

**26<sup>th</sup>**  
**ANNUAL REPORT**  
**2018 - 2019**



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



## 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

### OUR BRANCHES / LABORATORIES

### 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

- 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)

**FINANCIAL PERFORMANCE**

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

**MAP**





**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](http://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](mailto: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](http://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.com](http://www.evotingindia.com) and 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.com](http://www.evotingindia.com) and 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](mailto: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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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](http://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.

**ANNEXURE TO THE NOTICE**

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF**

Place: Indore

Date: 12th August, 2019

Registered Office:

6/3, MANORAMAGANJ,

INDORE, MP-452001

CIN: L85195MP1993PLC007471

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

Sd/-

**Sanjay Chourey  
Company Secretary & Compliance Officer**

Contact Information

Mr. Sanjay Chourey

Company Secretary & Compliance Officer

E-mail: [compliance\\_officer@choksilab.com](mailto: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 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 the Company	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

**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)

<b>Particulars</b>	<b>2018-19</b>	<b>2017-18</b>
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) Regulation 2015 (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 transaction 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 FINANCIAL CONTROL**

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 RESPONSIBILITY STATEMENT**

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. qualification 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 director 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 director 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 Year 2018-19.

**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 Section 134 (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 500 listed entities as per market capitalization as on March 31, 2019, the Business Responsibility Report for the financial year 2018-2019 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**

**Sd/-**

**Sunil Choksi**

**Chairman & Managing Director**

**DIN00155078**

Place: Indore

Date: 12th August, 2019



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 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 <sup>st</sup> 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 <sup>st</sup> 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 <sup>st</sup> 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



## 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, 2013 read 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 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

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

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 companies*	No. of committee positions in other public companies		Name of Listed companies 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	-

\*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](http://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) Regulation 2015. Some of the important functions performed by the Committee are :

#### **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/or recommendation, if any, made by the Statutory Auditors in this regard.
- 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 to 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:

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





(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.
- Performance of the Chairman & Managing Director Shri Sunil Choksi and Director, Shri Vyangesh Choksi,
- 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 retirement 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-à-vis the annual budget achievement and individual performance.

Remuneration Policy for the Senior

Management Employee

- I. IndeterminingtheremunerationoftheSeniorManagementEmployeesandKeyManagerialPersonals,theN&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**

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

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

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

**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:

<b>Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>
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](http://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 Window is 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](http://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's on-line portal website [www.listing.bseindia.com](http://www.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](http://www.bseindia.com).

**Website:** The Company's website [www.choksilab.com](http://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 14th February, 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/ or address.

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**

**Sd/-  
SUNILCHOKSI  
Chairman & Managing Director  
DIN00155078**

**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 securitieslawandregulationsandactualresults maydiffermateriallyfromthoseexpressedorimplied.Thesestatement 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 violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - i. That there are no significant changes in internal control over financial reporting during the year;
  - ii. That there are no significant changes in accounting policies during the year; and
  - iii. That there are no instances of significant fraud of which we have become aware

**DATE : 12.08.2019**  
**PLACE : INDORE**

**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]

To,

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 :
- The Employee Provident Fund & Miscellaneous Provisions Act, 1952;
  - Employees State Insurance Act, 1948;
  - Payment of Gratuity Act, 1972;
  - The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;

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

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- 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**

To,  
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.

- 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.
- 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.
- 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.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
- 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**

1. 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 31<sup>st</sup> March, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN:	<b>L85195MP1993PLC007471</b>
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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Testing Laboratories	93 Other Service Activities.	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

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

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2018)				No. of Shares held at the end of the year (As on 31st March, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
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
<b>Sub-total (A) (1):-</b>	<b>2191754</b>	<b>Nil</b>	<b>2191754</b>	<b>31.47</b>	<b>2192754</b>	<b>Nil</b>	<b>2192754</b>	<b>31.47</b>	<b>0.01</b>

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 during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+ (A) ( 2)</b>	<b>2191754</b>	<b>Nil</b>	<b>2191754</b>	<b>31.47</b>	<b>2192754</b>	<b>Nil</b>	<b>2192754</b>	<b>31.47</b>	<b>Nil</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) StateGovt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1) :-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
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 shareholders holding nominal share capital upto Rs. 2 lakh	1405836	827015	2232851	32.06	1416658	777315	2193973	31.51	(.55)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1789586	125800	1915386	27.50	1846139	125800	1971939	28.31	.81
c) Others (specify)	414272	210000	624272	8.95	395597	210000	605597	8.69	(.26)
<b>Sub-total (B)(2):-</b>	<b>3609694</b>	<b>1162815</b>	<b>4772509</b>	<b>68.52</b>	<b>3609694</b>	<b>1162815</b>	<b>4772509</b>	<b>68.52</b>	<b>0</b>
<b>Total Public Shareholding (B)= (B)(1)+ (B)(2)</b>	<b>3609694</b>	<b>1162815</b>	<b>4772509</b>	<b>68.52</b>	<b>3609694</b>	<b>1162815</b>	<b>4772509</b>	<b>68.52</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>5802448</b>	<b>1162815</b>	<b>6965263</b>	<b>100</b>	<b>5802448</b>	<b>1162815</b>	<b>6965263</b>	<b>100</b>	<b>0</b>

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sunil Choksi	523192	7.51	Nil	523192	7.51	Nil	Nil
2	Vyangesh Choksi	447099	6.42	Nil	447099	6.42	Nil	Nil
3	D.G. Choksi HUF (Karta Sunil Kumar Choksi)	400000	5.74	Nil	400000	5.74	Nil	Nil
4	Khyati Choksi	301263	4.33	Nil	301263	4.33	Nil	Nil
5	Choksi Holding Company Private Limited	300000	4.31	Nil	300000	4.31	Nil	Nil
6	Stela Choksi	220200	3.16	Nil	220200	3.16	Nil	Nil
7	Himika Choksi	1000	0.01	Nil	1000	0.01	Nil	0.01
	<b>Total</b>	<b>2191754</b>	<b>31.47</b>	<b>Nil</b>	<b>2192754</b>	<b>31.48</b>	<b>Nil</b>	<b>0.01</b>

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

Sl No.	Name of Transferor	No. of Shares at the beginning of the year	% of total shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year No. of Shares	Cumulative Share holding during the year: % of total shares of the Company
1.	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):

Sl No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Pratap Singh Hardia	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
	<b>Total</b>	<b>1239596</b>	<b>17.78</b>	<b>-</b>	<b>196364</b>	<b>-</b>	<b>1435960</b>	<b>20.59</b>

(iv) Shareholding of Directors and Key Managerial Personnel:

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

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
<b>Total (i+ii+iii)</b>	<b>60,700,305.00</b>	<b>22,398,679.00</b>	<b>Nil</b>	<b>83,098,984.00</b>
<b>Change in Indebtedness during the financial year</b>				
• 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
<b>Net Change</b>	<b>80,038,885.24</b>	<b>(6,932,679.71)</b>	<b>Nil</b>	<b>73,115,205.53</b>
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
<b>Total (i+ii+iii)</b>	<b>140,586,704.00</b>	<b>15,474,999.00</b>	<b>Nil</b>	<b>156,061,703.00</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sunil Choksi	Stela Choksi	Vyangesh Choksi	Himika Choksi	
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					
	<b>Total (A)</b>	<b>39,60,000</b>	<b>25,89,000</b>	<b>26,40,000</b>	<b>25,80,000</b>	<b>1,17,60,000</b>
	Ceiling as per the Act	As per Schedule V.				



B. Remuneration to other directors:

S.N.	Particulars of Remuneration	Name of Directors				Total Amount
		Sudarshan Shastri	Satish chandra Joshi	Pradip Karmakar	N. K. Mani	
1.	Independent Directors					
	• Fee for attending board committee meetings	32,000	6000	4000	30000	72000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	32,000	6000	4000	30000	72000
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	32,000	6000	4000	30000	72000
	<b>Total Managerial</b>					<b>72000</b>
	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	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	3,63,032	0.00	3,63,032
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Not Applicable	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	Nil	Nil	Nil
2.	Stock Option	Not Applicable	Nil	Nil	Nil
3.	Sweat Equity	Not Applicable	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify...	Not Applicable	Nil	Nil	Nil
5.	Others, please specify	Not Applicable	Nil	Nil	Nil
	<b>Total</b>	<b>Not Applicable</b>	<b>3,63,032</b>	<b>0.00</b>	<b>3,63,032</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



The key audit matters	How our audit addressed the key audit matter
<ul style="list-style-type: none"> <li>· IT Automated application control.</li> <li>· 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.</li> </ul>	
<b>b) Identification &amp; Provision for Bad &amp; Doubtful Debts</b>	
<p>The identification of Bad &amp; Doubtful Debts &amp; 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 &amp; Doubtful Debt Provision.</p> <ul style="list-style-type: none"> <li>· Recognition of default further Company is also requested to apply judgment to determine the Bad &amp; 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.</li> </ul>	<p>We tested the design and operating effectiveness of key control including IT Based Control focusing on the following :</p> <ul style="list-style-type: none"> <li>· Identification &amp; classification of bad and doubtful debts in line with certain qualitative aspects, periodic internal review of Assets, Quality Assessment of Adequacy of Bad Debts Provision.</li> <li>· Periodic valuation of Debtors.</li> <li>· To test the identification of Debtors with defaulting events and other triggers we selected a sample of performing debts and independently assessed as to whether there was a need to classify as bad debt we assessed the appropriate debts and adequacy of disclosure against the relevant accounting standards.</li> </ul>
<b>c) Provisions &amp; Contingent Liabilities.</b>	
<p>As at 31st March 2019, the Company has ongoing Tax Cases &amp; 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.</p> <p>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.</p> <p>Adequacy of Provision the appropriateness of Assumption and Judgment used in the estimation of significant provision and Adequacy of Disclosure of Provision for Liabilities &amp; 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.</p>	<p>Our Audit Procedure tested the design and operating effectiveness, key control over the estimation, monitoring and disclosure of Provisions and contingent liabilities in respect of Taxation Matters. We involved our Tax Specialist to gain an understanding of the current status of the outstanding Tax Litigations including understanding of various Order/ Notice received by the Company and the Management. Grounds of Appeal before the relevant Appellate Authority and critically evaluated the Management. Assessment of the likelihood of the liability devolving upon the Company in accordance with the principle of AS-29 for the significant provisions made we understood assessment and challenged the adequacy of provisions recognized by the management. We also reviewed the historical accuracy of the Provision recognized to determine the efficiency of the process of estimation by the Management. Further we assessed whether the disclosure related to significant Taxation matters were fairly processed. As on March 31<sup>st</sup> 2019, the company has a TDS Demand of Rs. 108000/- which is under dispute and pending at CIT(A). Bank has issued guarantee of amount Rs. 1959075/- on behalf of company.</p>

The key audit matters	How our audit addressed the key audit matter
<p><b>d) Ind AS 115, Revenue from Contracts with Customers</b> See note (VIII) of the significant accounting policies to the Ind AS financial statements.</p>	
<p>The Company has adopted Ind AS 115, Revenue 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 of transaction 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 revenue recognized over a period. Additionally, new revenue accounting standard contains new disclosures.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>· We considered the Company's revenue recognition accounting policies based on the principles in Ind AS 115.</li> <li>· We evaluated the design, implementation and effective operation of the internal controls relating to implementation of the new revenue accounting standard.</li> <li>· We selected samples of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>➤ Read, analyzed and identified the distinct performance obligations in these contracts.</li> <li>➤ Compared these performance obligations with that identified and recorded by the Company.</li> <li>➤ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue.</li> <li>➤ Evaluated management assessment of point of recognition of revenue based on transfer of control or satisfaction of obligations over time.</li> </ul> </li> <li>· We evaluated the adequacy of financial statement disclosures, pursuant to new revenue accounting standard.</li> </ul>
<p><b>e) Ind AS 16, Property, Plant and Equipment</b> See note (XV) of the significant accounting policies to the Ind AS financial statements.</p>	
<p>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.</p> <p>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.</p>	<p>In view of the significance of the matter our procedures in this area included the following :</p> <ul style="list-style-type: none"> <li>· 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;</li> <li>· Assessing the valuation methodology used by management and testing the mechanical accuracy of the impairment models;</li> <li>· Evaluating the reasonableness of the valuation assumptions, such as discount rates, used by management through reference to external market data;</li> <li>· Challenging the appropriateness of the business assumptions used by management, such as sales growth and the probability of success of new products;</li> </ul>

The key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>· Evaluating the past performances where relevant and assessing historical accuracy of the forecast produced by management;</li> <li>· 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;</li> <li>· 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;</li> <li>· Performing sensitivity analysis of key assumptions, including future revenue growth rates, costs and the discount rates applied in the valuation models;</li> <li>· Evaluating the adequacy of the disclosures made in the consolidated financial statements.</li> </ul>
<p><b>f) Evaluation of uncertain tax positions</b>            See Note 30 to the Ind AS financial statements.            Refer note (XII) and (XIV) of the significant accounting policies to the Ind AS financial statements.</p>	
<p>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 the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>· Testing the design and operating effectiveness of the Company's controls over provision for current tax, deferred tax and uncertain tax positions;</li> <li>· 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;</li> <li>· Assessing and challenging the key assumptions used by management in estimating tax provisions;</li> <li>· Assessing and challenging the assessment of the possible outcome of disputed matters as estimated by the management;</li> <li>· Assessing and challenging management's estimate of utilization of MAT credit and deferred tax assets;</li> <li>· Evaluating adequacy of disclosures given.</li> </ul>

**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 adequate accounting 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 the 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.

- 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 in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing 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;









**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

BALANCE SHEET AS AT 31ST MARCH 2019

Amount in ₹

PARTICULARS	NOTES	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
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
<b>Financial Assets</b>			
Investments		-	-
Loans		-	-
Other Financial Assets	6	4,823,741	5,101,251
Other Non-current assets	7	5,285,572	5,294,180
<b>Total Non-Current assets</b>		<b>390,442,598</b>	<b>296,604,727</b>
<b>Current assets</b>			
Inventories	8	4,055,146	2,894,890
<b>Financial Assets</b>			
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)		-	-
Other Current Assets	12	11,727,857	6,726,569
<b>Total Current assets</b>		<b>163,009,942</b>	<b>150,185,579</b>
<b>Total Assets</b>		<b>553,452,540</b>	<b>446,790,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	13	69,652,630	69,652,630
Other Equity	14	170,439,257	154,309,225
<b>Total Equity</b>		<b>240,091,887</b>	<b>223,961,855</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>178,600,952</b>	<b>66,823,498</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
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	22	23,109,674	16,689,999
<b>Total current liabilities</b>		<b>134,759,701</b>	<b>156,004,954</b>
<b>Total Liabilities</b>		<b>313,360,653</b>	<b>222,828,452</b>
<b>Total Equity and Liabilities</b>		<b>553,452,540</b>	<b>446,790,306</b>

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

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

Company Secretary

M. No. 55253

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

Amount in ₹

PARTICULARS	Note	Year ended 31 March 2019	Year ended 31 March 2018
<b>I) INCOME</b>			
<b>Revenue from operations</b>			
Sale of Products		-	-
Income from Services	23	337,463,078	311,963,600
<b>Total Revenue from operations</b>		<b>337,463,078</b>	<b>311,963,600</b>
Other Income	24	2,367,767	3,606,502
Other Gain/(Loss)	25	89,632	-86,700
<b>Total Income</b>		<b>339,920,477</b>	<b>315,483,402</b>
<b>II ) EXPENSES</b>			
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 Benefits 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
<b>Total Expenses</b>		<b>316,973,286</b>	<b>296,154,257</b>
<b>III) Profit Before Tax</b>		<b>22,947,190</b>	<b>19,329,145</b>
<b>IV) Tax Expenses</b>			
Current Tax	30	7,303,690	5,311,261
Deferred Tax	30	-358,943	546,970
<b>V) Profit for the Year</b>		<b>16,002,443</b>	<b>13,470,914</b>
<b>VI) Other comprehensive income:</b>			
<b>Items that will not be reclassified to Statement of Profit &amp; Loss</b>			
Actuarial 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 Profit and Loss (Previous Year )	30	-33,356	298,411
<b>Items that will be reclassified to Statement of Profit and Loss</b>			
Income tax relating to items that will be reclassified to Statement of Profit & loss		-	-
<b>VII) Total comprehensive income for the year</b>		<b>16,090,160</b>	<b>12,686,260</b>
<b>VIII) Earnings per equity share of face value of RS 10 each</b>			
Basic (in RS)	31	2.30	1.93
Diluted (in RS)		2.30	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  
Company Secretary  
M. No. 55253

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019**

**A. EQUITY SHARE CAPITAL**

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
69652630	-	69652630
Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
69652630	-	69652630

\* Refer Note no. 13

**B. OTHER EQUITY**

Particulars	Reserves and Surplus			Other Comprehensive income	Total
	Capital Reserve	security premium reserve	Retained Earning		
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	-	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	-	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

**(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

**Mrs. Stela Choksi**  
Director  
DIN-00155043

**Vyangesh Choksi**  
Chief Finance Officer  
DIN-00154926

**Sanjay Chourey**  
Company Secretary  
M. No. 55253

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019

Amount in ₹

PARTICULARS	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flow from operating activities</b>		
<b>Profit before income tax</b>	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
<b>Operating Profit before working Capital Changes</b>	<b>72,810,400</b>	<b>62,260,627</b>
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/ (decrease) in Working Capital Limits	6,187,479	5,827,769
Increase in other current liabilities	(4,103,223)	1,398,625
<b>Cash generated from operations</b>	<b>99,624,460</b>	<b>78,889,798</b>
Income taxes paid/(refunds) Net	30,655,813	16,421,324
<b>Net cash inflow from operating activities</b>	<b>68,968,647</b>	<b>62,468,474</b>
<b>Cash flows from investing activities</b>		
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
<b>Net cash outflow from investing activities</b>	<b>(97,602,988)</b>	<b>(49,104,968)</b>
<b>Cash flows from financing activities</b>		
Proceeds from LT borrowings	<b>78,842,213</b>	<b>46,767,000</b>
Repayment of borrowings	(42,155,228)	(40,251,669)
Interest paid	(15,372,445)	(15,903,206)
<b>Net cash inflow (outflow) from financing activities</b>	<b>21,314,540</b>	<b>(9,387,875)</b>
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)
<b>Cash and cash equivalents at end of the year (As per Note No. 11)</b>	<b>2,265,021</b>	<b>9,502,407</b>

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS 7 Statement of Cash Flow.
- 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 Statements.

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  
Company Secretary  
M. No. 55253













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

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- ***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.

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

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- **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.









NOTE "2"

Property, Plant & Equipment

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	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
<b>Tangible Assets :</b>										
Free Hold Land	1,000,000	29,926,734	-	30,926,734	-	-	-	-	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
<b>Total (A)</b>	<b>306,281,766</b>	<b>95,188,512</b>	<b>405,588</b>	<b>401,064,690</b>	<b>57,303,180</b>	<b>35,204,574</b>	<b>288,537</b>	<b>92,219,217</b>	<b>308,845,473</b>	<b>248,978,585</b>
<b>Leased Assets :</b>										
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	-	-	-	-	30,933,234	-
<b>Total (B)</b>	<b>5,330,200</b>	<b>33,745,344</b>	<b>2,812,110</b>	<b>36,263,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,263,434</b>	<b>5,330,200</b>
<b>Total</b>	<b>311,611,966</b>	<b>128,933,856</b>	<b>3,217,698</b>	<b>437,328,124</b>	<b>57,303,180</b>	<b>35,204,574</b>	<b>288,537</b>	<b>92,219,217</b>	<b>345,108,907</b>	<b>254,308,785</b>
<b>NOTE "3"</b>										
<b>Investment Property</b>		transferred to	Tangible Assets							
Free Hold Land	29,926,734	-	29,926,734	-	-	-	-	-	29,926,734	-
<b>Total</b>	<b>29,926,734</b>	<b>-</b>	<b>29,926,734</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,926,734</b>	<b>-</b>
<b>NOTE "4"</b>										
<b>Capital Work in Progress</b>										
CAPITAL WIP	-	84,715,827	52,454,074	32,261,753	-	-	-	-	32,261,753	-
<b>Total</b>	<b>-</b>	<b>84,715,827</b>	<b>52,454,074</b>	<b>32,261,753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,261,753</b>	<b>-</b>
<b>NOTE "5"</b>										
<b>Intangible Assets</b>										
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
<b>Total</b>	<b>4,934,929</b>	<b>2,571,494</b>	<b>-</b>	<b>7,506,423</b>	<b>2,961,153</b>	<b>1,582,645</b>	<b>-</b>	<b>4,543,798</b>	<b>29,62,625</b>	<b>1,973,777</b>

**NOTE "6"**

**Other Financial Assets**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	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
<b>Total</b>	<b>4,823,741</b>	<b>1,471,063</b>	<b>5,101,251</b>	<b>76,636</b>

**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
<b>Total</b>	<b>5,285,572</b>	<b>5,294,180</b>

**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
<b>Total</b>	<b>4,055,146</b>	<b>2,894,890</b>

**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
<b>Total</b>	<b>87,917,813</b>	<b>98,764,156</b>

**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)

**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
<b>Total</b>	<b>55,573,042</b>	<b>32,220,921</b>

**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
<b>Total</b>	<b>2,265,021</b>	<b>9,502,407</b>

**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
<b>Total</b>	<b>11,727,857</b>	<b>6,726,569</b>

**NOTE "13"**  
**Equity Share capital**

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Units	Amount	Units	Amount
<b>SHARE CAPITAL</b>				
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
<b>Total</b>	<b>15000000</b>	<b>150,000,000</b>	<b>15000000</b>	<b>150,000,000</b>
Issued, Subscribed and Paid up:				
Equity Shares of Rs. 10 each fully paid up	6965263	69,652,630	6965263	69,652,630
<b>Total</b>	<b>6,965,263</b>	<b>69,652,630</b>	<b>6,965,263</b>	<b>69,652,630</b>

**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%

**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 remaining 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**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Capital Reserve</b>		
As per last Balance Sheet	2,005,500	2,005,500
Less: Transferred to retained earnings	-	-
<b>Total (A)</b>	<b>2,005,500</b>	<b>2,005,500</b>
<b>Security Premium Reserve</b>		
As per last Balance Sheet	13,510,478	13,510,478
Less: Transferred to retained earnings	-	-
<b>Total (B)</b>	<b>13,510,478</b>	<b>13,510,478</b>
<b>Retained Earnings</b>		
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	-
	<b>155,689,166</b>	<b>139,646,851</b>
Less: Appropriations		
Transfer to General reserve	-	-
<b>Total (C)</b>	<b>155,689,166</b>	<b>139,646,851</b>
<b>Other Comprehensive Income (OCI)</b>		
As per last Balance Sheet	-853,604	-68,950
Add: Movement in OCI (Net) during the year	87,717	-784,654
<b>Total (D)</b>	<b>-765,887</b>	<b>-853,604</b>
<b>Total (A) + (B) + (C) + (D)</b>	<b>170,439,257</b>	<b>154,309,225</b>

**Notes :**

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

NOTE "15"

Borrowings

Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31/03/2019	31/03/2018
<b>Secured Term Loan From Banks :</b>					
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/- & FY 20-21_248471/-	10.2% p.a.	2,393,070	4,393,137
Bank of India TL (4)	31st May 2021	Principle Repay in FY 19-20 5000004/- & FY 20-21_5000004/- & FY 21-22_833318/-	11.15% p.a.	10,833,326	15,833,330
Bank of India TL (5)	31st Dec 2024	Principle Repay in FY 19-20 1142857.20 & FY 20-21_1142857.20 & FY 21-22 1142857.20 & FY 22-23_1142857.20 & FY 23-24 1142857.20 & FY 24-25_952381/-	11.15% p.a.	6,336,035	7,714,286
State Bank of India Drop Line OverDraft- (I)	30th Sept 2033	Dropline OD (Working Capital), Limit is for the period 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.	10.55% p.a.	38,467,303	-
State Bank of India Drop Line OverDraft- (II)	30th Sept 2033	Dropline OD for Capex, Limit is for the period of 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.	10.55% p.a.	68,492,424	-
<b>Secured Vehicle Loan From Bank :</b>					
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 Rs. 119610/-, FY 21-22 Rs. 131739/-, FY 22-23 Rs. 145095/-, FY 23-24 Rs. 38893/-	9.25% p.a.	543,938	-
Daimler Finance Service (Mercedes-Benz)	07th Jun 2021	Principle Repay in FY 19-20 Rs. 1623558/-, FY 20-21 Rs. 1760689/-, FY 21-22 Rs. 461170/-	7.88% p.a.	3,845,417	-
State Bank of India (Mahindra Bolero)	26th Aug 2020	Principle Repay in FY 19-20 Rs. 452851/-, FY 20-21 Rs. 201279/-	9.30% p.a.	654,130	-
<b>Secured Term Loans</b>					
<b>From NBFC :</b>					
Reliance Commercial Finance Limited (I)	15th Oct 2021	Principle Repay in FY 19-20_292244/- & FY 20-21_338761/- & FY 21-22_221639/-	14.85% p.a.	852,644	1,109,705
Reliance Commercial Finance Limited (II)	15th Oct 2021	Principle Repay in FY 19-20_961894/- & FY 20-21_1115002/- & FY 21-22_729541/-	14.85% p.a.	2,806,438	3,652,521
Reliance Commercial Finance Limited (III)	15th Oct 2021	Principle Repay in FY 19-20_1658808/- & FY 20-21_1922845/- & FY 21-22_1258077/-	14.85% p.a.	4,839,730	6,298,822
Reliance Commercial Finance Limited (IV)	15th Oct 2021	Principle Repay in FY 19-20_152490/- & FY 20-21_176764/- & FY 21-22_115639/-	14.85% p.a.	444,893	579,025
<b>Unsecured From NBFC's :</b>					
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
<b>Others : From Related parties : Directors</b>					
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
<b>Total non-current borrowings</b>				<b>155,984,349</b>	<b>80,830,061</b>
<b>Less: Current maturities of long-term debt (included in note 16)</b>				<b>15,937,906</b>	<b>25,622,285</b>
<b>Less: Interest accrued (included in note 16)</b>				<b>-</b>	<b>-</b>
<b>Non-current borrowings (as per balance sheet)</b>				<b>140,046,443</b>	<b>55,207,776</b>



**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	-	-
<b>Total</b>	<b>19,312,438</b>	<b>27,558,702</b>	<b>25,622,285</b>	<b>-</b>

**NOTE "17"**

**Provisions**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>PROVISIONS NON CURRENT</b>		
Provision for Employee Benefit		
Provision for Gratuity	7,054,036	7,348,364
<b>Total</b>	<b>7,054,036</b>	<b>7,348,364</b>

**NOTE "18"**

**Deferred tax liabilities (Net)**

**Component of Deferred Tax Liabilities as at 31st March 2019 is as follows:**

**The movement on the deferred tax account is as follows:**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	8,851,949	7,644,098
<b>Deferred Tax Assets</b>		
Disallowances under the Income Tax Act	3,493,040	1,961,320
Others	1,417,138	1,415,420
<b>Net Deferred Tax Liability</b>	<b>3,941,771</b>	<b>4,267,358</b>
At the start of the year	4,267,358	4,018,799
Charge/(credit) to Statement of Profit and Loss	-325,587	248,559
<b>At the end of year</b>	<b>3,941,771</b>	<b>4,267,358</b>

**NOTE "19"**

**Borrowings**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>BORROWING - CURRENT</b>		
<b>Secured - At Amortised Cost</b>		
<b>Working Capital Loans</b>		
From Banks *		
Cash Credit from Axis Bank	-	29,596,439
Overdraft from Bank of India	11,151,888	11,835,273
<b>Unsecured Loans</b>		
From Related Parties : Directors *		
Mr. Sunil Choksi	-	2,000,000
Mrs. Stela Choksi	-	-
<b>Total</b>	<b>11,151,888</b>	<b>43,431,712</b>

**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.Vyngesh Choksi.



**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	-	-
<b>Total</b>	<b>71,499,656</b>	<b>56,471,690</b>

**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
<b>Total</b>	<b>9,686,045</b>	<b>13,789,268</b>

**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
<b>PROVISIONS - CURRENT</b>		
Provisions for Employee Benefits	20,966,932	14,676,102
Other Provisions	2,142,742	2,013,897
<b>Total</b>	<b>23,109,674</b>	<b>16,689,999</b>

**NOTE "23"**

**Revenue from Operation**

**Sale of Services :**

Particulars	As at 31st March, 2019		As at 31st 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
<b>Total</b>		<b>337,463,078</b>		<b>311,963,600</b>

**NOTE "24"**

**Other Income**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest Received	105,362	129,978
Interest on Income Tax Refund	14,971	657,659
Interest income from financial assets (mandatorily measured at fair value through profit or loss)	2,247,434	2,818,865
<b>Total</b>	<b>2,367,767</b>	<b>3,606,502</b>

**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)	-	-
<b>Total</b>	<b>89,632</b>	<b>-86,700</b>

**NOTE "26"**  
**Cost of Material Consumed**

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
<b>Total</b>	<b>39,461,366</b>	<b>34,727,577</b>

**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
<b>Total</b>	<b>126,498,697</b>	<b>113,972,038</b>

**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
<b>Total</b>	<b>8,183,587</b>	<b>7,955,379</b>

**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 fair value through profit or loss "	2,086,576	2,502,653
Interest to MSME	38,963	-
Bank Charges	269,268	167,543
<b>Total</b>	<b>15,534,632</b>	<b>16,221,544</b>
Less: Amount capitalised	162,187	318,338
<b>Finance costs expensed in profit or loss</b>	<b>15,372,445</b>	<b>15,903,206</b>

**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 / Transportation 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, Internet & 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	-	-
<b>Total</b>	<b>98,853,560</b>	<b>92,103,473</b>

**NOTE "30"**  
**Tax Expenses**

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
<b>Total Current Tax</b>	<b>7,303,690</b>	<b>5,311,261</b>
<b>Deferred tax</b>	<b>-325,587</b>	<b>845,381</b>
<b>Total income tax expenses recognised in the current year</b>	<b>6,978,103</b>	<b>6,156,642</b>

**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
<b>Total Current Tax reported in the statement of Profit and Loss</b>	<b>7,303,690</b>	<b>5,311,261</b>

**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

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

32. **Segmental Reporting:**

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

33. **Related Party Disclosures:**

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

1. Related Parties

(a) Individual having control & Key Management Personnel

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

(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 31.03.2019	For the year	At 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
Loans	Balance as at 31.03.2018	Amount borrowed	Amount Repaid	Balance as at 31.03.2019
	19600000	3175000	7300000	15475000

33.2 Disclosure of transactions between the Company and Related Parties and the Status of outstanding balances as 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
	<b>Total</b>		<b>1,17,60,000</b>	<b>53,58,682</b>

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
	<b>Total</b>		<b>72,000</b>	<b>5,40,99,682</b>

**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
	<b>Total</b>		<b>20,000</b>

**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
	<b>Total</b>		<b>40,04,070</b>	<b>40,19,810</b>

**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
	<b>Total</b>		<b>31,75,000</b>	<b>1,54,75,000</b>

**H. Loan Repaid:**

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

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

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

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	

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

1. Assets taken on operating lease

Operating Leases:

i)	Obligation on Non-cancellable operating leases:	
	a) Not later than one year	11,35,290
	b) Later than one year and not later than five years	1,92,360
	c) Later than five years	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	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 period. No purchase options specifically mentioned in the agreement. Not to sub-lease
	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 escalation clauses of lease arrangements	
	d) Restrictions imposed by lease agreements, if any	

35. Finance Leases:

Particulars	As at March 31, 2019		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	-	-	-
<b>Total minimum lease commitments</b>	<b>3,13,00,344</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less: Interest	367,110	-	-	-
<b>Present Value of lease Commitments</b>	<b>30,933,234</b>	<b>-</b>	<b>-</b>	<b>-</b>

35.1 Terms of Finance Lease:-

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 <sup>th</sup> 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	<ul style="list-style-type: none"> <li>· Lessee have no right to assign sub-lease or sub-let , either in part or whole, to any third party of the said premises.</li> <li>· 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.</li> </ul>
8.	Termination	<p>The agreement shall get terminated on occurrence of any events specified below:-</p> <ul style="list-style-type: none"> <li>· 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.</li> <li>· If a petition for winding up of the other party is decreed in the court</li> <li>· If a resolution is passed for winding up the business of such other party</li> <li>· 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.</li> </ul>

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

S.No	Particulars	2018-19	2017-18
1)	<b>Contingent Liabilities</b> 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	NIL 6,63,064 NIL
2)	<b>Commitments :</b> 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	NIL



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

Particulars	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 of 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.

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

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	-

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		Amount as at 31.03.2018	
		FVTPL	FVTOCI	FVTPL	FVTOCI
Financial Assets	-	-	-	-	-
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.

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.	<b>Value of Imports on CIF basis in respect of :</b> · Capital Goods · Spare Parts/ Books & Periodicals	4,37,96,089 -	2,81,12,391 1,84,805
2.	<b>Payment to Auditors as :</b> · Statutory Audit Fees · Tax Audit Fees · Certification & other matters	1,25,000 50,000 25,000	1,25,000 50,000 50,000
3.	<b>Expenditure in Foreign Currency:</b> · Travelling Expenses · Business Promotion	3,09,673 42,19,871	75,971 -
4.	<b>Earnings in Foreign Exchange :</b> · 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
<b>Total</b>	<b>8,183,587</b>	<b>7,955,379</b>

➤ **Defined Benefit Plan**

**Gratuity**

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 on government 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.

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	-	-
<b>Net Defined Benefit (Asset)/liability Recognized in the Statement of Financial Position</b>	<b>9,901,694</b>	<b>9,048,364</b>

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	-	-
<b>Total Defined Benefit Cost/(Income) included in the Profit &amp; Loss</b>	<b>2,762,131</b>	<b>3,308,395</b>

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)
<b>Remeasurements due to :</b>		
➤ 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	-	-
<b>Total remeasurements recognized in OCI</b>	<b>(121,073)</b>	<b>1,083,065</b>
<b>Amount recognized in OCI, End of period</b>	<b>(235,547)</b>	<b>(114,474)</b>

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.











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