power & Fuel Charges	7,390,554	6,866,673
Insurance: Instruments & Building	220,583	176,138
Freight / Transportation Charges	93,068	88,365
Testing Charges	1,822,537	1,222,032
NABL/BIS/NPL - Asstt. Charges	562,649	265,908
Repair & Maintenance – Instruments	10,071,666	8,044,885
Repair & Maintenance – Building	2,146,507	1,509,237
Training & Certification Charges	313,406	285,054
	31,488,901	27,367,018
22.2 Selling and Distribution Expenses		
Business Promotion & Advertisement Expenses	2,952,236	2,948,261
Commission & Brokerages	4,986,633	1,583,127
Discount Allowed	1,264,437	371,477
Bad Debts Written Off	4,709,822	397,757
	13,913,128	5,300,622

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
22.3 Establishment Expenses		
Security Service Charges	1,479,934	1,233,803
Housekeeping Charges	920,341	805,724
Telephone & Mobile Expenses	736,060	823,414
Internet Expenses	1,104,472	1,052,796
Postage & Courier Charges	1,058,033	1,012,514
Conveyance Expenses	758,248	646,642
Vehicle Running & Maintenance	1,969,636	1,598,486
Computer Expenses	3,504,642	3,225,505
Guest House Expenses	110,770	156,884
Printing & Stationery Expenses	2,866,984	2,817,777
Books & Periodicals	187,523	124,387
Directors' Sitting Fees	44,000	52,000
Rent Charges	6,168,116	5,751,935
Insurance on Vehicle	126,407	138,803
Insurance on Others	338,611	311,234
Garden Maintenance Charges	81,526	64,246
Office Expenses / Maintenance charges	634,990	538,173
Repair & Maintenance Charges	412,049	322,218
Membership Fees & Subscriptions	16,250	11,980
Placement Expenses	364,768	250,000
Legal Expenses	174,346	258,124
Professional Charges	4,070,003	3,308,223
Auditor's Remuneration	175,000	175,000
Rates & Taxes	677,841	687,429
Registration / Filing / Licence Renewal Fees	146,124	149,007
Listing Fees	263,000	255,416
Penalty Charges	93,947	35,196
Donation	305,000	30,000
Travelling Expenses	5,423,478	5,111,990
Loss on Sale of Fixed Assets	-	602,870
Loss on Foreign Exchange	7,394	579,741
	34,219,494	32,131,515
Total	79,621,523	64,799,155
23.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
Capital Goods	5,802,057	51,078,131
Spare Parts	-	94,318
Books and Periodicals	-	69,234
	5,802,057	51,241,683
23.2 PAYMENT TO AUDITORS AS:		
Statutory Audit Fees	175,000	175,000
Certification & Taxation Matters	50,000	50,000
	225,000	225,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS AT 31st March, 2017	AS AT 31st March, 2016
23.3 EXPENDITURE IN FOREIGN CURRENCY		
Travelling Expenses	-	751,165
Interest on Foreign Currency loan to bank	-	134,761
	-	885,926
24 EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	3,408,651	3,516,427
	3,408,651	3,516,427
25 EARNINGS PER SHARE (EPS)		
i) Net Profit for the year attributable to equity shareholders	8,856,684	7,218,007
ii) Weighted Average number of Equity Shares for Basic EPS	6,965,263	6,965,263
iii) Weighted Average number of Equity Shares for Diluted EPS	6,965,263	6,965,263
iv) Face Value per equity share Amount in (Rs.)	10	10
v) Earnings per Share (Basic)	1.27	1.04
vi) Earnings per Share (Diluted)	1.27	1.04

26. Segmental Reporting :

The Company is engaged in the sole segment of Analysis and Testing. There are, therefore, no separate segments within the Company as defined by AS-17 (Segmental Reporting) issued by the ICAI.

27. Related Party Disclosures :

Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

1. Related Parties

(a) Individual having control & Key Management Personnel

Mr. Sunil Choksi	Managing Director
Mrs. Stela Choksi	Whole Time Director
Mr. Vyangesh Choksi	Whole Time Director & CFO
Ms. Himika Choksi	Additional Director & COO

(b) Relatives of KMP

Mrs. Neeta Shah
D. G Choksi HUF
Mrs. Khyati Choksi

2. Disclosure of transactions between the Company and Related Parties and the Status of outstanding balances as at March 31, 2017:

Nature of Transactions	Individual having Control and KMP	Relatives of KMP	Outstanding balance as on 31-03-2017
Remuneration	6900000	Nil	1329857
Commission	Nil	649620	120102
Salary	Nil	480000	Nil
Rent	300000	1136820	487888
Deposit Given	Nil	Op.Bal. 20 Lacs	2000000
Loan Taken	Nil	Nil	17200000
Loan Repaid	800000	Nil	Nil

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

28. The details of Specified Bank Notes (SBN) held and transacted during the period 8/11/2016 to 30/12/2016 as provided in the table below : (Rs. in Lacs)

Particulars	SBNs	Other denomination Notes	Total
Closing Cash in Hand as on 8/11/2016	24.91	1.39	26.30
(+) Permitted Receipts	-	15.75	15.75
(-) Amount Deposited in Banks	24.91	-	24.91
(-) Permitted Payments	-	15.71	15.71
Closing Cash in Hand as on 30/12/2016	-	1.43	1.43

29. Operating Leases :

i)	Obligation on Non-cancelable operating leases :	
	a) not later than one year	806775
	b) later than one year and not later than five years	158,920
	c) later than five years	635,680
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	6,168,116
iv)	Sub lease payments received or receivable recognized in P&L A/c during the period	NIL
v)	General description of significant leasing arrangements	
	a) Description of the assets taken on operating lease	Various Properties for Commercial use
	b) Basis on which contingent rent payments are determined	Basis taken as per the lease agreements with the lessor
	c) Terms of renewal or purchase options and escalation clauses of lease arrangements	All lease agreements are general and can be renewed after expiry of the lease period. No purchase options specifically mentioned in the agreement.
	d) Restrictions imposed by lease agreements, if any	Not to sub-lease

30. Contingent liabilities not provided for in respect of :
- Guarantees issued by Bank on behalf of the Company Rs. 453,064/- (Previous year Rs. 2,512,400).
 - An amount of Rs. 3,204,212/- has been shown as recoverable from Commissioner of Customs (EPCG) under current assets. This amount was forfeited by the said authority during FY 2012-13. The Company has timely fulfilled all export obligations & is under the process of recovering the same from the said authority.
 - On 1.9.2016, the Service Tax Department has conducted a Service Tax search on the Company, wherein a demand was determined to be paid for Rs. 2,65,95,454/- (before claiming of the CENVAT) for the period from January 2016 to August 2016. The said amount is already paid by the Company during the period under Audit. However, a Show Cause Notice dated 19.5.2017 has been issued by the Principal Commissioner, Customs, Central Excise & Service Tax for which the Company is under the process of filing a Settlement Application with the Customs, Central Excise & Service Tax, Principal Bench, Settlement Commission.
31. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. 42,00,000 (Previous year Rs. Nil).
32. During the year, Borrowing Costs amounting of Rs. 36,95,369/- has been Capitalized to Fixed assets.

33. Disclosure in terms of Accounting Standard "Impairment Losses":

i)	Amount of impairment Losses recognized in the Profit & Loss A/c	Nil	Nil
ii)	Amount of reversal of impairment losses recognized in the Profit & Loss A/c	Nil	Nil
iii)	Amount of impairment losses recognized directly against revaluation surplus	Nil	Nil
iv)	Amount of reversals of impairment losses recognized directly in revaluation surplus	Nil	Nil

34. The previous year figures have been regrouped/ reclassified, wherever necessary to confirm to current year presentation.

**Form No. MGT-11
Proxy Form**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN:	L85195MP1993PLC007471		
Name of the Company:	CHOKSI LABORATORIES LIMITED		
Registered office:	6/3, MANORAMAGANJ, INDORE (M. P.)		
Name of the member (s) :			
Registered address :			
Email ID :			
Folio No./Client Id :		DP ID :	

I/We, being the members of shares of the above named company, hereby appoint

1. Name :			
Address :			
Email ID :			
Signature :			
2. Name :			
Address :			
Email ID :			
Signature :			
3. Name :			
Address :			
Email ID :			
Signature :			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Monday, 25th day of September, 2017 at 11.00 A.M. at 6/3, Manoramaganj, Indore, M.P. and at any adjournment thereof in respect of such resolutions as are indicated below:

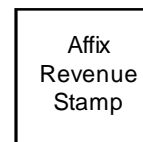
Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March, 2017 and the Reports of the Directors and Auditors thereon.
2. Reappointment of Mr.Vyangesh Choksi (DIN:00154926), who retires by rotation and being eligible offer himself for reappointment.
3. Appointment of M/s. Subhash Chand Jain Anurag & Associates, Chartered Accountants (ICAI FRN: 004733C), as Statutory Auditor of the company for a term of 5 (five) consecutive years from the financial year 2017-2018, subject to ratification by the members at every Annual General Meeting of the Company.
4. Appointment of Ms. Himika Choksi (DIN:00155007), as Director of the Company.
5. Appointment of Ms. Himika Choksi (DIN:00155007), as Whole Time Director of the Company for a period of 5 (Five) years w.e.f. 01.06.2017.

Affix Revenue Stamp Signed this.....day of2017.

Signature of shareholder(s)

Signature of Proxy holder(s)Note:



This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Notes:

1. Proxy to be deposited at the Registered Office of the Company at 6/3, Manoramaganj, Indore-452001 (M.P.), not later than FORTY-EIGHT hours before the meeting.
2. All alterations made in the Form of Proxy should be initialed.
3. Please affix appropriate Revenue Stamp before putting signature.
4. A proxy need not be a shareholder of the company.

Choksi Laboratories Limited

Regd. Office : 6/3, Manoramaganj, INDORE - 452 001

CIN : L85195MP1993PLC007471

ATTENDANCE SLIP

24th Annual General Meeting held on 25th day of September, 2017

Registered Folio No. / DP ID No. / Client ID No. : _____

Name and Address of the Shareholder : _____

Name(s) of the Joint Holder(s) if any : _____

No. of shares held : _____

Full name of Proxy : _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company convened at Monday, 25th day of September, 2017 at 11.00 A.M. at 6/3, Manoramaganj, Indore - 452 001, M.P.

..... Member's / Proxy's Signature

To,

If undelivered, Please return to :
Choksi Laboratories Limited
6/3, Manoramaganj, INDORE - 452 001 (M. P.)

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