



CHOKSI LABORATORIES LIMITED

Company Information CIN: L85195MP1993PLC007471

COMPOSITION OF BOARD

Mr. Sunil Choksi	-	Managing Director
Mrs. Stela Choksi	-	Whole Time Director
Ms. Himika Choksi	-	Whole Time Director
Mr. Vyangesh Choksi	-	Whole Time Director
Mr. Sudarshan Shastri	-	Independent Director
Mr. N. K. Mani	-	Independent Director
Mr. Ratnesh Sadoriya	-	Independent Director
Mr. Mayank Pandey	-	Independent Director
CHIEF FINANCIAL OFFICER	-	Mr. Vyangesh Choksi
COMPANY SECRETARY & COMPLIANCE OFFICER	-	Mr. Sanjay Chourey

STATUTORY AUDITORS

Subhash Chand Jain Anurag & Associates, Chartered Accountants

REGISTERED OFFICE

6/3, Manoramaganj, Indore, MP452001

SHARE TRANSFER AGENT

Link Intime Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

BANKERS

State Bank of India Union Bank Axis Bank

OUR BRANCHES/LABORATORIES

- GOKUL COMPLEX, 2ND & 3RD FLOOR, 101/8 GIDC, CHAR RASTA VAPI (GUJRAT)
- 829. GIDC MAKARPURA, VADODARA 390 010 (GUJRAT)
- PLOT NO. 362, INDUSTRIAL AREA PHASE II, PANCHKULA (HARYANA)
- PLOT NO. C-18 & 20 PHACE 1 A, VERNA INDUSTRIAL ESTATE VERNA - 403722 (GOA)

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(Rs. in lac)	2016-17	2017-18	2018-19
EBIDT	564.11	668.63	751.07
РВТ	130.95	193.29	229.47
РАТ	89.26	134.71	160.02

FINANCIAL PERFORMANCE

MAP

Google Maps Choksi Laboratories Limited



NOTICE OF 26[™] ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 26th Annual General Meeting (AGM) of the members of Choksi Laboratories Limited will be held on Friday 27th September, 2019 at registered office of the Company at 11.30A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2019, Audited Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board of Directors and Auditors thereon, and in this regard, pass the following resolution as an Ordinary Resolution:

RESOLVED THAT "The Audited Financial Statement of the Company for the financial year ended March 31st, 2019 and the reports of the Board of Director and Auditors thereon laid before this meeting , be and are hereby considered and adopted"

2. To appoint a Director in place of Mr. Vyangesh Choksi (DIN00154926:), who retires by rotation and being Eligible offer himself for re-appointment;

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vyangesh Choksi (DIN: 00154926), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

3. RE-APPOINTMENT OF MR. SUNIL CHOKSI (DIN00155078) AS MANAGING DIRECTOR

To consider and, if thought fit to pass with or without modification(s), the following resolution as ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 196, read with Schedule V and other applicable provisions of the Companies Act, 2013(Including any statutory modification(s) or re- enactment(s) thereif), the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, as amened from time to time and such other approvals, permissions and sanctions as may be required, consent of the shareholder of the Company be and is hereby accorded to the re-appointment of Mr. Sunil Choksi DIN00155078 as Managing Director of the Company for the Period of the 5 Years with effect from 1st October 2019 to 30th September 2024 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (remuneration to be paid in the event of loss or inadequacy of the profits in any financial year during the period of 3 Years from the date of his appointment), with liberty to the Board of Directors of the Company (hereinafter referred to as the Board (which term shall be deemed to inculed any committee of the Board Constituted to exercise its powers) to alter and vary terms and Conditions of the said appointment in such manner as my be agreed to between the board and Mr. Sunil Choksi."

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

4. RE-APPOINTMENT OF MRS. STELA CHOKSI AS A WHOLE-TIME DIRECTOR

To consider and, if thought fit to pass with or without modification(s), the following resolution as ordinary resolution

"RESOLVED THAT in accordance with the provisions of Sections 196, and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remunerationof Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mrs. Stela Choksi(DIN: 00155043) as a Whole-time Director, of the Company, for a further period of 5 (five) years from the expiry of his present term of office, with effect from 1st October, 2019 to 30th September 2024 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

BY ORDER OF THE BOARD FOR CHOKSI LABORATORIES LIMITED

Place: INDORE DATE: 12th August 2019 SD/-SANJAY CHOUREY COMPANY SECRETARY & COMPLIANCE OFFICER

Notes:

- 1. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
- 2. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of this meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members' not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company.
- **3.** Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
- 4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 5. The Register of Members and Share Transfer Book of the Company shall remain closed from, September 25, 2019 to, September 27, 2019(both days inclusive).
- 6. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.
- 7. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/S LINK INTIME PRIVATE LIMITED, at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai -400083.
- 8. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- 9. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
- **10.** The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/LINKINTIMEPRIVATELIMITED.
- **11.** Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
- 12. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
- **13.** Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
- 14. Electronic copy of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 26th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- **15.** Members may also note that the Notice of the 26th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website at www.choksilab.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor mailid:compliance_officer.com

16. THE INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

(i) The voting period begins on 23rd September 2019 at 10.00 am and ends on 24th September 2019 at 5.00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <17th September 2019 >may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

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

For Members holding shares in Demat Form and Physical Form PAN Enter your 10 digit alphanumeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) 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, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.comand register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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 email to helpdesk.evoting@cdslindia.com.E-voting (EVOTINGPROCESS)

Other Instructions -

- 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 email to helpdesk.evoting@cdslindia.com.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 17th September 2019.
- Mr. Kaushal Ameta, M/s Kaushal Ameta &Company, Company Secretaries (Membership No. FCS: 8144, CP No. 9103) has been appointed as the Scrutinizer to scrutinize the Evoting process in a fair and transparent manner.
- The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will not later than forty eight (48) hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- The Results shall be declared on or after the AGM of the Company. 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 within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Exchanges.
- **17.** Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13.
- **18.** The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

ANNEXURETOTHENOTICE

EXPLANATORY STATEMENT INRESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF

Place: Indore Date: 12th August, 2019

By Order of the Board For CHOKSI LABORATORIES LIMITED

Registered Office: 6/3, MANORAMAGANJ, INDORE, MP-452001 CIN: L85195MP1993PLC007471 -/Sd Sanjay Chourey

Sanjay Chourey Company Secretary & Compliance Officer

Contact Information Mr. Sanjay Chourey Company Secretary & Compliance Officer E-mail: compliance_officer@choksilab.com Phone No.0731-4243888



THE COMPANIES ACT, 2013

Item No. 3

The Board of Directors of the Company ("the Board") at its meeting held on August 12, 2019 has, subject to approval of members, re-appointed Mr. Sunil Kumar Choksi (DIN:00155078) as a Managing Director, for a further period of 5 (five) years from the expiry of his present term, on terms and conditions including remunerations recommended by the Nomination and Remuneration Committee (the 'HRNR Committee') of the Board and approved by the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Sunil Kumar Choksi (DIN:00155078) as a Managing Director, of the Company, inters of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Sunil Kumar Choksi (DIN:00155078) are as under:

a) Salary, Perquisites and Allowances per annum:

Salary - 3,50,000 to 4,00,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent Allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and Allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

b) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.

General

- I. The Managing Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Managing Director will be under the overall authority of the Managing Director.
- II. The Managing Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- III. The Managing Director shall adhere to the Company's Code of Conduct

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Sunil Choksi (DIN: 00155078)under Section 190 of the Act.

Details of Mrs. Sunil Choksi (DIN: 00155078) are provided in the "Annexure "to the Notice pursuant to the provisions of Mr. Sunil Kumar Choksi (DIN: 00155078) is interested in the resolution set out at Item No. 3 of the Notice.

Mrs. Stela Choksi, a Whole time Director, Mr. Vyangesh Choksi, a Whole time Director, Ms. Himika Choksi, a Whole time director being related to Mr. Sunil Kumar Choksi, may be deemed to be interested in the resolution set out at Item No. 3 of the Notice.

The other relatives of Mr. Sunil Kumar Choksi may be deemed to be interested in the resolution set out at Item No. 3 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

In accordance with the provisions of Sections 196 & other applicable provisions of the Act, read with Schedule V to the said Act, the proposed appointment and the terms of remuneration payable to Mr. Sunil Kumar Choksi require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution Accordingly. The Board recommends the Resolution at Item No. 3 for approval of the shareholders.

Item No. 4

The Board of Directors of the Company ("the Board") at its meeting held on August 12th , 2019 has, subject to approval of members, re-appointed Mrs. Stela Choksi (DIN:00155043) as a Whole time Director, for a further period of

5 (five) years from the expiry of his present term, on terms and conditions including remunerations recommended by the Nomination and Remuneration Committee (the 'HRNR Committee') of the Board and approved by the Board. It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mrs. Stela Choksi (DIN: 00155043)as a Whole time Director, of the Company, inters of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of and remuneration payable to Mrs. Stela Choksi (DIN:00155043) are as under:

c) Salary, Perquisites and Allowances per annum:

Salary – 2, 50,000 to 3, 00,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent Allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and Allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

d) The Company's contribution to provident fund, superannuation or annuity fund, gratuity payable and encashment of leave, as per the rules of the Company, shall be in addition to the remuneration under (a) above.

General:

- I. The Whole-time Director will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole time Director will be under the overall authority of the Managing Director.
- II. The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- III. The Whole-time Director shall adhere to the Company's Code of Conduct

The above may be treated as a written memorandum setting out the terms of re-appointment of Mrs. Stela Choksi (DIN: 00155043) under Section 190 of the Act.

Details of Mrs. Stela Choksi (DIN: 00155043) are provided in the "Annexure "to the Notice pursuant to the provisions of Mrs. Stela Choksi (DIN: 00155043) is interested in the resolution set out at Item No. 4 of the Notice. Shri Sunil Kumar Choksi, a Managing Director, Mr. Vyangesh Choksi, a Wholetime Director, Ms. Himika Choksi, a Whole time director being related to Mrs. Stela Choksi, may be deemed to be interested in the resolution set out at Item No. 4 of the Not. 4 of the Not. 4 of the Notice.

The other relatives of Mrs. Stela Choksi may be deemed to be interested in the resolution set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Place: Indore Date: 12th August, 2019

Registered Office: 6/3, MANORAMAGANJ, INDORE, MP-452001 CIN: L85195MP1993PLC007471

Contact Information Mr. Sanjay Chourey Company Secretary & Compliance Officer E-mail: compliance_officer@choksilab.com Phone No.0731-4243888 By Order of the Board For CHOKSI LABORATORIES LIMITED

-/Sd Sanjay Chourey Company Secretary & Compliance Officer



DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT

Name of Director	Mr. Sunil Choksi	Mrs. Stela Choksi
Date of Birth	01/09/1955	05/06/1956
Age	63 Years	62 Years
Date of Appointment	01/09/2008	01/04/2011
Experience in specific functional area	20 Years in Chemical Industries	15 Years in Administration
Qualification	B.Sc.	B.Sc.
No & % of Equity share held in the Company	923192 Shares 7.51%	220200 shares 3.16%
List of outside company's directorship held in Public Limited Company	Jash Engineering Limited	Nil
Chairman / Member of the Committees of the Board of Directors of theCompany	Nil	Nil
Chairman/Member of the Committees of the Board Directors of other Companies in which he is director	YES	Nil
Relation between director inter -se	Relative of Director	Relative of Director

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\equiv Choksi Laboratories Ltd. \equiv

Annual Report 2018 - 2019

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the Twenty Six Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2019.

FINANCIAL SUMMARY/HIGHLIGHTS

The summarized financial result for the year are as under:

(Rs. In lacs)

Particulars	2018-19	2017-18
Total Revenue (Including other operating revenue)	3399.20	3,154.83
Profit before Tax (PBT)	229.47	193.29
Less: a) Current Tax	73.04	53.11
b) Deferred Tax	-3.59	5.47
Net Profit/ (Loss) for the period	160.02	134.71
Total Comprehensive Income	160.90	126.86
Add : Surplus brought forward	1387.93	1,261.07
Add : Ind - AS Adjustments	-	-
Surplus carried to Balance Sheet	1548.83	1,387.93
Bais & Diluted EPS per equity share of face value Rs. 10 each (in Rs.)	2.30	1.93
Equity shares of face value of Rs. 10 each (In Rs.)	696.52	696.52

COMPANY'S PERFORMANCE REVIEW

The Company continued to maintain its upward trend by registering Service of Rs. 3374.63 lacs as against Rs. 3119.63 lacs in the previous year. However, Profit before Finance Costs, Depreciation, and Tax has increased from Rs. 668.63 lacs to Rs. 751.07 lacs. After providing for finance costs and Depreciation amounting to Rs. 153.72 lacs and Rs.367.87 lacs respectively, the Profit before Tax for the year under review has amounted to Rs.229.47 lacs as compared to Rs.193.29 lacs in the previous year. Net profit after tax for the year is Rs.160.90 lacs as compared to Rs. 126.86 lacs in the previous year

APPROPRIATIONS

An amount of Rs. 160.90 lakhs is proposed to be carried forward in the Profit & Loss Account. No amount has been transferred to General Reserve.

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.

DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances and keeping in view the company's, has decided that it would be prudent, not to recommend any Dividend for the year under review.

PERFORMANCE EVALUATION OF BOARD, COMMITTEE AND DIRECTORSBOARD EVALUATION

Pursuant to the provisions of the Act and the Listing Regulations, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Directors was completed during the year under review. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors and Non-Executive Director. The Board of Directors expressed their satisfaction with the evaluation process

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives detail of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., the decorative business international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year.



Material Changes and Commitments

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report."There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

Change in the Nature of Business, If Any

There was no change in the nature of business of the Company during the Financial Year ended 31st March 2019.

Foreign Exchange Earnings and Outgo

Foreign Exchange outgo: Rs. 45,29,544/-

Foreign Exchange Earnings: Rs. 59,93,478/-

GOVERNANCE AND ETHICS

a. Corporate Governance

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organizations brand and reputation. The Companies Act, 2013 and amended SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 have strengthened the governance regime in the country. The Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, ahead of time. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust to four stakeholders at all the times.

A separate report on Corporate Governance (Annexure II) is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated SEBI (Listing obligation and Disclosure Requirements) Regulation2015 (Annexure III) A Certificate of the MD and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.(Annexure IV)

b. Directors & Key Managerial Personnel Appointments:

Director:

Re-appointments : In accordance with the Articles of Association of the Company and Section 152 of The Companies Act, 2013, Mr. Vyangesh Choksi(DIN:00154926), Whole Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

This Year Meeting of the Board of Director held on 12th August 2019 under review Mr. Sunil Choksi (DIN 00155078) was re-appointed as Managing Director with effect from Oct, 2019 for a period of 5 years, and Mrs. Stela Choksi (DIN00155043) as a Whole time Director of the Company with effect from Oct , 2019 for a period of 5 years.

c. Number of meeting of Board of Directors

The Board of Directors met Five (5) times during the Financial Year under review viz. 30th May 2018, 13th August 2018, 14th Nov 2018, 13th Feb 2019, 09th March 2019. The maximum gap between any 2 meetings did not exceed 120 days.

d. Independent Directors and their Meeting

Your Company has received annual declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence provided in Section 149(6) of the Companies Act, 2013 and Regulations 16(1) (b) & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

The Independent Directors met on 29th May 2018 without the attendance of Non–Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non–Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non–Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

e. Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company

f. Audit Committee &Composition

The Audit Committee comprises Independent Directors namely Mr. Sudharshan Shastri (Chairman), Mr. Ratnesh Sadoriya(Member), Mr. N.K. Mani (Member) During the year all recommendations made by the Audit Committee were accepted by the Board.

g. Contracts and Arrangements with Related Parties

All Related Party Transactions, which are foreseen and repetitive in nature, are placed before the Audit Committee on a yearly basis for obtaining prior omnibus approval of the committee. The transactions entered into pursuant to the omnibus approval are placed before the Audit Committee for review and approval on quarterly basis.

During the financial year 2018-19, there were no transactions with related parties which qualify as material transactions under SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 and the Companies Act.

In line with the requirements of the Companies Act, 2013 and Equity SEBI (Listing obligation and Disclosure Requirements)Regulation 2015, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at http://www.choksilab.com/Downloads The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. Details of related party transation in Form AOC-2.

h. Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled there to, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Your Company's mission envisages a strong sense of commitment to work by being a caring pharmaceutical company, which will continuously strive to enhance health through quality Service. Your Company aims at consistently providing service that meet customer needs as well as national and international regulatory requirements, as may be applicable. Your Company has been steadily raising the bar, setting higher goals for incremental performance and enlarging the scope of its initiatives. The environmental policy of your Company emphasizes being a caring Company, which shall protect and promote the environment by complying with applicable environmental regulations and preventing pollution in all its operations.

INTERNAL FINANCIALCONTROL

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the and efficient conduct of its business, including adherence to 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.

The Company has adequate system of internal controls to ensure that all the assets are safeguarded and are productive. Necessary checks and controls are in place to ensure that transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conducts Audit of various departments to ensure that internal controls are in place;

Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India.

Nomination and Remuneration Policy

The Board, on the recommendation of the Nomination and Remuneration Committee, has adopted a policy for selection, appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The details of this Policy are given hereunder. The policy is available on the Company's website at https://www.choksilab.com

The Company considers human resources as its invaluable assets. The Nomination and Remuneration Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy for all employees is designed to attract talented personnel and remunerate them fairly and responsibly, this being continuous, ongoing exercise at each level in the organization.

Whole Time/ Managing Director

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to its Managing Director. Salary is paid based on the recommendation of the Nomination and Remuneration Committee and as approved by the Board of Directors, The remuneration paid to the Whole Time Director is determined keeping in view the industry benchmark and the relative performance of the Company compared to the industry performance. The Company pays remuneration by way of salary, perquisites and allowances to its Whole Time Director.

Non-Executive Directors

Non-Executive Directors receive sitting fees for attending Meetings of the Board and its Committees as per the provisions of the Act and the Rules made there under. no other remuneration is paid to the Non-Executive Directors. The Nomination and Remuneration Committee may recommend to the Board, the payment of commission taking into account the evaluation of the performance of the Directors.

Key Managerial Personnel (KMP) and other Employees

The remuneration of KMP other than the Whole Time Director and other Senior Managerial Employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Perquisites and retirement benefits are paid according to the Company's policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience, merits and performance of each employee. The Company while deciding the remuneration package takes into consideration the current employment scenario and remuneration package prevalent in the industry and peer group companies.

DIRECTORS RESPONSIBILITYSTATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Act:

- a. in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a 'going concern' basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. 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.

AUDITORS & THEIR REPORT

Statutory Auditors:

M/s. SubhashCand Jain Anurag & Associates, having ICAI Registration No. 004733C were appointed as Statutory Auditor of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on 25th September 2017 They have confirmed that they are not disqualified from continuing as Auditors of the Company. The Notes on financial statement referred to in the Auditors' Report are self-explanatory. qualifaciton mention and Auditors report.

Sr. No.	Description of the property	Status of ownership	Carrying value	Remark
1.	Free Hold Land Situated at 4/3, Manoramaganj, Indore	Title of the land in the name of direcetor Shri Sunil Kumar Choksi S/o Dhansukhbhai Choksi	10,00,000/-	But recorded in the books
2.	Premises located at 4/3, Manoramaganj, Indore	Title of the premises informed as in the name of directeor and yet not registered in the name of the Company.	82,38,876/-	But recorded in the books
3.	Premises located at Plot No. 32 at Vibrant Industrial Park GIDC, Vapi, Gujarat	Title of premises is in the name of Directors, which is then leased in the name of company but the lease deed is not registered.	309,33,234/-	Recorded in the books as Deferred Lease Assets & accounted on fair market value as per Ind AS Rs. 309,33,234/- being lease period is 10 years.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Kaushal Ameta, M/s Kaushal Ameta &Company, Company Secretary (FCS:8144,CPNo.9103) to undertake the Secretarial Audit of the Company. The Secretarial Auditors in their report for the year 2018-19 has confirmed the compliances of by the Company as covered in their report.

The Report of the Secretarial Audit for the year 2018-19 in the Form MR-3 is annexed herewith as "Annexure VI". There is no qualification, reservation or adverse remark or in Secretarial Audit Report except the following;

Internal Auditors

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, your Company has appointed as Internal auditor M/s. Tanmay V. Rajurkar &Co., Chartered Accountants for the Financial Year2018-19.

Reporting of Fraud by auditors

During the year under review the statutory auditor has not reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Related Party Transactions

In line with the requirements of the Companies Act, 2013 and SEBI Listing obligation and disclosure Regulation 2015(LODR), your Company has formulated a Policy on Related Party Transactions which is also available on http:// www.choksilab.com. All Related Party Transactions are placed before the Audit Committee for review and approval of the Committee on a quarterly basis. Also the Company has obtained prior omnibus approval for Related Party Transactions occurred during the year for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at arm's length.

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section134 (3)(h) of the Companies Act, 2013 in Form AOC 2:

Your Company Comply Pursuant to Regulation 23(9) of the SEBI (Listing Obligations & Disclosure Requirements), 2015, as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Submit note on Related Party Transactions, on consolidated basis for the financial year ended 31st March, 2019 to the Stock Exchange.

OTHER DISCLOSURES

Particulars of Loans, Guarantees or Investments:

The particulars of loans, guarantees and investments as on 31st March 2019 are covered under the provisions of Section 186 of the Companies Act, 2013 is given in the Notes to Financial statements of the Company.

Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

There are no significant and material orders passed by the Regulators / Courts / Tribunals, which would impact the going concern status of the Company and its future operations.

Details of Fixed Deposits

During the year under review, the Company has not accepted any Deposit under Section 73 of The Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. It is further stated that the Company does not have any deposits which are not in compliance with the requirements of Chapter V of The Companies Act, 2013.

Prevention of Sexual Harassment at Workplace:

The company has a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, 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. During the year under review, there were no complaints pertaining to sexual harassment."

Business Responsibility Report

Regulation 34 (2) of the Listing Regulations, provides that the Annual Report of the Top 500 listed entities based on market capitalization (calculated as on March 31 of every financial year), shall include a Business Responsibility Report("BRR"). Since your Company, does not feature in the Top 500listed entities as per market capitalization as on March 31,2019, the Business Responsibility Report for the financial year2018-2019 does not form a part of this Annual Report.

Health and Safety

Health and Safety issues are addressed systematically, effectively and proactively. Your Company takes pride in providing various forms of medical assistance to its employees. Periodic health check-ups are carried out for all employees and regular training programs are organized on safety and precautionary measures. Fire fighting training programs and first aid training camps are organized regularly educate workers and employees at the plant locations and corporate office.

Acknowledgement

We would like to thank to all our Stakeholders, Investors Bankers, customers, Suppliers, Government agencies, stock exchanges and depositories, Auditors, legal advisors, consultants, business associates, service providers for their continued commitment, and invincible enthusiasm which made this year productive and pleasurable.

The Board also places on record, their deep sense of appreciation towards all its Employees at all levels for adopting the values of the Company and their hard work during the year.

For and on behalf of the Board of Directors Choksi Laboratories Limited

Place: Indore Date: 12th August, 2019

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-/Sd Sunil Choksi Chairman &Managing Director DIN00155078

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 transaction under third proviso Nil thereto

Details of contracts or arrangements or transactions not at Arm's length basis

SL. No.	Particulars	
1	Name (s) of the related party & nature of relationship	N.A.
2	Nature of contracts/arrangements/transaction	N.A.
3	Duration of the contracts/arrangements/transaction	N.A.
4	Salient terms of the contracts or arrangements or transaction including the value, if an	N.A.
5	Date of approval by the Board	N.A.
6	Amount paid as advances, if any	N.A.

Details of contracts or arrangements or transactions at Arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any (f)
D. G .Choksi H.U.F. (Karta of HUF is MD)	Rent – Rs. 11.37 Lacs p.a.	Period of Contract 1 year and renewal as per agreement	Rent shall be Increased by 5% every years as per agreement		Nil
Mr.Sunil Choksi Managing Director	Remuneration – 39.60 Lacs p.a.	Duration of 3 Year w.e.f. 01 _{st} Sept'2016	Increase Remuneration by Rs. 1.00 Lacs during 3 years.		Nil
Mr.Vyangesh Choksi Whole time Director	Remuneration – 26.40 Lacs p.a.	Duration of 5 Year w.e.f. 01 _{st} Sept'2016	Increase Remuneration by Rs. 1.00 Lacs during 5 years.		Nil
Mrs .Khyati Choksi Employee	Salary – 4.80 Lacs p.a.	Yearly	As per company policy		Nil
Mrs .Khyati Choksi Employee	Salary – 4.80 Lacs p.a.	Yearly	As per company policy		Nil
Mrs.Stela Choksi Whole time Director	Remuneration – 25.80 Lacs p.a.	Duration of 3 Year w.e.f. 01 _{st} Sept'2016	Increase Remuneration by Rs. 0.50 Lacs during 3 years.		Nil
	Rent – 15.84 Lacs p.a.	Period of Rent Contract 10 Years on Monthly basis.	Rent shall be Increased by 7% every two years.		Nil

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Ms.Himika Choksi Whole time Director	Remuneration – 25.80 Lacs p.a.	Duration of 5 Year w.e.f. 01 _{st} June'2017	Increase Remuneration by Rs. 1.00 Lacs during 5 years.	Nil
	Rent – 12.84 Lacs p.a.	Period of Rent Contract 10 Years on Monthly basis.	Rent shall be Increased by 7% every two years.	 Nil
Mrs.Neeta Shah- Sister of Managing Director.	Commission- 32915/-	Franchisee Commission	Nil	Nil

Place: Indore Date : 12/08/2019

For and on behalf of the Board of Directors

Sd/-Sunil Choksi Managing Director DIN: 00155078

ANNEXURE-II

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Compliance with the Code of Corporate Governance forms an integral part of the Company's philosophy. CLL firmly believes that any meaningful policy on Corporate Governance must provide empowerment to the management of the Company and simultaneously create a mechanism of checks and balances that ensure that the decision-making powers vested in the management are not misused and are exercised with care and responsibility to meet stakeholders' aspirations and societal expectations. The core principles of Corporate Governance i.e. trusteeship, transparency, empowerment, accountability and control form the cornerstone of CLL's Corporate Governance philosophy. The Company continues to focus its resources, strengths and strategies to achieve the highest standards of Corporate Governance and endeavors to implement the Code of Corporate Governance in its true spirit.

As per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(Listing Regulations) and applicable provisions of the Companies Act, 2013 (the Act), Your Company shall ensure that its governance framework incorporates the applicable amendments introduced in the Listing Regulations and the same is proactively communicated and absorbed down the line with a view to strength then its philosophy of Corporate Governance

GOVERNANCE STRUCTURE

Choksi Laboratories Limited (CLL)'s Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors

The Board has an appropriate mix of Executive and Non – Executive Directors to maintain its independence. The Board periodically evaluates the need for change in its composition and size. The Board, inter alia, focuses on strategic planning, risk management, compliance, and corporate governance to maintain high standard so ethical conduct and integrity and succession planning for the Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013read with the Rules issued there under.

Independent Directors

The Company has on its Board, eminent Independent Directors who have brought in independent judgment to Board's deliberations including issues of strategy, risk management and overall governance. They have played a pivotal role in safeguarding the interests of all stakeholders.

The Independent Directors have submitted declarations that they meet the criteria of Independence lay down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 read with the Rules issued there under.

The terms and conditions for appointment of independent directors and a sample letter of appointment issued to them, are posted on the Company's website at following the link: https://www.choksilab.com

Committee of Directors

The Board has constituted various Committees with an Optimum representation of its members and with specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. The Company currently has 3 (three) Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee.

The Board of Directors of the Company at its Meeting held on 30th May, 2018 in view of amendments caused to the Companies Act, 2013 by way of notification of certain provisions of Companies (Amendment) Act, 2017 by the Ministry of Corporate Affairs,. The revised terms are incorporated in their respective portion forming part of this Report.



Management Structure

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities.

a. Chairman & Managing Director

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

b. Executive Director-

The executive Directors are looking into purchase and marketing and responsible for o all other functions relating to the day- to-day management of the all the branch and, including all local issues and compliances as applicable at Labs level. He is also looking into the marketing, accounts and finance, administrator department and reports to the Chairman & Managing Director.

BOARD OF DIRECTORS

Composition, attendance of Directors at Board Meetings and the last Annual General Meeting (AGM), Other Directorship and Membership and /or Chairmanship held by each Director

Name	Category of Director	No. of Board Meetings held during the year 2018-2019		Whether Attended last AGM held on September 28, 2018	No. of Directorships in other public compantes*	Directorships in other public Directorships committee positions in other public		Name of Listed compantes where directorship held and its category
		Held	Attended			Held	Attended	
Mr. Sunil Choksi	Executive Director	5	4	Yes	1	1	0	Jash Engineering Ltd
Mrs. Stela Choksi	Executive Director	5	5	Yes	0	0	0	-
Mr. Vyangesh Choksi	Executive Director	5	5	Yes	0	0	0	-
Ms. Himika Choksi	Executive Director	5	5	Yes	0	0	0	-
Mr. Sudarshan Shastri	Non-Executive Independent Director	5	5	Yes	1	2	1	M/s. Divya Jyoti Industries Limite
Mr. N.K. Mani	Non-Executive Independent Director	5	4	Yes	0	0	0	-
Mr. Ratnesh Sadoriya	Non-Executive Independent Director	5	1	Yes	0	0	0	-
Mr. Mayank Pandey	Non-Executive Independent Director	5	2	No	0	0	0	-

Table-1 : Composition of Board and attendance of Meetings during the year 2018-2019

* Excludes Directorships in Pvt. Ltd. Companies, and Companies under Section 8 of th

List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board

- 1. **Vision**: Ability to see the future with precision based on knowledge, experience and power of reasoning to shape company's plans.
- 2. **Strategic thinking**: Ability to identify opportunities, projects, critical evaluation of the same and plan for successful implementation, to achieve the desired business goal.
- 3. Leadership skills: Trait of creating an inspiring vision, motivating people to engage with that vision and manage delivery of the vision.
- 4. **Industry knowledge:** Ability to comprehend intricacies of running an industry and guide the executive management to achieve desired goals with focus on pharmacy sector.
- 5. **Marketing & Business skills**: Thorough understanding of market and ability to deploy most innovative and effective marketing strategies supported by best use of technology.
- 6. **Finance & Accounting**: Ability to analyses key financial statements, assess financial viability, contribute to strategic financial planning; oversee budgets & efficient use of resources.
- 7. **Risk management**: Ability to identify key risks associated with the business and put in place risk minimization and mitigation framework, insulates the business from pitfalls.
- 8. **Communication skills**: Ability to convey effectively and efficiently with all stakeholders to achieve organization goals.

Confirmation by Independent Directors

All Independent Directors have declared that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 and Regulations 16 (b) of the Listing Regulations. The Board confirms that the Independent Directors fulfill conditions specified in the Listing Regulations and are independent of the Management.

Compliance with the Code of Business Conduct and Ethics

The Company has adopted a Code of Business Conduct and Ethics. The said Code is posted on the Company's website and the web link of the same is: www.choksilab.com All Board members and Senior Management Personnel have affirmed compliance with the said Code for the year ended March 31, 2019. A declaration to this effect, signed by the Chairman & Managing Director is given below:"In accordance with Regulation 26 of the Securities and

Declaration on Code of Business Conduct and Ethics

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Business Conduct and Ethics for the financial year ended March 31, 2019".

Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. he ensures that all relevant information, details and documents are made available to the Board and Senior Management for effective decision making. The Company Secretary while preparing the agenda, Notes on agenda, Minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the Rules framed there under and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

Recording Minutes of Proceedings at Board and Committee Meetings

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board / Committee members for their comments as prescribed under Secretarial Standard-1 The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

Post Meeting Follow-up Mechanism

The Guidelines for Board meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board. The important decisions taken at the Board meetings are communicated to the departments / divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board for noting by the Board.

Compliance

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued there under, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.



COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal)Act,2013 redressal of complaint at the workplace.

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time.

Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

(a) Audit Committee – Mandatory Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing obligation and Disclosure Requirements) Regulation2015. Some of the important functions performed by the Committeeare :

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.
- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgment by the Management, significant adjustments made in the financial statements and/orrecommendation,ifany,madebytheStatutoryAuditorsinthisregard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgment about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's system and internal controls.
- Review and discuss with the Management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy) and to review the findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditors, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.
- · To recommend the Board the remuneration of the Statutory Auditors
- To discuss with the Statutory Auditors/Internal Auditors any significant difficulties encountered during the course of the Audit.



Other Duties

- To approve the appointment, removal and terms of remuneration of the Chief Internal Auditor and to approve the appointment of the Chief Financial Officer.
- To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

The composition of the Audit Committee as at 31st March, 2019 and details of the Members participation at the Meetings of the Committee are as under:

The Audit Committee met Four times during the financial year, namely May 30, 2018; August 13th, 2018; November 14th, 2018, and February 13th, 2019. The composition of the Committee as on March 31, 2019, and the details on the number of Audit Committee Meetings held and attended by the Members during the financial year 2018-2019 are given in table:

Composition and attendance of Audit Committee Meetings during 2018-2019					
Name of Director	Position	Category	No. of Meeting attended		
Mr. Sudarshan Shastri	Chairman	Non- Executive Independent Director	4		
Mr. N.K.Mani	Member	Non- Executive Independent Director	4		
Mr. Ratnesh Sadoriya	Member	Non- Executive Independent Director	1		

The Company Secretary acts as Secretary to the Committee

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess knowledge of finance, accounting practices and internal controls.

The MD, the Chief Financial Officer (CFO), the Internal Auditor attends Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports directly to the Audit Committee.

Self-Assessment by the Audit Committee

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and over view of internal and external audits. The results of the self-assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement

(a) Stakeholders' Relationship Committee -Mandatory Committee

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The composition of Committee is given in this Report. The Stakeholders' Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/ investors'/ security holders' complaints.

The terms of reference of the Committee are:

- Transfer/transmission of shares issued by the Company from time to time;
- Issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down procedure;
- Issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
- issue and allot right shares/bonus share pursuant to a Rights Issue/Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares/debentures/other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to
 matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend change of address for
 correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/stakeholders grievances;
- · All other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the Stakeholders' Relationship Committee as at 31st March, 2019 and details of the Members participation at the Meetings of the Committee are as under:

The Stakeholders' Relationship Committee met three times during the financial year namely May 30, 2018; November14th, 2018; and February 13th, 2019. During the year no complaints were received from shareholders and investors, and no investor complaint was pending at the beginning or at the end of the year. The Company has acted upon valid requests for share transfers received during the year and no such request is pending.

The Company has a dedicated e-mail id compliance_officer@choksilabs.comwhere investors and the other stakeholders can address their queries and grievances

The Company Secretary is the Compliance Officer and also acts as Secretary to the Committee

Composition and attendance of Stakeholder Relationship Committee Meetings during 2018-2019				
Name of Director	Position Category No. of Meeting attended			
Mr. Sudarshan Shastri	Chairman	Non- Executive Independent Director	3	
Mr. N.K. Mani	Member	Non- Executive Independent Director	3	
Mr. Ratnesh Sadoriya	Member	Non- Executive Independent Director	0	

Company Secretary was also available during all the Committee Meetings, As on 31st March, 2018, no investor grievance has remained unattended/ pending for more than thirty days.

(b) Nomination and Remuneration Committee-Mandatory Committee

The Nomination and Remuneration Committee has been constituted in accordance with the requirements of statutes and its terms of reference are in compliance with the governing provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The terms of reference of the Committee inter alia, include the following:

Succession planning of the Board of Directors and Senior Management Employees;

- Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
- Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
- Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, an Independent Director, is the Chairman of the Committee.

The said Committee met three times during the financial year namely May 30, 2018; August 13, 2018 and November 14, 2018.

Composition and attendance of Nomination and Remuneration Committee Meetings during 2018-2019					
Name of Director	Position	Category	No. of Meeting attended		
Mr. Sudarshan Shastri	Chairman	Non- Executive Independent Director	3		
Mr. N.K.Mani	Member	Non- Executive Independent Director	3		
Mr. Mayank Pandey	Member	Non- Executive Independent Director	1		



(c) Internal Committee for (Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal Act, 2013

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the

Board has constituted an Internal Committee have been nominated in the committee to look into the complaints of the

women employees relating to the Sexual Harassment of Women at Workplace.

- 1. number of complaints filed during the financial year: Nil
- 2. number of complaints disposed of during the financial year; Nil
- 3. number of complaints pending as on end of the financial year; Nil
- (d) Independent Directors' Meeting

During the year under review, the Independent Directors met on 29th May 2018, under the chairmanship of the Lead Independent Director, Shri Sudarshan Shastri inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Chairman of the Company, taking in to account the views of the Executive and Non-Executive Directors.
- PerformanceoftheChairman&ManagingDirectorShriSunilChoksiandDirector,ShriVyangeshChoksi,
- 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.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, Managing Director, Whole-time Directors, senior management and Key managerial Persons and their remuneration. This Policy is accordingly derived from the said Charter.

1. Criteria of selection of Non-Executive Directors

- a. In case of appointment of Non-executive Directors, the N&R Committee shall satisfy itself with regard to the nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- b. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- c. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, Professional or business standing;
 - iii. Diversity of the Board.
- d. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

2. Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:

- i. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.



3. Managing Director-Criteria for selection/appointment

For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration for the Managing Director & Whole-time Directors

- i. At the time of appointment or re-appointment, the Managing Director and Whole-time director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the Managing Director and Whole-time Director within the overall limits prescribed under the Companies Act, 2013.
- ii. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- iii. The remuneration of the Managing Director and Whole-time director is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus.
- iv. In determining the remuneration (including the fixed increment and performance bonus) the N&R Committee shall ensure / consider the following:
 - a. responsibility required to be shouldered by the Managing Director and Whole-time director, the industry benchmarks and the current trends;
 - b. the Company's performance vis-àvis the annual budget achievement and individual performance.

Remuneration Policy for the Senior

Management Employee

- I. Indetermining the remuneration of the Senior Management Employees and Key Managerial Personals, the N&RCommittee shall ensure/consider the following:
 - a. The relationship of remuneration and performance;
 - b. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
 - c. the remuneration is divided in to two components viz. fixed component comprise sing salaries, perquisites and retirement benefits and variable component comprising performance bonus;
 - d. The remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, and current compensation trends in the market.
- II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.



TERMS OF APPOINTMENT & REMUNERATION - CEO & MD

Particulars	Shri Sunil Choksi Chairman & Managing Director	
Period of Appointment	01.10.2019 to 30.09.2024	
Salary Grade	3,50,000-4,00,000	
Minimum Remuneration	As per provisions of the Schedule V of the Companies Act, 2013	

Details of remuneration paid to the Directors are given in Form MGT - 9

Particulars	Mrs. Stela Choksi Whole Time Director	
Period of Appointment	01.10.2019 to 30.09.2024	
Salary Grade	2,50,000-3,00,000	
Minimum Remuneration	As per provisions of the Schedule V of the Companies Act, 2013	

Compliance Officer of the Company

Mr. Sanjay Chourey, Company Secretary is the Compliance Officer of the Company. He is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters.

General Body Meetings

The details of Annual General Meetings held in last 3 years are as under:

Year	Venue	Date	Time
2017-18	6/3, Manoramaganj, Indore	28th September 2018	11.30 a.m.
2016-17 6/3, Manoramaganj, Indore		25th September 2017	11.00 a.m.
2015-16	6/3, Manoramaganj, Indore	27th September 2016	11.00 a.m.

DISCLOSURES

(a) Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

(b) Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set-out in the Notes to the Financial Statements.

(c) Internal Controls

The Company has a formal system of internal control testing which examines both the design effectiveness and operational effectiveness to ensure reliability of financial and operational information and all statutory / regulatory compliances. The Company's business processes have a strong monitoring and reporting process resulting in financial discipline and accountability.



(a) MD/CFO Certification

The MD and the CFO have issued certificate pursuant to the provisions The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

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 2018-2019.

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

CORPORATE SOCIAL RESPONSIBILITY

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

VIGIL MECHANISM

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

RISK MANAGEMENT POLICY

The Company has a Risk Management Policy (RM) to deal with instances of fraud and mismanagement, if any. The Vigil Mechanism Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The said policy uploaded on company website; www.choksilab.com

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. 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 Windowis closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code. COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS

- The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, with the Stock Exchanges/ SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. The aforesaid financial results are sent to BSE Limited (BSE), where the Company's equity shares are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to news agencies/ and are published in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Releasing regard to the same.
- The Annual Report of the Company, the quarterly and the annual results and the press releases of the Company are also placed on the Company's website:www.choksilab.com and can be downloaded.

In compliance with SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges BSE Limited, are filed electronically on BSE'son-lineportalwebsitewww.listing.bseindia.com.

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.

GENERAL INFORMATION TO SHAREHOLDERS

1.	Annual General Meeting Date/Day : 27th September, 2019, Time : 11.30AM Venue :6/3, Manoramganj, Indore, M. P. 452001		
2	Board Meeting for consideration of Accounts for the financial year ended March, 31, 2019	30th May, 2019	
3	Posting of Annual Reports	On or before 4th September, 2019	
4	Book Closure Dates	Wednesday, September 25th, 2019 to Friday, September 27th, 2019 (both days inclusive).	
5	Last date for receipt of Proxy Forms	25th September, 2019 before 11.00 a.m	
6.	Financial Year of the Company	1st April, 2018 to 31st March, 2019.	
7.	Results for the Quarter ending : June 30, 2018 September 30, 2018 December 31, 2018 March 31, 2019	On or before 14th September, 2018 On or before 14th November, 2018 On or before 14thFebruary, 2019 On or before 30th May, 2019(Audited).	

LISTING ON STOCK EXCHANGES

The Company's shares are listed on the Bombay Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name and Address of the Stock Exchanges Stock/Scrip Code ISIN for CDSL/NSDL Dematerialized Shares BSE Ltd., Mumbai, CHOKSI INE493D01013

INVESTOR SERVICES

The Company has a Registrar and Share Transfer Agent M/s LINK INTIME INDIA PVT. LTD address C -101, 247 PARK, L.B.S. MARG, VIKHROLI(WEST), MUMBAI – 400083, which offers all share related services to its Members and Investors. These services include transfer/ transmission/ dematerialization of shares, payment of dividends, subdivision/consolidation / renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent Address for Correspondence with the Share Transfer Agent of the Company.

LINK INTIME INDIA PRIVATE LIMITED C -101, 247 PARK, L.B.S. MARG, VIKHROLI (WEST), MUMBAI – 400083

Public Issue-Shares and Bonds (Allotment): 022 - 4918 6200

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Share Transfer Agent of the Company.

Members who hold shares in physical form should address their queries to the Share Transfer Agent of the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Share Transfer Agent of the Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/ oraddress.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Share Transfer Agent of the Company.

Exclusive E-Mail ID

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The email ID is compliance_officer@choksilab.com.

Market Information

Month	Bombay Stock Exchange Limited (BSE)		
	High	Low	
April 2018	29.85	24.50	
May 2018	29.80	23.15	
June 2018	29.80	23.00	
July 2018	26.65	18.05	
August 2018	25.80	19.55	
September 2018	25.00	17.00	
October 2018	20.80	15.10	
November 2018	21.60	16.85	
December 2018	17.90	16.25	
January 2019	17.00	15.00	
February 2019	16.00	13.85	
March 2019	15.00	13.00	

SHARE TRANSFER SYSTEM AND OTHER RELATED MATTERS

i. Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

ii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

iii. Pending Investors' Grievances

Any Member/ Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

iv. Reconciliation of Share Capital Audit

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited, is also placed before Stakeholders' Relationship Committee and the Board of Directors.



The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

Other Important Information

(a) Nomination Facility

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2015 are requested to submit to the Company nomination in the prescribed Form SH-13 for this purpose.

(b) Updating of Shareholders Information

Shareholders holding shares in physical form are requested to notify the changes to the Company/ its RTA, promptly by a written and duly signed request and Shareholders holding shares in electronic form are requested to send their instructions directly to their Depository Participants (DPs).

(c) Mandatory Requirement of PAN

SEBI vide its circular dated 20th April 2018 has mandated compulsory registration of PAN and Bank Account for all Shareholders in following cases :

- Transferees and Transferors PAN Cards for transfer of shares
- Transfer of shares to Legal Heirs/Nominees
- For Dematerialization of shares
- Issuance of Duplicate Share certificates
- (d) Shareholders are requested to keep record of their specimen Signature before lodgment of Shares with the Company to obviate possibility of differences in signature and later date.

For and on behalf of the Board of Directors

Place: Indore Date: 12th August 2019

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-/Sd SUNILCHOKSI Chairman & Managing Director DIN00155078

ANNEXURE - I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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 organization. To make the organization 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.

A. SEGEMENT- WISEPERFORMACE

The Company is engaged in the single segment of analytical testing.

B. OUTLOOK

The outlook for the Company stands promising. CLL with five units across India and capacity increase underway.

We hope to improve considerable in the coming years. Company is poised to continue an upward trend.

C. INTERNALCONTROLSYSTEMSANDTHEIRADEQUACY

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.

D. FINANCIALANDOPERATIONALPERFORMANCE

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

E. MATERIALDEVELOPMENTSINHUMANRESOURCES/INDUSTRIALRELATIONS

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 the personal growth and the success of CLL.

F. CAUTIONARYSTATEMENT

Certain statement in the management discussion and analysis may be forward looking within the meaning of applicable securitieslawandregulationsandactualresultsmaydiffermateriallyfromthoseexpressedorimplied. These statement s are likely to address the Company's growth strategy, financial results, pro duct 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.

For and on behalf of the Board of Directors

Place: Indore Date: 12th August 2019 -/Sd SUNILCHOKSI Chairman & Managing Director DIN00155078

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, 2019 and to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. 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 volatile of the Company's Code of Conduct.
- 3. Weacceptresponsibilityforestablishingandmaintaininginternalcontrolsforfinancialreportingandwehaveevaluated 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 : 12.08.2019 PLACE : INDORE

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VYANGESH CHOKSI CHIEF FINANCIAL OFFICE

Secretarial Audit Report

(For the financial year ended 31st March, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Τo,

The Members, Choksi Laboratories Limited CIN: L85195MP1993PLC007471 6/3, Manorama Ganj, Indore (MP)

I 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 a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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:

- 1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:
 - I. The Companies Act, 2013 (the 'Act') and the Rules made there under;
 - 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 year);
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the year);
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the year);
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the year);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the year);
 - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the year);
 - i. The Company has complied with the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange of India Limited, National Stock Exchange of India Limited;
 - j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 (upto 2nd October, 2018) and Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018(with effect from 3rd October, 2018); and k. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- VI. Other specifically applicable laws to the Company :
 - a. The Employee Provident Fund & Miscellaneous Provisions Act, 1952;
 - b. Employees State Insurance Act, 1948;
 - c. Payment of Gratuity Act, 1972;
 - d. The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with the BSE Limited.

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

I further report that:

- 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 the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

I 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.
- There were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For Kaushal Ameta & Co.

Kaushal Ameta (Proprietor) Practicing Company Secretary

Mem. No.: F-8144, CP No.-9103

Place : Indore Date : 12 August 2019

Annexure to Secretarial Audit Report

Тο,

The Members, Choksi Laboratories Limited CIN: L85195MP1993PLC007471 6/3, Manorama Ganj, Indore (MP)

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

For Kaushal Ameta & Co.

Kaushal Ameta (Proprietor) Practicing Company Secretary Mem. No.: F-8144, CP No.-9103



Independent Auditors' certificate on corporate governance in compliance with the requirement under SEBI (Listing Obligations and disclosure requirement) Regulation, 2015

To The Members of Choksi Laboratories Limited

 We, Subhash Chand Jain Anurag & Associates, Chartered Accountants, the Statutory Auditors of Choksi Laboratories Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

- 3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- 5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- 7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.
- 8. We 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.

Restriction on use

9. This certificate is issued solely for the purpose of complying with the aforesaid regulation and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whose this certificate is shown or into whose hands it may come without our prior consent in writing.

For Subhash Chand Jain Anurag& Associates Chartered Accountants FRN: 004733C

> S. C. Jain Partner M No : 072062

Place : Indore Date : 30-05-2019



ANNEXURE-VII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

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

<u> </u>	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 - 452001
vi)	Whether listed company:	Listed
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.

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:-

SI. 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
J	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 (As on 1st April, 2018)			No. of Shares held at the end of the year (As on 31st March, 2019)				% Change	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
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	31.47	0.01

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Category of Shareholders		Shares held year (As o				of Shares ear (As on			% Change
Sharcholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
(2) Foreign									
a) NRIs -	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Individuals									
b) Other –	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Individuals									
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / Fl	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(A) (2):-									
Total shareholding									
of Promoter (A) =	2191754	Nil	2191754	31.47	2192754	Nil	2192754	31.47	Nil
(A)(1)+(A)(2)									
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	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Capital Funds									
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									
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) NIR & OBC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii) Clearing Member									
b) Individuals									
 i) Individual share- holders holding 	1405836	827015	2232851	32.06	1416658	777315	2193973	31.51	(.55)
nominal share capital									
upto Rs. 2 lakh									
ii) Individual share-	1789586	125800	1915386	27.50	1846139	125800	1971939	28.31	.81
holders holding									
nominal share capital									
in excess of Rs 2 lakh									
c) Others (specify)	414272	210000	624272	8.95	395597	210000	605597	8.69	(.26)
Sub-total (B)(2):-	3609694	1162815	4772509	68.52	3609694	1162815	4772509	68.52	0
Total Public									
Shareholding (B)=	3609694	1162815	4772509	68.52	3609694	1162815	4772509	68.52	0
(B)(1)+ (B)(2)									
C. Shares held by									
Custodian for GDRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
& ADRs									
Grand Total (A+B+C)	5802448	1162815	6965263	100	5802448	1162815	6965263	100	0

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(ii) Shareholding of Promoters

\square		Shareholding	at the beginnir	ng of the year	Share hold	ing at the end	of the year	% change
SI N o.	Shareholder's Name	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	in share holdi ng durin g the year
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	D.G. Choksi HUF	400000	5.74	Nil	400000	5.74	Nil	Nil
	(Karta Sunil Kumar Choksi)							
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	1000	0.01	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)

SI N o.	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.	Nil	Nil	Nil	-	Nil	-	Nil	Nil
	Nil	Nil	Nil	-	Nil	-	Nil	Nil

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

		Shareh	nolding				Cumulative S	Shareholding
SI		No. of Shares at	% of total		Increase/		during the year	
N o.	Name	the beginning of the year	Shares of the company	Date	Decrease in Shareholding	Reason	No. of Shares	% of total Shares of the company
1	Pratap Singh Hardia	243000	3.48	Nil	Nil	Nil	243000	3.48
2	Gaurav Anand	200000	2.87	Nil	Nil	Nil	200000	2.87
3	Dheeraj Kumar Lohia	154396	2.21	Nil	37729	Buy	192125	2.75
4	Shantanu Trivedi	150000	2.15	Nil	Nil	Nil	150000	2.15
5	Timsy Kapoor	150000	2.15	Nil	Nil	Nil	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	Sanjay Munje	Nil	Nil	Nil	83635	Buy	83635	1.20
10	Alka Jain	Nil	Nil	Nil	75000	Buy	75000	1.07
	Total	1239596	17.78	-	196364	-	1435960	20.59

(iv) Shareholding of Directors and Key Managerial Personnel:

\square		Shareh	nolding		Increase/ Decrease in Shareholding			Shareholding
SI		No. of Shares at the	% of total			Reason	during the year	
No.	Name	beginning of the year	Shares of the company	Date			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	1000	0.01	Nil	1000	Nil	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 As on 31st March 2019

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	60,470,464.00	22,398,679.00	Nil	82,869,143.00
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	229,841.00	Nil	Nil	229,841.00
iii) Interest accrued but not due.	Nil	Nil	Nil	Nil
Total (i+ii+iii)	60,700,305.00	22,398,679.00	Nil	83,098,984.00
Change in Indebtedness during the				
financial year				
Addition	115,477,934.16	3,175,000.00	Nil	118,652,934.16
Reduction	35,439,048.92	10,098,679,71	Nil	45,537,728.63
Net Change	80,038,885.24	(6,932,679.71)	Nil	73,115,205.53
Indebtedness at the end of the financial year				
i) Principal Amount	140,509,349.24	15,474,999.29	Nil	155,984,348.53
ii) Interest due but not paid	77,355.00	Nil	Nil	77,355.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	140,586,704.00	15,474,999.00	Nil	156,061,703.00

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
J.N.	Failleulais of Remuneration	Sunil Choksi	Stela Choksi	Vyangesh Choksi	Himika Choksi	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	39,60,000	25,89,000	26,40,000	25,80,000	1,17,60,000
	(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)	39,60,000	25,89,000	26,40,000	25,80,000	1,17,60,000
	Ceiling as per the Act As pe	r Schedule V.	•	•		

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B. Remuneration to other directors:

	Particulars of Remuneration		Name of	Directors		Total Amount
S.N.	Particulars of Remuneration	Sudarshan Shastri	Satish chandra Joshi	Pradip Karmakar	N. K. Mani	Total Amount
1.	Independent Directors					
	 Fee for attending board committee 	32,000	6000	4000	30000	72000
	meetings					
	Commission	-	-	-	-	-
	 Others, please specify 	-	-	-	-	-
	Total (1)	32,000	6000	4000	30000	72000
2.	Other Non-Executive Directors					
	 Fee for attending board committee 	-	-	-	-	-
	meetings					
	Commission	-	-	-	-	-
	 Others, please specify 	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	32,000	6000	4000	30000	72000
	Total					72000
	Managerial					
	Overall Ceiling as per the Act	32,000	6000	4000	30000	72000

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

S.N.	Particulars of Remuneration	К	Total		
J.N.		CEO	Company Secretary	CFO	TOLA
1.	Gross salary				
	(a) Salary as per provisions contained in	Not Applicable	3,63,032	0.00	3,63,032
	section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2)	Not Applicable	Nil	Nil	Nil
	Income-tax Act, 1961				
	(c) Profits in lieu of salary under	Not Applicable	Nil	Nil	Nil
	section 17(3) Income-tax Act, 1961				
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	3,63,032	0.00	3,63,032

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITORS' REPORT

To the Members of Choksi Laboratories Limited

Report on the Audit of the Ind AS financial statements

Opinion

- 1. We have audited the accompanying Ind AS financial statements of Choksi Laboratories Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").
- 2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 4. Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
- 5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

The key audit matters	How our audit addressed the key audit matter
a) Information Technology (IT) System & Control Ir	npacting Financial Reporting
 The IT Environment of the Company is complex & involves a large number of Independent & Inter Dependent IT System used in the operation of the Company for processing and recording a long volume of Transaction at numerous location. As a result there is a high degree of reliance & dependency on such IT System for the Financial Reporting Process of the Company. Appropriate IT General control and application are requested to ensure that such IT System are able to process the data, as required completely, accurately and consistently for reliable Financial Reporting Process depends on the IT System and the related control environment including IT general control over use access management and change management accrued application network database and operating system. 	In assessing the integrity of the IT System we involved our IT Expert to obtain an understanding of the IT Infrastructure & IT System relevant to the Company's Financial Reporting Process of evaluation and testing of IT general control and IT Automated Control exist in such IT System. We also assessed the operating effectiveness of control over removal and periodical review of access right. We further tested segregation of duties including preventive contract to ensure that access to change application on the operating system or database in the Production Environment were granted only to the authorized persons. We also evaluated the design and tested the operating effectiveness of key automated control within various business processes. This included testing the irregularity of the system interfaces the completeness and accuracy of data feeded and automated calculation.

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	e key audit matters	How our audit addressed the key audit matte
b)	IT Automated application control. Due to the importance of the impact of the IT System and related control environment on the Company's Financial Reporting Process we have identified testing of such IT System and related control environment as a key Audit Matter for the Current Year Audit.	Debts
	The identification of Bad & Doubtful Debts & provision is made in accordance with non-payment by debtors for the long period. Based on our Risk Assessment, the following are significant in Assessment of Bad & Doubtful Debt Provision. Recognition of default further Company is also requested to apply judgment to determine the Bad & Doubtful Debts. Considering the significance of the above matter to the Financial Statement the significant Auditor attention required. We have identified this as key Audit Matter for the Current Year Audit.	 We tested the design and operating effectiveness key control including IT Based Control focusing on the following : Identification & classification of bad and doubted debts in line with certain qualitative aspects, period internal review of Assets, Quality Assessment Adequacy of Bad Debts Provision. Periodic valuation of Debtors. To test the identification of Debtors with defaultine events and other triggers we selected a sample performing debts and independently assessed to whether there was a need to classify as bad debt we assessed the appropriate debts are adequacy of disclosure against the releva accounting standards.
c)	Provisions & Contingent Liabilities.	
	As at 31st March 2019, the Company has ongoing Tax Cases & Guarantee issued by the Bank on behalf of Company. These indicate that a significant degree of Management Judgment is involved in determining the appropriateness of Provision and related disclosures. Significant Management Judgment is needed in determining whether an obligation exists and whether a provision should be recognized as at the reporting date. In accordance with Accounting Criteria set under Accounting Standard 29, Provision Contingent Liabilities and Contingent Assets or whether it needs to be disclosed as Contingent Liabilities. Further Significant Judgments are also involved in measuring such obligations the most significant of which are assessment of Liability Judgment is involved in the determination of whether any outflow in respect of identified material matters are probable and can be estimated reliably. Adequacy of Provision the appropriateness of Assumption and Judgment used in the estimation of significant provision and Adequacy of Disclosure of Provision for Liabilities & charges and Contingent Liabilities considering the significance of the above matter to the Financial Statement and significant Auditor's attention required to test such estimate, we have identified this as a key Audit matter for Current Year Audit.	Our Audit Procedure tested the design an operating effectiveness, key control over th estimation, monitoring and disclosure of Provision and contingent liabilities in respect of Taxatio Matters. We involved our Tax Specialist to gain a understanding of the current status of th outstanding Tax Litigations including understandin of various Order/ Notice received by the Compan and the Management. Grounds of Appeal befor the relevant Appellate Authority and criticall evaluated the Management. Assessment of th likelihood of the liability devolving upon the Compan in accordance with the principle of AS-29 for th significant provisions made we understoo assessment and challenged the adequacy of provisions recognized by the management. We als reviewed the historical accuracy of the Provisio recognized to determine the efficiency of the process of estimation by the Management. Further w assessed whether the disclosure related to significar Taxation matters were fairly processed. As on Marc 31 st 2019, the company has a TDS Demand of Re 108000/- which is under dispute and pending a CIT(A). Bank has issued guarantee of amount Re 1959075/- on behalf of company.

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The key audit matters	How our audit addressed the key audit matter				
-	Ind AS 115, Revenue from Contracts with Customers				
See note (VIII) of the significant accounting policies	es to the Ind AS financial statements.				
The Company has adopted Ind AS 115, Revenue	Our audit procedures included the following: • We considered the Company's revenue recognition accounting policies based on the principles in Ind AS 115.				
from Contracts with Customers, starting 1 April 2018. The adoption of the new revenue accounting standard involves application of certain key principles relating to identification of performance obligations,					
determination oftransaction price of the identified performance obligations, the timing of transfer of control for recognition of revenue or the appropriateness of the basis used to measure	 We evaluated the design, implementation and effective operation of the internal controls relating to implementation of the new revenue accounting standard. 				
revenue recognized over a period. Additionally, new revenue accounting standard contains new disclosures.	 We selected samples of continuing and new contracts and performed the following procedures: 				
	Read, analyzed and identified the distinct performance obligations in these contracts.				
	Compared these performance obligations with that identified and recorded by the Company.				
	Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue.				
	Evaluated management assessment of point of recognition of revenue based on transfer of control or satisfaction of obligations over time.				
	 We evaluated the adequacy of financial statement disclosures, pursuant to new revenue accounting standard. 				
e) Ind AS 16, Property, Plant and Equipment See note (XV)of the significant accounting policies	to the Ind AS financial statements.				
The carrying amount of PPE represents 62.35% of the total assets of the company. The values in use of these PPE have been determined based on certain assumptions and estimates of future performance. The value in use so determined of each Cash Generating Unit (CGU) identified by the management has been used for the impairment evaluation of the PPE. Due to the significance of the value of the PPE, the inherent uncertainty and judgment involved in forecasting performance and the estimates involved in discounting future cash flows, we have considered these estimates to be significant to our overall audit strategy and planning.	 In view of the significance of the matter our procedures in this area included the following : Testing the design, implementation and operating effectiveness of key controls over the impairment review process including the review and approval of forecasts and review of valuation models; Assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models; Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data; Challenging the appropriateness of the business 				
	assumptions used by management, such as sales growth and the probability of success of new products;				

•	How our audit addressed the key audit matter
	 Evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management;
	 Enquiring with respect to and challenging the management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows;
	 Considering whether events or transactions that occurred after the balance sheet date but before the reporting date affect the conclusions reached on the carrying values of the assets and associated disclosures;
	 Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models;
	 Evaluating the adequacy of the disclosures made in the consolidated financial statements.
See Note 30 to the Ind AS financial statements. Refer note (XII) and (XIV) of the significant account The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on arranging of tax matters during the normal course of business including indirect tax matters. These involve significant management judgment to determine possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements. In addition, recognition of deferred tax assets and minimum alternate tax credits (MAT credit) is dependent on the assessment of future utilization/ recoverability as estimated by the management based on projected performance involving significant judgment.	 ting policies to the Ind AS financial statements. With the support of tax specialists, we assessed the appropriateness of the provisions for uncertain tax positions and carrying value of deferred tax assets and MAT credit by performing the following audit procedures: Testing the design and operating effectiveness of the Company's controls over provision for current tax, deferred tax and uncertain tax positions; Assessing and challenging the completeness of UTPs in conjunction with our internal tax specialists by considering changes to business and tax legislations through discussions with management and review of correspondences with authorities where relevant; Assessing and challenging the key assumptions used by management in estimating tax

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Information other than the financial statements and Auditor's Report thereon

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Ind AS financial statements and our auditors' report thereon. Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS financial statements

- 7. The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequateaccounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 8. In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

- 9. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these Ind AS financial statements.
- 10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud
 or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient
 and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting
 from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
 misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on
 the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast
 significant doubt on the Company's ability to continue as a going concern. If we conclude that a material
 uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind
 AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on
 the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may
 cause the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events a manner that achieves fair presentation.
- 11. We communicate with those charged with governance regarding, among other matters, the planned scope andtiming of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 14. The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with the provision of Section 133 of the Act read with rule 7 of the Companies Rules, 2014 (as amended).
- 15. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 16. With respect to the matter to be included in the Auditors' Report under section 197(16), we report that, In our opinion and according to the information and explanation given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to directors is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.
- 17. 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 it appears from our examination of those books.
 - (c) The Balance Sheet and the Statement of Profit and Loss (including other comprehensive income) dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in"Annexure B".
 - (g) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its Ind AS financial statements Refer Note 36 to the Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts– Refer Note 16, 17 and 22 to the Ind AS financial statements;



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- iii. There were no amounts which were required to be transferred to the investor education & protection fund by the company.
- iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these Ind AS financial statements since they do not pertain to the financial year ended 31 March 2019.

For SUBHASH CHAND JAIN ANURAG & ASSOCIATES CHARTERED ACCOUNTANTS FRN-004733C

Date : 30th May, 2019 Place : Indore S.C. JAIN PARTNER M.NO. 072062

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 15, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

1. In respect of its fixed assets:

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- According to the information and explanations given to us and the record examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising of the immovable properties of land and building which are free hold and lease hold, are in the name of the company as at the balance sheet dated except freehold land situated at 4/3, Manoramaganj, Indore whose title is still in the name of Director Shri Sunil Choksi having carrying value of Rs. 10 Lacs & Premises on the said land having carrying value of Rs. 76.14 Lacs and the deferred lease assets premises of Vapi property taken on lease for 10 years whose fair market value as per Ind As is Rs. 309.33 Lacs, the lease deed is not registered.

2. Inventory

As explained to us the inventories have been physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

3. Loan given by company

According to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act") in during the year.

4. Loan to directors and investment by the company

In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

5. <u>Deposits</u>

According to the information and explanations given to us, the Company has not accepted any deposits under sections 73 & 76 or any other relevant provision of companies act ("the act") and the rule framed there under. Therefore, the provisions of Clause (v) of paragraph 3 of the Order is not applicable to the Company.

6. Cost records

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.

7. <u>Statutory dues</u>

According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues which have remained outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.

According to the books of accounts and records examined by us and according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing statutory dues.

• According to the information and explanations given to us, there are no Statutory dues which have not been deposited as on March 31, 2019 on account of disputes except as under

Particulars	Period related	Amount (in Rs.)	Forum where dispute is pending
TDS DEMAND	A.Y. 2014-15	108000/-	CIT (A) on 15.03.2019 vide Ack. No. 434456621150319



■ Choksi Laboratories Ltd. ■

8. Repayments of loans

According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any loans from Government and has not issued any debentures during the year.

9. Utilization of funds

During the year, 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 they are raised.

10. <u>Reporting of frauds</u>

According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.

11. Approvals of managerial remuneration

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. <u>Nidhi company</u>

In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.

13. <u>Related party transaction</u>

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Private Placement or preferential allotment

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

15. Non cash transaction

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with him.

16. Registration of Reserve Bank of India (RBI) act 1934

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Subhash Chand Jain Anurag & Associates Chartered Accountants FRN: 004733C

> S. C. Jain Partner M No : 072062

Place : Indore Date : 30th May, 2019



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 17 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date) 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, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 control 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 ("ICAI"). 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 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.

AUDITORS' 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 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 controls 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 standalone Ind AS 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 controls 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly respect 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 authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized 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 control 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, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the institute of chartered accountants of India ("ICAI").

For Subhash Chand Jain Anurag& Associates

Chartered Accountants FRN: 004733C

Place : Indore Date : 30-05-2019 S. C. Jain Partner M No : 072062

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BALANCE SHEET AS AT 31ST MARCH 2019

Amount in 🏹

PARTICULARS	NOTES	As at 31st March 2019	As at 31st March 2018
ASSETS			
Non-current assets			
Property plant and equipment	2	345,108,907	254,308,785
Investment Property	3	-	29,926,734
Capital Work-in-Progress	4	32,261,753	-
Intangible assets	5	2,962,625	1,973,777
Financial Assets			
Investments		-	-
Loans		-	-
Other Financial Assets	6	4,823,741	5,101,251
Other Non-current assets	7	5,285,572	5,294,180
Total Non-Current assets		390,442,598	296,604,727
Current assets			
Inventories	8	4,055,146	2,894,890
Financial Assets			
Investments		-	-
Trade receivables	9	87,917,813	98,764,156
Income tax assets	10	55,573,042	32,220,921
Cash and cash equivalents	11	2,265,021	9,502,407
Loans			-
Other Financial Assets	6	1,471,063	76,636
Deferred tax Asset (Net)	5	-	-
Other Current Assets	12	11,727,857	6,726,569
Total Current assets	12	163,009,942	150,185,579
Total Assets		553,452,540	446,790,306
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	13	69,652,630	69,652,630
Other Equity	14	170,439,257	154,309,225
Total Equity		240,091,887	223,961,855
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	15	140,046,443	55,207,776
Other Financial Liabilities	16	27,558,702	
Provisions	17	7,054,036	7,348,364
Deferred tax Liabilities (Net)	18	3,941,771	4,267,358
Total non-current liabilities		178,600,952	66,823,498
Current liabilities		1,0,000,702	00,020,170
Financial Liabilities			
Borrowings	19	11,151,888	43,431,712
Trade payables	20	71,499,656	56,471,690
Other Financial Liabilities	16	19,312,438	25,622,285
Other Current liabilities	21	9,686,045	13,789,268
Provisions	21	23,109,674	16,689,999
Total current liabilities		134,759,701	156,004,954
Total Liabilities		313,360,653	222,828,452
Total Equity and Liabilities		553,452,540	446,790,306

See accompanying Notes forming Part of the Financial Statements : Notes 1 to 52 In terms of our Report Attached

As per our report of even date

For Subhash Chand Jain Anurag & Associates
Chartered Accountants
FRN: 004733C

(S. C. Jain) Partner M.No.:072062

11.110..072002

Place : Indore Date : 30th May, 2019

For and on behalf of the Board of Directors				
of Choksi Laboratories Limited				
CIN: L85195MP1993PLC007471				

Sunil Choksi Managing Director DIN-00155078

Vyangesh Choksi Chief Finance Officer DIN-00154926 Mrs. Stela Choksi Director DIN-00155043

Sanjay Chourey CompanySecretary M. No. 55253 E Choksi Laboratories Ltd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2019

	PARTICULARS	Note	Year ended 31 March 2019	Year ended 31 March 2018
I)	INCOME			
	Revenue from operations			
	Sale of Products		-	-
	Income from Services	23	337,463,078	311,963,600
	Total Revenue from operations		337,463,078	311,963,600
	Other Income	24	2,367,767	3,606,502
	Other Gain/(Loss)	25	89,632	-86,700
	Total Income		339,920,477	315,483,402
II)	EXPENSES			
	Cost of Material Consumed	26	39,461,366	34,727,577
	Purchase of Stock-in-Trade		-	-
	Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		-	-
	Service tax on Revenue Services		-	7,816,820
	Employee Benifits Expense	27	126,498,697	113,972,038
	Finance Costs	28	15,372,445	15,903,206
	Depreciation / Amortisation and			
	Depletion Expense	2	36,787,218	31,631,143
	Other Expenses	29	98,853,560	92,103,473
	Total Expenses		316,973,286	296,154,257
-	Profit Before Tax		22,947,190	19,329,145
IV)	•			
	Current Tax	30	7,303,690	5,311,261
	Deferred Tax	30	-358,943	546,970
V)	Profit for the Year		16,002,443	13,470,914
VI)	Other comprehensive income:			
	Items that will not be reclassified to Statement of Profit & Loss			
	Acturial Gain on defined benefit plans recognised in accordance			
	with IND AS-19	27	121,073	-1,083,065
	Income tax relating to items that will not be reclassified to Statement			
	of Proit and Loss (Previous Year)	30	-33,356	298,411
	Items that will be reclassified to Statement of Profit and Loss			
	Income tax relating to items that will be reclassified to Statement			
	of Profit & loss		-	-
VII)	Total comprehensive income for the year		16,090,160	12,686,260
	Earnings per equity share of face value of RS 10 each			
	Basic (in RS) Diluted (in RS)	31	2.30 2.30	1.93 1.93

See accompanying Notes forming Part of the Financial Statements : Notes 1 to 52

As per our report of even date

For Subhash Chand Jain Anurag & Associates **Chartered Accountants** FRN: 004733C

(S. C. Jain) Partner M.No.:072062

Place : Indore Date : 30th May, 2019

For and on behalf of the Board of Directors of Choksi Laboratories Limited CIN: L85195MP1993PLC007471

Sunil Choksi Managing Director DIN-00155078

Vyangesh Choksi Chief Finance Officer DIN-00154926

Mrs. Stela Choksi Director DIN-00155043

Sanjay Chourey CompanySecretary M. No. 55253

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019	ARE CAPITAL
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U changes in equity share capital during the year balance as at March 31,2018	- 69652630	018 Changes in equity share capital during the year Balance as at March 31,2019	- 69652630
Balance as at April 1, 2017 Cha	69652630		69652630

* Refer Note no. 13

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Particulars	Rese	Reserves and Surplus	ns	Other	- - -
	Capital Reserve	security premium reserve	Retained Earning	Comprehensive income	lotal
Balance as at April 1,2017	2,005,500	13,510,478	126,175,936	-68,950	141,622,964
Profit for the year			13,470,914	1	13,470,914
Other Comprehensive Income/ (Losses)				-784,654	-784,654
Total Comprehensive Income for the year			13,470,914	-784,654	12,686,260
Balance as at March 31,2018	2,005,500	13,510,478	139,646,850	-853,604	154,309,224
Balance as at April 1,2018	2,005,500	13,510,478	139,646,850	-853,604	154,309,224
Profit for the year			16,002,443	1	16,002,443
Other Comprehensive Income/ (Losses)				87,717	87,717
Prior Period Adjustments			39,873		39,873
Total Comprehensive Income for the year			16,042,316	87,717	16,130,033
Balance as at March 31,2019	2,005,500	13,510,478	155,689,166	-765,887	170,439,257

* Refer Note no. 14

For Subhash Chand Jain Anurag & Associates Chartered Accountants FRN: 004733C

For and on behalf of the Board of Directors of Choksi Laboratories Limited CIN : L85195MP1993PLC007471 Mrs. Stela Choksi

Director DIN-00155043

Managing Director DIN-00155078

Sunil Choksi

(S. C. Jain) Partner M.No.:072062 Place : Indore Date : 30th May, 2019

Sanjay Chourey CompanySecretary M. No. 55253

Vyangesh Choksi Chief Finance Officer

DIN-00154926

≡ Choksi Laboratories Ltd. =

Annual Report 2018 - 2019 🚞

CASH FLOW STATEMENT FOR THE YEAR ENDED	31 st MARCH 2019

Amount in 🤻

PARTICULARS	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before income tax	22,947,190	19,329,145
Adjustments for		
Depreciation and amortisation expense	36,787,218	31,631,143
Other Comprehensive Income	121,073	(1,083,065)
SOCE Adjustments	39,873	-
Loss/ (Gain) on disposal of property, plant and equipment	(7,217)	12,436
Interest Received	(2,367,767)	(3,606,502)
Finance costs	15,372,445	15,903,206
Net exchange differences	(82,415)	74,264
Operating Profit before working Capital Changes	72,810,400	62,260,627
Adjustments for :		
(Increase)/Decrease in trade receivables	10,846,343	(10,752,601)
(Increase) in inventories	(1,160,256)	(589,190)
Increase in trade payables	15,027,966	8,334,844
(Increase) in other financial assets	(1,116,917)	1,583,721
(Increase)/decrease in other non-current assets	8,609	(2,380,638)
(Increase)/decrease in other current assets	(5,001,289)	8,015,676
Increase/(decrease) in provisions	128,845	(707,478)
Increase in employee benefit obligations	5,996,502	5,898,443
Increase/ (decrerase) in Working Capital Limits	6,187,479	5,827,769
Increase in other current liabilities	(4,103,223)	1,398,625
Cash generated from operations	99,624,460	78,889,798
Income taxes paid/(refunds) Net	30,655,813	16,421,324
Net cash inflow from operating activities	68,968,647	62,468,474
Cash flows from investing activities		
Payments for property, plant and equipment	(65,150,508)	(48,262,123)
Payments for Capital Work In Progress	(32,261,753)	
Payments for investment property	-	(3,240,366)
Payments for software development costs	(2,571,494)	(1,220,981)
Proceeds from sale of property, plant and equipment	13,000	12,000
Interest received	2,367,767	3,606,502
Net cash outflow from investing activities	(97,602,988)	(49,104,968)
Cash flows from financing activities		
Proceeds from LT borrowings	78,842,213	46,767,000
Repayment of borrowings	(42,155,228)	(40,251,669)
Interest paid	(15,372,445)	(15,903,206)
Net cash inflow (outflow) from financing activities	21,314,540	(9,387,875)
Net increase (decrease) in cash and cash equivalents	(7,319,801)	3,975,631
Cash and cash equivalents at the beginning of the financial year	9,502,407	5,601,040
Effects of exchange rate changes on cash and cash equivalents	82,415	(74,264)
Cash and cash equivalents at end of the year (As per Note No. 11)	2,265,021	9,502,407

1. The above Cash Flow Statement has been prepared under the Indirect Method as setout in Ind AS 7 Statement of Cash Flow.

2. Figures for the Previous Year have been re-arranged and re-grouped wherever necessary to confirmation with the Current year classification.

See accompanying Notes forming part of the Financial State	ments.	
As per our report of even date		the Board of Directors
For Subhash Chand Jain Anurag & Associates Chartered Accountants	of Choksi Labor CIN : L85195MP	
FRN: 004733C	Sunil Choksi	Mrs. Stela Choksi
(S. C. Jain) Partner	Managing Director DIN-00155078	Director DIN-00155043
M.No.:072062	Vyangesh Choksi	Sanjay Chourey
Place : Indore Date : 30th May, 2019	Chief Finance Officer DIN-00154926	CompanySecretary M. No. 55253

NOTE NO. 1

SIGNIFICANT ACCOUNTING POLICIES

I. <u>Corporate information</u>

- Choksi Laboratories Limited (the Company), incorporated on 29/01/1993 under the Companies Act, 1956 provides contract testing and analytical services. The Company analyzes, for its clients, or as a regulatory requirement pharmaceuticals, food and agricultural products, construction materials, chemicals etc.
- . The company is a public limited company incorporated and domiciled in India. The address of its corporate office is 6/3, Manoramaganj, Indore- 452001 (M.P.) The Company's equity shares are listed at BSE.
- The company is certified by BIS (Bureau of Indian Standards), FDA (Food and Drugs control Administration), U.S. Food & Drug administer. MOEF (Ministry of Environment & Forests), State Pollution Control Boards (Gujarat and Madhya Pradesh State Pollution Control Boards), Department of Health (Madhya Pradesh), Agricultural Marketing Advisor (AGMARK Government of India), and several other regulatory bodies.
- The company has also been accredited by NABL (National Accreditation Board for testing & calibration Laboratories). This is internationally recognized through ILAC (International Laboratories Accreditation Committee) and is based on ISO/IEC 17025 guidelines.
- . Since its incorporation, the company has led the industry with innovative business practices. This is the first company :
 - > To develop Vendor Assessment program in the Edible Oil extraction industry.
 - > To start water and soil analysis in Central India, and
 - > To start instrument calibration services for organizations that were targeting ISO certification or had already achieved it.

II. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Till financial year ended on 31st March 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Closing balance sheet as on 31st March 2018 has been presented as comparatives.

III. Basis of Preparation of Financial Statements

These financial statements have been prepared in Indian Rupee (Rs.) which is the functional currency of the company.

These financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortized cost at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realization in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the Indian Accounting Standard-7 "Statement of Cash Flows".

IV. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and fair value measurement of financial instruments, these are discussed below. Key sources of estimation of uncertainty in respect of revenue recognition, employee benefits and provisions and contingent liabilities have been discussed in their respective policies.

V. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

VI. Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note XII.

VII. Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained under note XIII.

VIII. <u>Revenue recognition</u>

The Company earns revenue primarily from providing contract testing and analytical services.

Effective April 1, 2018, the Company has applied Ind AS 115 "Revenue from Contracts with Customers" which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The Company has adopted Ind AS 115 using the cumulative effect method. The core principle of the new standard is that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at an amount to which the entity expect to be entitled. To achieve the core principle, the new standard established a five step model, that entities would need to apply to determine when to recognize revenue and at what amount.

Applying the core principle involves the 5 step approach.

- The standard requires identifying contract with customer as a first step.
- Having identified a contract, the entity next identifies the performance obligations with that contract. A performance obligation is a promise in a contract with a customer to transfer either a good or service or a bundle of goods or services, that are distinct.
- Third step in the model is to determine the transaction price and then as fourth step, such transaction price needs to be allocated to the performance obligation identified in step 2.
- In accordance with this Standard, entity is required to recognize revenue when the entity satisfies the performance obligation.

The Standard requires extensive disclosure about the nature, amount, timing and uncertainty of revenue and cash flow, arising from the entity's contracts with customers. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognizes an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received. Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Dividend income is recorded when the right to receive payment is established. Interest income is recognized using the effective interest method.

IX. Leases

Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lesser, are recognized as operating lease. Operating lease payments are recognized on a straight line basis over the lease term in the statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

X. <u>Cost recognition</u>

Costs and expenses are recognized when incurred and have been classified according to their nature. The costs of the Company are broadly categorized in employee benefit expenses, cost of raw materials consumed, depreciation and amortization expense and other expenses. Employee benefit expenses include Salaries & wages, bonus to employees, incentives and allowances, contributions to provident and other funds and staff welfare expenses. Other expenses mainly include laboratory expenses, power & fuel expenses, Testing charges, Repairs & maintenance expenses, rent charges, professional charges, business promotion and advertisement expenses & several other expenses. (Refer Note: 29 for details)

XI. Foreign currency

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss.

XII. Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year payable to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates.. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.



• Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are classified as non-current assets / liabilities.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

XIII. <u>Financial instruments</u>

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortized cost

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

Financial liabilities

a. Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction cost that are directly attributed to issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition, transaction costs directly attributed to the issue of financial liabilities at fair value through profit or loss.

b. Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as:

Financial liabilities at amortized cost

Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurement is recognized as finance costs in the statement of profit or loss.

• Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include liabilities held for trading and liabilities designated upon initial recognition as at fair value through profit and loss if the recognition criteria as per IND AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains and losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized on other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statements of profit or loss.

XIV. Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

XV. Property, plant and equipment

• Recognition and measurement

Items of property, plant and equipment are stated at cost of acquisition less accumulated depreciation / amortization (other than land) and impairment losses. The cost of property, plant & equipment includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other incidental expenses (including the attributable borrowing costs incurred during pre-operational period and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets) related to the acquisition and installation of the respective assets.

Any gain or loss on disposal of an item of property, plant & equipment is recognized in profit or loss account.

• Subsequent expenditure

Subsequent expenditure incurred such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which the costs are incurred. Major inspection and overhauling expenditure is capitalized, if the recognition criteria are met. The policy of the company is that subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the entity and the cost of the same can be measured reliably.

• Replacement_of significant part of asset

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

• Disposal of Property, Plant or Equipment

Gains and losses on disposal of an item of property, plant and equipments are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognized.

- The residual values of property, plant and equipment are reviewed periodically.
- Provision of decommissioning & restoration & other liabilities are not made.
- Property plant and equipment has been shown as gross amount in the books of accounts due to depreciation there has been credited to depreciation reserve account but in the financial statement said depreciation has been deducted from the Property, Plant and Equipment as their earlier practice.

XVI. Depreciation

- Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as prescribed in Part C of Schedule II to the Companies Act, 2013 or based on estimated useful lives of the assets determined by the management. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.
- Assets held under finance lease are depreciated over the shorter of the lease term and their useful lives.
- Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

XVII. Intangible assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets comprises of computer software. Cost of computer software includes cost such as salary and other expenditure incurred on development of the computer software and is amortized on straight line basis over a period of 10 years, which in management's estimate represents the period during which economic benefits will be derived from their use.

XVIII. Impairment

• Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets (Tangible and Intangible assets)

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

XIX. Employee benefits

Short term employee benefits

All employee benefits which are payable within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, short term compensated absences and the expected cost of ex-gratia is recognized in the period in which the employee renders the related service.

Employee benefits include short term benefits like salaries and wages which are recognized as an expense in the statement of Profit and Loss of the year in which the related service is rendered.

A liability is recognized for the amount expected to be paid when there is a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

• Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Provident Fund

Provident Fund contributions are made to a trust administered by the Trustees. Trust makes investments and settles member's claims. Interest Payable to the members shall not be at a rate lower than the statutory rate. Liability is recognized for any shortfall in the plan assets vis-à-vis actuarially determined liability of the fund obligation.

Gratuity Plan

The company has a defined gratuity plan. Every employee who has rendered continuous service of 5 years or more is entitled to gratuity amount of 15 days salary (15/26 last drawn basic salary plus dearness allowance) for each completed year for five year or more subject to maximum of Rs. 20 lakhs on superannuation, resignation, termination, disablement or death.

XX. Inventories

- Items of inventories are measured at lower of cost or realizable value, except in case of by-products & obsolescence/ defective products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- Stores and spares are valued at lower of weighted average cost and net realizable value.
- The net realizable value of work-in progress is determined with reference to the selling price of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.



- The comparison of cost and the net realizable value is made on an item-by-item basis.
- The cost formulas used are Weighted Average Cost in case of raw material, ancillary raw material, stores and spares, packing materials, trading and other products are determined at cost, with moving average price on FIFO basis.

XXI. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XXII. <u>Investment Property</u>

As per Ind AS 40 "INVESTMENT PROPERTY", Investment property is property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both. Therefore, an investment property generates cash flows largely independently of the other assets held by an entity. This distinguishes investment property from owner-occupied property. The production or supply of goods or services (or the use of property for administrative purposes) generates cash flows that are attributable not only to property, but also to other assets used in the production or supply process.

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Reclassification to investment property

When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property as it's carrying amount on the date of reclassification.

As per Ind AS 40 "Investment Property", Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

XXIII. Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

XXIV. Borrowing costs

Borrowing cost relating to the acquisition/construction of a qualifying asset are considered as part of the cost of the asset. All other borrowing costs are treated as period cost and charged to the statement of profit and loss in the year in which it is incurred.

XXV. Segment reporting

The Company's main business is testing & analysis. There is no separate reportable segment as per Ind AS 108.

XXVI. Ind AS 21 : The effects of changes in foreign exchange rates.

Foreign currency transaction and advance consideration :

It clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related assets, expense or income, when an entity has received or paid advance consideration in a foreign currency. The date of the transaction, for the purpose of determining the exchange rate, is the date of initial



recognition of the non-monetary prepayment asses or deferred income liability. If there are multiple payment or receipts in advance, a date of transaction is established for each payment or receipt. The effective date for adoption of Changes in Ind AS 21 is 1 April 2018. The effect on the financial statements is being evaluated by the Company. The effect on adoption of amendments to Ind AS 21 is expected to be insignificant.

XXVII. Actuarial Valuation

The determination of company liability towards defined benefit obligation to Employees is made through Independent Actuarial Valuation including determination of amount to be recognized in the Statement of Profit & Loss & in other Comprehensive Income. Such valuation depend upon assumption determined after taking into account interim, seniority, promotions and other relevant factors such as Supply & Demand Factor in the Employment Market, information about such valuation is provided in notes to the Financial Statements.

XXVIII. Utility Deposit

Utility deposits are shown at cost.

XXIX. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

XXX. Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognizes right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognized on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognized as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognize a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognized at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

With effect from April 1, 2019, the Company will recognize new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognized operating lease expense on a straight line basis over the term of the lease, and recognized assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognized.

As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

XXXI. Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company does not expect any impact from this



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2019

pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

- (1) The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty
- (2) The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
- (3) The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

XXXII. Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The company does not expect this amendment to have any impact on its financial statements.

XXXIII. Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

XXXIV. Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The company does not expect any impact from this amendment.

XXXV. Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The company does not currently have any long-term interests in associates and joint ventures.

XXXVI. Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The company will apply the pronouncement if and when it obtains control /joint control of a business that is a joint operation.



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NOTE "2" ========= Property, Plant & Equipment

		GROSS	GROSS BLOCK			DEPRECIATION	ATION		NET BLOCK	LOCK
Description	As at 01-04-2018	Additions	Deductions	As at 31-03-2019	As at 01-04-2018	For the Year	Deductions	As at 31-03-2019	As at 31-03-2019	As at 31-03-2018
<u>Tangible Assets :</u>										
Free Hold Land	1,000,000	29,926,734		30,926,734	1				- 30,926,734	1,000,000
Buildings	36,538,261			36,538,261	3,631,278	1,871,825		5,503,103	31,035,158	32,906,983
Furniture, fittings and equipments	41,646,317	1,410,566		43,056,883	9,266,890	4,794,175		14,061,065	28,995,818	32,379,427
Plant and Machinery	207,369,107	53,025,843	126,230	260,268,720	38,509,036	24,427,180	12,914	62,923,302	197,345,418	168,860,071
Computers	8,771,673	3,474,028	260,994	11,984,707	3,306,257	2,297,643	260,994	5,342,906	6,641,801	5,465,415
Motor Vehicles	10,956,408	7,351,341	18,364	18,289,385	2,589,719	1,813,751	14,629	4,388,841	13,900,544	8,366,689
Total (A)	306,281,766	95,188,512	405,588	401,064,690	57,303,180	35,204,574	288,537	92,219,217	308,845,473	248,978,585
Leased Assets :										
Leasehold Land	5,330,200			5,330,200			·		5,330,200	5,330,200
Deferred Lease Assets		33,745,344	2,812,110	30,933,234	1	1			30,933,234	
Total (B)	5,330,200	33,745,344	2,812,110	36,263,434	•	•	•	•	36,263,434	5,330,200
Total	311,611,966	128,933,856	3,217,698	437,328,124	57,303,180	35,204,574	288,537	92,219,217	345,108,907	254,308,785
/ NOTE "3"										
Investment Property	** Amount trans	Amount transferred to langible Assets	le Assets							
Free Hold Land	29,926,734		29,926,734						-	29,926,734
Total	29,926,734		29,926,734	•						29,926,734
NOTE "4"										
Capital Work in Progress										
CAPITAL WIP		84,715,827	52,454,074	32,261,753					32,261,753	
Total		84,715,827	52,454,074	32,261,753			I		32,261,753	
NOTE "5"										
Intangible Assets										
Computer Software	4,934,929	2,571,494		7,506,423	2,961,153	1,582,645	·	4,543,798	29,62,625	1,973,777
Total	4,934,929	2,571,494		7,506,423	2,961,153	1,582,645	•	4,543,798	29,62,625	1,973,777
					-	-				

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NOTE "6"

Other Financial Assets

Particulars	As at 31st M	As at 31st March, 2019		As at 31st March, 2018	
Faiticulais	Non-Current	Current	Non-Current	Current	
Related Parties	-	-	-	-	
Others- considered good	3,215,991	1,078,148	3,775,970		
Balances with banks in deposit accounts:					
with more than 12 months maturity	1,600,000	360,000	978,266	72,468	
Interest accrued on above	7,750	32,915	347,015	4,168	
Total	4,823,741	1,471,063	5,101,251	76,636	

NOTE "7"

Other Non-current assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
(Unsecured and Considered Good)		
Capital Advances	3,000,000	3,000,000
Advances other than capital advances		
Prepayments & others	1,485,572	1,494,180
Other Advances	800,000	800,000
Total	5,285,572	5,294,180

NOTE "8"

Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	3,806,527	2,439,790
Stores and spares	248,619	455,100
Total	4,055,146	2,894,890

NOTE "8.1"

Inventories are valued at cost or net realisable value, whichever is lower. The cost formulas used are FIFO. The cost of inventories comprises all cost of purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in purchase including duties and taxes (other than those subsequently recoverable from the taxing authorities), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

NOTE "9" Trade receivables

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Unsecured Considered Good	87,917,813	98,764,156
b) Considered Doubtful	163,641	606,321
Less: Provision for doubtful debt	-163,641	-606,321
Total	87,917,813	98,764,156

NOTE "9.1"

Debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 March 2019-NIL (31.3.2018- NIL)



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NOTE "10"	
Income Tax Assets (Net)	

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income Tax Deducted at Source(net of provisions)	16,805,200	12,782,747
Income Tax Refundable (earlier years)	38,767,842	19,438,174
Total	55,573,042	32,220,921

NOTE "11" Cash and Cash equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
a) Cash & Cash Equivalents		
Cash on Hand	696,171	3,910,316
Unrestricted Balance with bank :		
In Current accounts	1,568,850	3,592,091
Cheques, Draft on Hand	-	2,000,000
Other Balances with banks		
In deposit accounts	1,960,000	1,401,917
Less: Amount disclosed under "Other financial assets"	-1,960,000	-1,401,917
Total	2,265,021	9,502,407

NOTE "12" **Other Current Assets**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Prepayments	3,608,383	4,076,406
Advance to staff	736,471	907,698
GST Advance & unutilised inputs Credit	2,821,040	384,440
Other Advances	1,302,052	292,840
Advance to suppliers	3,259,911	1,065,185
Total	11,727,857	6,726,569

NOTE "13" Equity Share capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Units	Amount	Units	Amount
SHARE CAPITAL				
Authorised Share Capital:				
Equity Shares of Rs 10 each	12000000	120,000,000	12000000	120,000,000
Preference share capital of Rs 10 each	3000000	30,000,000	3000000	30,000,000
Total	15000000	150,000,000	15000000	150,000,000
Issued, Subscribed and Paid up:				
Equity Shares of Rs. 10 each fully paid up	6965263	69,652,630	6965263	69,652,630
Total	6,965,263	69,652,630	6,965,263	69,652,630

NOTE "13.1"

Details of shareholders holding more than 5% shares :

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% held	No. of Shares	% held
Sunil Choksi	523192	7.51%	523192	7.51%
Vyangesh Choksi	447099	6.42%	447099	6.42%
Dhansukhbhai Gulabdas Choksi HUF	400000	5.74%	400000	5.74%

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NOTE "13.2"

The reconciliation of the number of shares outstanding at the year end is set out below :

Particulars	As at 31st March, 2019 No. of Shares	As at 31st March, 2018 No. of Shares
Equity Shares at the beginning of the year	6965263	6965263
Add: Shares issued during the year	0	0
Equity Shares at the end of the year	6,965,263	6,965,263

NOTE "13.3"

Terms/ Rights attached to equity shares :

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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive reaming assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE "14" Other Equity

Dention dense		
Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve		
As per last Balance Sheet	2,005,500	2,005,500
Less: Transferred to retained earnings		-
Total (A)	2,005,500	2,005,500
Security Premium Reserve		
As per last Balance Sheet	13,510,478	13,510,478
Less: Transferred to retained earnings	-	-
Total (B)	13,510,478	13,510,478
Retained Earnings		
As per last Balance Sheet	139,646,851	126,175,937
Add: Profit for the year	16,002,443	13,470,914
Add/(Less): Prior Period adjustments	39,873	-
	155,689,166	139,646,851
Less: Appropriations		
Transfer to General reserve	-	-
Total (C)	155,689,166	139,646,851
Other Comprehensive Income (OCI)		
As per last Balance Sheet	-853,604	-68,950
Add: Movement in OCI (Net) during the year	87,717	-784,654
Total (D)	-765,887	-853,604
Total (A) + (B) + (C) + (D)	170,439,257	154,309,225

Notes :

a) Securities Premium is used to record the Premium on issue of Shares. The same is utilized in accordance with the Provision of Sec. 52 of the Companies Act, 2013.

b) Retained earning represent the Profit that the Company has earned till date less any dividend or other distribution to the Shareholders.



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NOTE "15" Borrowings Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31/03/2019	31/03/2018
Secured Term Loan From Banks :					
Axis bank Term Loan (4)	30th Jun 2018	Principle Repay in FY 18-19_1100000	12.65% p.a.	-	1,100,000
Axis bank Term Loan (5)	31st Dec 2019	Principle takeover by SBI Dropline OD.	12.65% p.a.	-	19,291,673
Bank of India TL (2)	31st Mar 2020	Principle Repay in FY 19-20 2144599/- &	10.2% p.a.	2,393,070	4,393,137
		FY 20-21_248471/-			
Bank of India TL (4)	31st May 2021	Principle Repay in FY 19-20 5000004/- &	11.15% p.a.	10,833,326	15,833,330
		FY 20-21_5000004/- & FY 21-22_833318/-			
Bank of India TL (5)	31st Dec 2024	Principle Repay in FY 19-20 1142857.20 &	11.15% p.a.	6,336,035	7,714,286
		FY 20-21_1142857.20 & FY 21-22 1142857.20 &			
		FY 22-23_1142857.20 & FY 23-24 1142857.20 &			
		FY 24-25_952381/-			
State Bank of India Drop Line	30th Sept 2033	Dropline OD (Working Capital), Limit is for the period	10.55% p.a.	38,467,303	-
OverDraft- (I)		of 180 Months with equated monthly reduction of			
		Rs. 100000/- for first 60 months and 283334/- for			
		next 120 months. Regular transaction are permitted			
		upto the available drawing power.			
State Bank of India Drop Line	30th Sept 2033	Dropline OD for Capex, Limit is for the period of	10.55% p.a.	68,492,424	-
OverDraft- (II)		180 Months with equated monthly reduction of			
		Rs. 100000/- for first 60 months and 533334/- for			
		next 120 months. Regular transaction are permitted			
		upto the available drawing power.			
Secured Vehicle Loan From Bank :		51			
HDFC Bank (Honda Jazz)	07th May 2018	Principle Repay in FY 18-19 Rs. 88687/-	9.50% p.a.	-	88,687
HDFC Bank (Honda WR-V)	05th Aug 2018	Principle Repay in FY 18-19 Rs. 370195/-	8.50% p.a.	-	370,195
HDFC Bank (Honda Amaze)	22nd Jul 2023	Principle Repay in FY 19-20 Rs. 108601/-, FY 20-21	9.25% p.a.	543,938	-
		Rs. 119610/-, FY 21-22 Rs. 131739/-, FY 22-23		,	
		Rs. 145095/-, FY 23-24 Rs. 38893/-			
Daimler Finance Service	07th Jun 2021	Principle Repay in FY 19-20 Rs. 1623558/-,			
(Mercedez-Benz)		FY 20-21 Rs. 1760689/-, FY 21-22 Rs. 461170/-	7.88% p.a.	3,845,417	-
State Bank of India	26th Aug 2020	Principle Repay in FY 19-20 Rs. 452851/-,	9.30% p.a.	654,130	-
(Mahindra Bolero)	20117 ldg 2020	FY 20-21 Rs. 201279/-	nooro piai	001/100	
Secured Term Loans					
From NBFC :					
Reliance Commercial Finance	15th Oct 2021	Principle Repay in FY 19-20_292244/- &	14.85% p.a.	852,644	1,109,705
Limited (I)		FY 20-21 338761/- & FY 21-22 221639/	i noovo piai	002/011	111071700
Reliance Commercial	15th Oct 2021	Principle Repay in FY 19-20_961894/- &	14.85% p.a.	2,806,438	3,652,521
Finance Limited (II)	1011 001 2021	FY 20-21_1115002/- & FY 21-22_729541/	11.0070 p.u.	2,000,100	0,002,021
Reliance Commercial Finance	15th Oct 2021	Principle Repay in FY 19-20_1658808/- &	14.85% p.a.	4,839,730	6,298,822
Limited (III)		FY 20-21_1922845/- & FY 21-22_1258077/		.,	0,2,0,022
Reliance Commercial Finance	15th Oct 2021	Principle Repay in FY 19-20_152490/- &	14.85% p.a.	444,893	579,025
Limited (IV)		FY 20-21 176764/- & FY 21-22 115639/	11.0070 p.d.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	017,020
Unsecured From NBFC's :					
Magma Fincorp Limited (Loan (4))	07th Apr 2018	Principle Repay in FY 18-19 Rs. 91882/-	22.00% p.a.	-	91,882
Bajaj Finance Limited (Loan (3))	02nd Dec 2018	Principle Repay in FY 18-19 Rs. 706798/-	17.50% p.a.	-	706,798
Others : From Related	02.1.0 000 2010				, , , , , , , , , , , , , , , , ,
parties : Directors					
Mr.Sunil Choksi	Long Term	One time	Nil	14,075,000	13,200,000
Mrs. Stela Choksi	Long Term	One time	Nil	1,400,000	6,400,000
Total non-current borrowings	Long totti		1411	155,984,349	80,830,061
Less: Current maturities of long-				133,704,347	00,030,001
term debt (included in note 16)				15,937,906	25,622,285
Less: Interest accrued (included in				13,737,900	23,022,205
note 16)					
Non-current borrowings (as per				-	55,207,776
0 1 1				140,046,443	55,207,776
balance sheet)			1		

Axis Bank :

The Term Loan from Axis Bank has been takenover by State Bank of India.

Bank of India :

Term Loan from Bank of India is secured by 1) Freehold Land at Kumedi admeasuring 62300 sq ft. in Indore 2) Land & Building situated at GIDC. Industrial Estate, Makarpura, Vadodara and 3) office No.4145, Oberoi Garden Estate, Of the Western Express Highway, Goregaon (E), Mumbai admeasuring 45.53 sq mtrs. It is also secured by personal guarantee of the Directors Shri Sunil Choksi, Shri Vyangesh Choksi & Smt. Stela Choksi.

SBI Dropline OD :

The Dropline OD I & II are hypothecated with Collateral Security of :

1) Equitable Mortgage of freehold land admeasuring 12616 sq. ft. and building constructed thereon, situated at 6/3, Manoramaganj, Indore. This property belongs to the Director Shri Sunil Choksi.

2) Equitable Mortgage of Freehold land admeasuring 5005 Sq.ft. and building constructed thereon, situated at 4/3, Manoramaganj, Indore. This property belongs to the Company. The above Dropline OD I & II are also secured by personal guarantee of the Directors Shri Sunil Choksi, Shri Vyangesh Choksi & Smt. Stela Choksi.

NBFC Loans :

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The Term Loan from Reliance Commercial Finance Itd. Is secured against Lab Instruments which were purchased against the Loan. The same is also secured by personal guarantee of the Director Mr. Vyangesh Choksi

All unsecured Term Loans from other NBFC's are also personally guaranteed by the director Mr. Vyangesh Choksi

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

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NOTE "16" Other Financial Liabilities

"Other Financial Liabilities measured at Amortization Cost"

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Current	Non-Current	Current	Non-Current
Current maturities of Long Term Debt (Refer Note 15)	15,937,906	-	25,622,285	-
Lease Obligation	3,374,532	27,558,702	-	-
Total	19,312,438	27,558,702	25,622,285	-
NOTE "17"				
Provisions				
Particulars	As	at 31st March, 2019	As at 3	1st March, 2018
PROVISIONS NON CURRENT				
Provision for Employee Benefit				
Provision for Gratuity		7,054,036		7,348,364
Total		7,054,036		7,348,364
NOTE "18"				
Deferred tax liabilities (Net)				
Component of Deferred Tax Liabilities as at 31s	t March 2019 is a	as follows:		
The movement on the deferred tax account is a				
Particulars	As	at 31st March, 2019	As at 3	1st March, 2018
Deferred Tex Leibility				
Deferred Tax Laibility				
Related to Fixed Assets		8,851,949		7,644,098
Related to Fixed Assets Deferred Tax Assets				
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act		3,493,040		1,961,320
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others		3,493,040 1,417,138		1,961,320 1,415,420
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility		3,493,040 1,417,138 3,941,771		1,961,320 1,415,420 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year		3,493,040 1,417,138 3,941,771 4,267,358		7,644,098 1,961,320 1,415,420 4,267,358 4,018,799
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility		3,493,040 1,417,138 3,941,771		1,961,320 1,415,420 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year		3,493,040 1,417,138 3,941,771 4,267,358		1,961,320 1,415,420 4,267,358 4,018,799
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss		3,493,040 1,417,138 3,941,771 4,267,358 -325,587		1,961,320 1,415,420 4,267,358 4,018,799 248,559
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19"	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans From Banks *	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans From Banks * Cash Credit from Axis Bank	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771 at 31st March, 2019	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans From Banks * Cash Credit from Axis Bank Overdraft from Bank of India	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771 at 31st March, 2019	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans From Banks * Cash Credit from Axis Bank Overdraft from Bank of India Unsecured Loans	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771 at 31st March, 2019	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358 1st March, 2018
Related to Fixed Assets Deferred Tax Assets Disallowances under the Income Tax Act Others Net Deferred Tax Laibility At the start of the year Charge/(credit) to Statement of Profit and Loss At the end of year NOTE "19" Borrowings Particulars BORROWING - CURRENT Secured - At Amortised Cost Working Capital Loans From Banks * Cash Credit from Axis Bank Overdraft from Bank of India Unsecured Loans From Related Parties : Directors *	As	3,493,040 1,417,138 3,941,771 4,267,358 -325,587 3,941,771 at 31st March, 2019	As at 3	1,961,320 1,415,420 4,267,358 4,018,799 248,559 4,267,358

NOTE "19.1"

Cash Credit from Axis Bank is sanctioned for Rs.300 Lakh 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.

■ Choksi Laboratories Ltd. ■

NOTE "19.2"

Overdraft from Bank of India is sanctioned for Rs.120 Lakhs against primary Security of land at Kumedi & is also personally guaranteed by the directors Mr. Sunil Choksi, Mrs. Stela Choksi & Mr. Vyangesh Choksi.

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

NOTE "20"

Trade Payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
Micro, Small and Medium Enterprises	985,986	374,487
Others (Other than MSME)	70,513,670	56,097,203
Trade payables to related parties	-	-
Total	71,499,656	56,471,690

NOTE "21" Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Credit balances of staff	1,330,355	1,361,243
Credit balances of others	203,874	222,231
Advance payment from Customers	5,007,084	8,018,101
Statutory tax payables	3,144,732	4,187,693
Total	9,686,045	13,789,268

Note:- Out of the total amount representing the credit balances of debtors i.e. advance payment received from customer as at 31.03.2019, Rs. 460304.80 represents balance which is due for more than 180 days and Rs. 4546779.20 represents balance which is due for less than 180 days.

NOTE "22"

Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
PROVISIONS - CURRENT		
Provisions for Employee Benefits	20,966,932	14,676,102
Other Provisions	2,142,742	2,013,897
Total	23,109,674	16,689,999

NOTE "23" Revenue from Operation

Sale of Services :

Particulars	Asa	at 31st March, 2019	As at 3	1st March, 2018
	Amount	Amount	Amount	Amount
Rendering of services	393,876,819		352,069,016	
Less: GST	56,418,341	337,458,478	40,111,296	311,957,720
Other operating revenues		4,600		5,880
Total		337,463,078		311,963,600

NOTE "24"

As at 31st March, 2019	As at 31st March, 2018
105,362	129,978
14,971	657,659
2,247,434	2,818,865
2,367,767	3,606,502
	105,362 14,971 2,247,434

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NOTE "25" Other gain/(loss)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net gain on disposal of property, plant and equipment	7,217	-12,436
Net foreign exchange gain	82,415	-74,264
Prior Period Income (GST)	-	-
Total	89,632	-86,700
NOTE "26"		
Cost of Material Consumed		
Dortiouloro	As at 21 at March 2010	As at 21 at March 2010

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials at the beginning of the year	2,894,890	2,305,700
Add: Purchases	40,621,622	35,316,767
Less: Raw materials at the end of the year	4,055,146	2,894,890
Total	39,461,366	34,727,577

NOTE "27" Employee Benefit Expense

Particulars	As at 31st March, 2019	As at 31st March, 2018
Salaries and Wages	98,902,471	88,736,981
Bonus to employees	2,779,700	3,259,300
Exgratia to employees	1,335,169	1,069,232
"Administration charges to LIC for Group" Gratuity scheme "	113,558	92,860
Directors Remuneration	11,760,000	8,900,000
Staff welfare expenses	662,081	649,891
" Contribution to Provident Fund and Other" Funds "	8,183,587	7,955,379
Gratuity	2,762,131	3,308,395
Total	126,498,697	113,972,038

NOTE "27.1"

Contribution to Provident Fund and Other Funds

Particulars	As at 31st March, 2019	As at 31st March, 2018
Employer's Contribution to Provident Fund	6,249,083	6,095,262
Employer's Contribution to ESIC	1,574,912	1,601,065
Employer's Contribution to employee deposit linked insurance scheme	359,592	259,052
Total	8,183,587	7,955,379

NOTE "28" **Finance Costs**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest on Term Loans & Working Capital Loans	13,139,824	13,551,348
" Interest and finance charges on financial " liabilities not at	2,086,576	2,502,653
fair value through profit or loss "		
Interest to MSME	38,963	-
Bank Charges	269,268	167,543
Total	15,534,632	16,221,544
Less: Amount capitalised	162,187	318,338
Finance costs expensed in profit or loss	15,372,445	15,903,206

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NOTE "29" Other Expenses

Particulars	As at 31st March, 2019	As at 31st March, 2018
Laboratory Expenses	9,161,742	9,810,305
Power & Fuel Charges	7,731,707	7,275,909
Insurance: Instruments & Building	221,538	210,312
Freight / Transporation Charges	250,479	267,244
Testing Charges	3,479,340	2,514,250
NABL/BIS/NPL - Asstt. Charges	786,948	431,588
Repair & Maintenance – Instruments	12,222,430	12,957,949
Repair & Maintenance – Building	1,483,606	2,694,942
Training & Certification Charges	267,637	239,539
Business Promotion & Advertisement Expenses	5,576,769	1,428,476
Commission & Brokerages	4,235,519	8,675,565
Discount Allowed	70,077	178,243
Bad Debts Written Off	3,904,690	3,069,583
Office Maintenance Expenses	4,569,803	3,886,580
Telephone, Interent & Mobile Expenses	986,744	1,463,230
Postage & Courier Charges	1,161,635	1,187,173
Vehicle Running & Maintenance	3,099,085	3,271,862
Computer Expenses	4,536,154	4,199,305
Printing & Stationery Expenses	3,820,299	3,469,310
Books & Periodicals	146,688	175,190
Directors' Sitting Fees	72,000	78,000
Rent Charges	11,528,558	8,443,644
Insurance on Vehicle	297,368	122,734
Insurance on Others	370,797	445,116
Repair & Maintenance Charges	1,960,568	301,261
Membership Fees & Subscriptions	47,750	15,458
Placement Expenses	32,500	564,055
Legal Expenses	322,613	240,209
Professional Charges	10,613,375	5,517,286
Payments to auditors (refer note 47)	175,000	175,000
Rates & Taxes	701,363	860,277
Registration / Filing / Licence Renewal Fees	359,210	501,349
Listing Fees	295,000	295,000
Penalty Charges	5,602	1,735,718
Provision for Doubtful Debts	163,641	606,321
Donation	97,000	30,500
Travelling Expenses	4,098,325	4,764,990
Prior Period Expenses		
Total	98,853,560	92,103,473

Particulars	As at 31st March, 2019	As at 31st March, 2018
Income tax recognised in Statement of Profit and Loss		
Current tax on profits for the year	7,300,902	6,043,749
Adjustments for current tax of prior periods	2,788	125,251
Excess Provision written back of previous year	-	-857,739
Total Current Tax	7,303,690	5,311,261
Deferred tax	-325,587	845,381
Total income tax expenses recognised in the current year	6,978,103	6,156,642

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NOTE "30.1"

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit before tax	22,947,190	19,329,145
At India Statutory Income Tax rate(27.82%) (Previous year 27.553%)	6,383,908	5,325,759
Adjustments in respect of current income tax of previous years	2,788	-732,488
Effect of non-deductible expenses for tax purposes	916,994	717,990
Total Current Tax reported in the statement of Profit and Los	ss 7,303,690	5,311,261

NOTE "31"

Earnings Per Equity Share of face value Rs. 10/- each

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	16,002,443	13,470,914
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	6965263	6965263
Weighted Average Potential Equity Shares	-	-
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6965263	6965263
Basic Earnings per Share (Rs.)	2.30	1.93
Diluted Earnings per Share (Rs.)	2.30	1.93
Face Value per Equity Share (Rs.)	10	10

■ Choksi Laboratories Ltd. =

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

32. Segmental Reporting:

The Companyis engaged in the sole segment of Analysis and Testing. Thereare, therefore, no separate segments within the Company as defined by Ind AS-108 (Operating Segments)

Whole Time Director Whole Time Director & CFO

Director & COO

33. RelatedPartyDisclosures:

- Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)
- 1. RelatedParties
 - (a) Individual having control & Key Management Personnel Mr. Sunil Choksi Managing Director & CEO
 - Mr. Sunil Choksi Mrs. Stela Choksi Mr. Vyangesh Choksi
 - Ms. Himika Choksi
 - (b) Relatives of KMP Mrs. Neeta Shah
 - D.G. Choksi HUF
 - Mrs. Khyati Choksi
- 33.1 The following table set for the period indicated the material transaction between the company and its related parties. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all the related party transactions in that category.

Particulars	Year 2019	_	Year 2018	
	For the year	At	For the year	At
		31.03.2019		31.03.2018
Recovery of lease of premium common corporate & facility expenses	-	-	-	-
Interest Expenses (as per IND-As)	20,86,576	-	25,02,653	-
Remuneration to Managing Director & Whole time Director	1,17,60,000	53,58,682	89,00,000	20,05,239
Reimbursement of expenses to Related Party	-	-	-	-
Salary Paid	4,80,000	-	4,80,000	-
Insurance Premium Paid	-	-	-	-
Purchase of Property	-	-	-	-
Property taken on lease (P.V. as per IND-As)	-	30933234	-	-
Rent Paid	4004070	4019810	1436820	1665653
Commission Paid	32915	-	642327	47756
	Balance as at 31.03.2018	Amount borrowed	Amount Repaid	Balance as at 31.03.2019
Loans	19600000	3175000	7300000	15475000

33.2 Disclosure of transactions between the Company and Related Parties and the Status of outstanding balancesas at March 31,2019;

A. Remuneration:

S. No.	Name	Relation	Remuneration Amount	Closing Balance as at 31.03.2019
1.	Mr. Sunil Choksi	Managing Director	3,960,000	21,27,868
2.	Mrs. Stela Choksi	Wholetime Director	2,580,000	23,23,562
3.	Mr. Vyangesh Choksi	Wholetime Director	2,640,000	0
4.	Ms. Himika Choksi	Director	2,580,000	9,07,252
	Total		1,17,60,000	53,58,682

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

B. Sitting Fees:

S. No.	Name	Relation	Sitting Fees Amount	Closing Balance as at 31.03.2019
1.	Mr. Sudarshan Shastri	Director	32,000	1,09,000
2.	Mr. N.K. Mani	Director	30,000	2,000
3.	Mr. Mayank Pandey	Director	4,000	4,000
4.	Mr. Ratnesh Sadoriya	Director	6,000	6,000
	Total		72,000	5,40,99,682

C. Outstanding Amount :

S. No.	Name	Relation	Closing Balance as at 31.03.2019
1.	Mr. Pradip Karmakar (upto 30.05.2018)	Director	9,000
2.	Mr. Satish Joshi (upto 30.05.2018)	Director	11,000
	Total		20,000

D. Commission :

S. No.	Name	Relation	Commission Amount	Closing Balance as at 31.03.2019
1.	Mrs. Neeta Ben Shah	Director Relative	32,915	0

E. Rent:

S. No.	Name	Relation	Rent Amount	Closing Balance as at 31.03.2019
1.	D.G. Choksi HUF	Director Relative	11,36,820	12,36,785
2.	Mrs. Stela Choksi	Whole time Director	15,83,625	16,27,762.50
3.	Ms. Himika Choksi	Whole time Director	12,83,625	11,55,262.50
	Total		40,04,070	40,19,810

F. Salary:

S. No.	Name	Relation	Sitting Fees Amount	Closing Balance as at 31.03.2019
1.	Mrs. Khyati Choksi	Director Relative	4,80,000	0

G. Loan Taken:

S. No.	Name	Relation	Loan taken Amount	Closing Balance as at 31.03.2019
1.	Mr. Sunil Choksi	Managing Director	28,75,000	1,40,75,000
2.	Mrs. Stela Choksi	Director	0	14,00,000
3.	Mr. Vyangesh Choksi	Director	3,00,000	0
	Total		31,75,000	1,54,75,000

H. Loan Repaid:

S. No.	Name	Relation	Loan Repaid Amount	Closing Balance as at 31.03.2019
1.	Mr. Sunil Choksi	Managing Director	2,000,000	1,40,75,000
2.	Mrs. Stela Choksi	Director	5,000,000	14,00,000
3.	Mr. VyangeshChoksi	Director	3,00,000	0
	Total		7,300,000	1,54,75,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

S. No.	Name	Relation	Lease Rent	Depreciation	Details of property		
1.	Stela Choksi	Director	14,06,055	NIL	Premises located at Plot No. 32, Vibrant Industrial Park, Vapi Gujarat		
2.	Himika Choksi	Director	14,06,055	NIL			

I. Lease Property: (As per IND-As)

34. Disclosure as per Ind AS 17, "Leases"

1. Assets taken on operating lease

OperatingLeases:

i)	Obligationon Non-cancellable operating leases: a) Notlater than one year b) Later than one year and not later than five years c) Later than five years	11,35,290 1,92,360 6,73,260
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	87,16,448
iv)	Sublease 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 b) Basis on which contingent rent payments are determined c) Terms of renewal or purchase options and 	Various Properties for Commercial use Basis taken as per the lease agreements with the lessor All lease agreements are general and can be renewed after expiry of the lease
	d) Restrictions imposed by lease agreements, if any	period. No purchase options specifically mentioned in the agreement. Not to sub-lease

35. Finance Leases:

Particulars	As at Marc	As at March 31,2018		
	Minimum Lease Commitments	Present Value of Minimum Lease Commitments	Minimum Lease Commitments	Present Value of Minimum Lease Commitments
Due within one year	29,34,000	-	-	-
Due in a period between one year and five years	1,29,26,176	-	-	-
Due after five years	1,54,40,168	-	-	-
Total minimum lease commitments	3,13,00,344	-	-	-
Less: Interest	367,110	-	-	-
Present Value of lease Commitments	30,933,234	-	-	-

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35.1 Terms of Finance Lease:	-
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S.No.	Particulars	Details	
1.	Name of Lessor	Mrs. Stela Choksi, Director Ms. HimikaChoksi, Director	
2.	Name of lessee	M/s. Choksi Laboratories Limited, (the company), represented by, Mr. VyangeshChoksi, Director	
3.	Details of property	Office premises located at Plot No. 32, Vibrant Industrial Park, Vapi (Gujarat) admeasuring 12220 sq.ft. approx	
4.	Period of lease	10 years, commencing from 16 th May, 2018	
5.	Purpose	For commercial use/ business purpose as mentioned in MOA of the company	
6.	Rent	Monthly rent of Rs. 2,44,500/- is payable by lessee to lessor. The lease rent shall be increased by 7% from the existing lease rent after 24 month from the date of execution of agreement.	
7.	Restriction	 Lessee have no right to assign sub-lease or sub-let, either in part or whole, to any third party of the said premises. 	
		 Lessee shall not carry out any acts or activities which are obnoxious, anti-social, illegal or prejudicial to the norms of etiquette or act in any manner prejudicial to the interest of lessor. 	
8.	Termination	 The agreement shall get terminated on occurrence of any events specified below:- Material breach of any of the terms or conditions of this agreement by other party , which is not remediated by such other party to the satisfaction of the non-breaching party within 3 days of notice of the breach. If a petition for winding up of the other party is decreed in the court If a resolution is passed for winding up the business of such other party If any receiver, manager, liquidator, administrator or other similar official is appointed to the other party or a substantial part of the other party's property. 	

36. Disclosure as per Ind AS-37, " Provisions, Contingent Liabilities and Contingent Assets":

S.No	Particulars	2018-19	2017-18
1)	Contingent Liabilities		
	Claims against the Company /disputed liabilities not acknowledged as debts Guarantees issued by BankonbehalfoftheCompany. Performance Guarantees/ Other money for which the company is contingently liable	NIL 19,59,075 NIL	NII 6,63,064 NIL
2)	Commitments : Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances). (Capital commitments totals to amount Rs. 72,00,000/-, Rs. 30,00,000/- of this amount is paid till date of Balance sheet and the remaining Rs. 42,00,000/- is still due.)	42,00,000	42,00,000
	Other Commitments	NIL	NI

Choksi Laboratories Ltd. =

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

37. During the year, Borrowing Costs amounting of Rs. 1,62,187/- has been Capitalized to Fixed assets.

38. DisclosureintermsofAccountingStandard"ImpairmentLosses":

Parti	culars	31.3.2019	31.3.2018
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

39. Remuneration & Sitting Fees to Directors

Remuneration :

S. No.	Name ot the Director	Relation	Year ended 31.03.2019	Year ended 31.03.2018
1	Mr. Sunil Choksi	Managing Director	39,60,000	27,00,000
2	Mrs. Stela Choksi	Whole Time Director	25,80,000	21,00,000
3	Mr. Vyangesh Choksi	Whole Time Director	26,40,000	21,00,000
4	Ms. Himika Choksi	Director	25,80,000	20,00,000

Sitting Fees :

S. No.	Name of the Director	Relation	Year ended 31.03.2019	Year ended 31.03.2018
1	Mr. Sudarshan Shastri	Director	32,000	34,000
2	Mr. N.K. Mani	Director	30,000	30,000
3	Mr. Mayank Pandey	Director	4,000	-
4	Mr. Ratnesh Sadoriya	Director	6,000	-
5	Mr. Pradip Karmakar (upto 30.05.2018)	Director	-	6,000
6	Mr. Satish Joshi (upto 30.05.2018)	Director	-	8,000

- 40. The Balance Confirmation from the suppliers, customers as well as to various loans or advances given have been called for but the same are awaited till the date of Audit. Thus the balances of receivable, Trade Payable as well as Loan & Advances have been taken as per Books of Accounts submitted by the Company and are subject to confirmation from the respective Parties.
- 41. The Company has no subsidiary. Hence requirement of Consolidated Financial Statement is not applicable to the Company.
- 42. In the opinion of the Board Current Assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for Depreciation and all known liability are adequate. There is no Contingent liability other than stated.
- 43. The previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year presentation.
- 44. Details Of Dues To Micro And Small Enterprises As Defined Under The Micro, Small And Medium Enterprises Development Act, 2006:

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

E Choksi Laboratories Ltd.

S.No.	Particulars	31.03.2019	31.03.2018
1.	The principle amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principle amount due to micro and small enterprises	947,023	-
	Interest due on above	38,963	-
2.	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act 2006.	38,963	-
4.	The amount of interest accrued and remaining unpaid at the end of each accounting year.	38,963	
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act 2006.	38,963	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 45. The advances amounting to Rs. 8,00,000/- under the head non current assets represents the advances given to parties receivable in current year.
- 46. Disclosure as per IND AS-113, " Fair value measurement",

Financial Instrument by category/hierarchy

Particulars	Level of hierarchy	Amount as at 31.03.2019		01 00 0010	
Financial Assets	-	FVTPL	FVTOCI	FVTPL	FVTOCI
	-	-	-	-	
Financial Liability	-	-	-	-	-

The carrying amount of Short term borrowing, Trade payables, Trade Receivables, Cash & cash equivalents and other financial assets and liabilities are considered to be recorded at their fair value due to their short term nature. There are no transfer between Level 1, Level 2 & Level 3 during the year ended 31.03.2019.

Choksi Laboratories Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

47. Other disclosures to Statement of Profit & Loss :-

S.No.	Particulars	2018-19	2017-18
1.	 Value of Imports on CIF basis in respect of : Capital Goods Spare Parts/ Books & Periodicals 	4,37,96,089	2,81,12,391 1,84,805
2.	Payment to Auditors as :• Statutory Audit Fees• Tax Audit Fees• Certification & other matters	1,25,000 50,000 25,000	1,25,000 50,000 50,000
3.	Expenditure in Foreign Currency: Travelling Expenses Business Promotion 	3,09,673 42,19,871	75,971
4.	Earnings in Foreign Exchange : • FOB value of Exports	59,93,478	80,71,679

48. Disclosure as per Ind AS-19 ," Employee Benefits"

Defined Contribution Plan

During the year, the company has recognized the following amount in the Statement of Profit &Loss :

Particulars	F.Y. 2018-19	F.Y. 2017-18
Benefits (Employer's Contribution) to :		
· Provident Fund	6,249,083	6,095,262
· ESIC	1,574,912	1,601,065
· Employee deposit linked insurance scheme	359,592	259,052
Total	8,183,587	7,955,379

Defined Benefit Plan

<u>Gratuity</u>

The Company's Gratuity Benefit Scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior period, that benefit is discounted to determine its present value and the fair value of any assets is deducted.

The present values of the obligation under such defined benefit plan is determined, based on actuarial valuation using the projected unit credit method (PUCM) as being defined by Para 57(a), by an independent actuary, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields ongovernment securities as at the reporting date.

- Re-measurements of the net defined benefit obligation, which comprises of actuarial gains and losses and the return on plan assets are recognized in Other Comprehensive Income (OCI).
- The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972. The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees.

■ Choksi Laboratories Ltd. ■

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

As per the actuarial report, following amounts are recognized in the financial statements for the year

Amount recognized in Statement of Financial Position at the year end	2018-19	2017-18
Present value of unfunded Defined Benefit Obligation	14,960,939	12,725,869
Fair value of plan assets	5,059,245	3,677,505
	9,901,694	9,048,364
Present value of funded Defined Benefit Obligation	-	-
Unrecognized Asset due to the Asset Ceiling	-	-
Net Defined Benefit (Asset)/liability Recognized in the Statement of Financial Position	9,901,694	9,048,364
Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at period end	2018-19	2017-18
Service Cost	2,100,889	1,605,008
Net Interest Cost	661,242	452,459
Past Service Cost	-	1,250,928
Administration Expenses	-	-
(Gain)/Loss due to Settlements/ Curtailments/ Terminations/ Divestitures	-	-
Total Defined Benefit Cost/(Income) included in the Profit & Loss	2,762,131	3,308,395
Analysis of amounts Recognized in Other Comprehensive (Income) /Loss at period end	2018-19	2017-18
Amount recognized in OCI, Beginning of Period	(114,474)	(1,197,539)
Remeasurements due to :		
 Effect of Change in Financial assumptions 	159,250	205,581
Effect of Change in Demographic assumptions	(8,166)	-
Effect of experience adjustments	(241,258)	880,244
Gain/Loss on curtailments/ Settlements	-	-
 Return on Plan Assets (excluding interest) 	(30,899)	(2,760)
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	(121,073)	1,083,065
Amount recognized in OCI, End of period	(235,547)	(114,474)

49. Details of Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, The company is not liable to spend the specified amount on CSR activities as per the norms. Hence, no separate reporting is required for the same.

50. Disclosure As per Ind AS 107, "Financial Instruments : Disclosures "

Financial Risk Management and Policies

A. Capital Management

Risk Management

For the purpose of Company's capital management, Capital includes Issued Equity share capital. Gearing Ratio is ratio of Net debts (total borrowings (long term as well as short term) net of cash & cash equivalents and other bank balances) divided by total equity.



■ Choksi Laboratories Ltd. ■

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The gearing ratio is as follows:

Particulars	March 31, 2019 (Rs. In lakhs)	March 31, 2018 (Rs. In lakhs)
Net debt	1489.32	891.36
Total Equity	696.52	696.52
Net debt to equity ratio	2.138	1.278

B. Financial Risk Management

Risk Management Framework

The company's board of director has overall responsibility for the establishment and oversight of the company's risk management framework.

The company through three layer of defence namely

- Policies & Procedures,
- Review Mechanism, and
- > Assurance

aims to maintain a disciplined and constructive control environment in which all employee understand their roles and obligations. The audit committee of the Board with top management oversee the formulation and implementation of the risk management policy, The risks are identified of business unit level and mitigation plan are identified, deliberated and reviewed of appropriate forums.

The company has exposure to the following risks arising from the financial instruments :

Credit Risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Liquidity Risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

- 51. Company has not deducted TDS Rs. 3138/- on interest provided to MSME, Since the Management has obtained an expert opinion.
- 52. The financial statements havebeen approved by the board on May 30th, 2019.

As per our report of even date For Subhash Chand Jain Anurag & Associates	For and on behalf of the Board of Directors of Choksi Laboratories Limited CIN : L85195MP1993PLC007471		
Chartered Accountants FRN: 004733C	Sunil Choksi	Mrs. Stela Choksi	
(S. C. Jain) Partner	Managing Director DIN-00155078	Director DIN-00155043	
M.No.:072062	Vyangesh Choksi	Sanjay Chourey	
Place : Indore Date : 30th May, 2019	Chief Finance Officer DIN-00154926	CompanySecretary M. No. 55253	

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 :	

💳 Choksi Laboratories Ltd. 🗉

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Friday, 27th day of September, 2019 at 11.30 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, 2019 and the Reports of the Directors and Auditors thereon.
- 2 Re-appointment of Mr. Vyangesh Choksi (DIN:00154926), who retires by rotation and being eligible offer himself for re-appointment.
- 3. Re-ppointment of Mr. Sunil Choksi (DIN:00155078), as Managing Director of the Company.
- 4. Re-Appointment of Mrs. Stela Choksi (DIN:00155043), as whole Time Director of the Company.

Affix Revenue Stamp Signed this......day of2019.

Signature of shareholder(s)

Signature of Proxy holder(s) Note:

Affix Revenue Stamp

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.

E Choksi Laboratories Ltd.

Annual Report 2018 - 2019 🚞

Choksi Laboratories Limited

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

CIN: L85195MP1993PLC007471

ATTENDANCE SLIP

26th Annual General Meeting held on 27th day of September, 2019

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 Friday, 27th day of September, 2019 at 11.30 A.M. at 6/3, Manoramaganj, Indore - 452 001, M.P.

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

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

To,