

21st
ANNUAL REPORT
2013 - 2014



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

CHOKSI LABORATORIES LIMITED

BRANCHES/LAB

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

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (W),
Mumbai -400 078
Tel. No. 25963838 Ext. : 2297
Fax : No. 25946969

BOARD OF DIRECTORS :

Mr. Sunil Choksi - Managing Director
Mrs. Himika Choksi Verma - Jt. Managing Director -
(Up to 01.09.2014)
Mrs. Stela Choksi - Whole-time Director
Mr. Vyangesh Choksi - Whole-time Director
Mr. Sudarshan Shastri - Director
Mr. Pradip Karmakar - Director
Mr. Satish Joshi - Director
Mr. N. K. Mani – Director

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Rikita Jain

AUDITORS :

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

BANKERS :

Axis Bank
Bank Of India
HDFC Bank
Union Bank of India

REGISTERED OFFICE & LABORATORY :

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

11. To support the 'Green Initiative', an Abridged Annual Report is being sent to the Members. In respect of Members whose e-mail ids are registered with the Company/the Depositories the Annual Report is sent in electronic mode. The Members who have not registered their e-mail ID are requested to register the same with Company's Registrars and Transfer Agents/Depositories. The Members who are desirous of receiving the full Annual Report may write to the Company's Registrar for a copy of the same.
12. In compliance with provisions of Clause 35B of the Listing Agreement entered into with the Stock Exchange(s), the Company is pleased to offer e-voting facility to enable members to cast their votes electronically. The Company has agreement with CENTRAL DEPOSITORY SERVICES LIMITED (CDSL) for facilitating e-voting to enable the shareholders to cast their votes electronically.
13. Mr. Pratik Tripathi, Partner of P.S. Tripathi & Associates, Company Secretaries shall be act as Scrutinizer for conducting the E-voting process in a fair and transparent manner.
14. The voting rights of Members shall be in proportion to their shares of the Paid up Equity Share Capital of the Company.

Procedure for E-voting:-

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (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 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 alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- <ul style="list-style-type: none"> ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> ◆ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

The details of the issue and other particulars as required in terms of the Preferential Issue Guidelines are given as under:

Object of the Issue: Object of this issue is to raise fund for working capital requirement, expenditure for purchase of testing instruments and to fulfill other capital expenditure requirements.

Securities to be issued: The resolution set out in the accompanying Notice is an enabling resolution, entitling the Board to issue 3,44,737 equity shares entitling to apply for equity shares as may be deemed appropriate in the best interest of the Company.

Pricing of the Equity Shares: Each equity share of face value of Rs. 10/- shall be issued at a price not being less than Rs. 10.25/- (Ten Rupees and Twenty Five Paise only) including premium of Rs. 0.25 (Twenty Five Paise Only) equity share.

Basis on which the price has been arrived: As per Regulation 76 (1) of SEBI (Issue of Capital and Disclosure) Regulation, 2009 the equity shares shall be allotted at a price not less than higher of the following:

- average of the weekly high and low of the closing prices of the related equity shares quoted on the recognised stock exchange during the six months preceding the relevant date; or
- the average of the weekly high and low of the closing prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date.

As per Regulation 76 (1) of SEBI (Issue of Capital and Disclosure) Regulation, 2009, price of the equity shares is Rs. 9.35/- which is lower than the face value and accordingly Each equity share of face value of Rs. 10/- shall be issued at a price not being less than Rs. 10.25/- (Ten Rupees and Twenty Five Paise only) including premium of Rs. 0.25 (Rs. Twenty Five Paise Only) equity share.

Relevant Date: In case of preferential issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. Relevant date is 31st August, 2014.

The class or classes of persons to whom the allotment is proposed to be made: Allotment is being made to M/s Auro Vision Infotech & Marketing Private Limited, a body corporate under the control of promoters of the Company.

Particulars of Subscribers and Intention proposal of Promoters / directors / Key Managerial Persons to Subscribe the Offer: M/s Auro Vision Infotech & Marketing Private Limited, a body corporate under the control of promoters of the Company shown their interest to subscribe equity shares arising out of this issue (details are given below). The Details of subscribers of the said preferential issue are given as below:

Particulars of subscribers

Sr. No.	Name of Proposed Subscriber/ allottees	Category	Present Shareholding of Allottees (pre-issue)	Number of Shares proposed to be allotted	Post issue shareholding of Allottees after allotment of shares	Percentage to post issue capital of the Company after conversion
1.	M/s Auro Vision Infotech & Marketing Private Limited	Body Corporate / promoter Group	NIL	344737	344737	4.716
	Total		NIL	344737	344737	4.716

Completion of Allotment: The allotment of the Equity Shares being issued on preferential basis is proposed to be made within 15 days from the date of passing of the resolution by the Members, provided that where the allotment on preferential basis is pending on account of pendency of any approval for such allotment by any regulatory authority or the Central Government, the allotment shall be completed with in 15 days from the date of receipt of such approval.

The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them:

Sr. No.	Name of Proposed Subscriber/allottees	Category	No. of shares offered	No. of shares after Preferential allotment	Percentage of Post Preferential offer capital
1.	M/s Auro Vision Infotech & Marketing Private Limited	Body Corporate /promoter	344737	344737	4.716

Change in Control: No, change in control, in the company will occur due this preferential allotment. Any of the equity shares issued as above, that may remain unsubscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any other person/entity/ investor within the same category/class, on the same terms and conditions.

The identities of natural person who are ultimate beneficial owners of the shares proposed to be allotted are as follows:-

Shareholding pattern of Proposed Allottee Company as on date:-

S.No.	Name of Natural Person	Status in Allottee	Voting Rights held in allottee
1	Shri Vyangesh Choksi S/o Shri Sunil Choksi	Shareholder and Director	50.00%
2.	Smt. Khyati Choksi W/o Shri Vyangesh Choksi	Shareholder and Director	50.00%
	TOTAL		100.00%

Shareholding Pattern: The Shareholding pattern giving present position as also considering full allotment of equity shares arising out of securities issued as above is given as below:

Shareholding Pattern

Sl.No	Category	Pre – issue		Post Issue	
		No. of Equity Shares	Percentage (%)	No. of Equity shares	Percentage(%)
(A)	Promoters Holding				
1	Indian				
	a. Individual	1891754	27.1598	1891754	25.8789
	b. Body Corporate	300000	4.3071	644737	8.8199
	Sub Total	2191754	31.4669	2536491	34.6989
2	Foreign Promoter	0	0.0000	0	0.0000
	Sub Total (A)	2191754	31.4669	2536491	34.6989
(B)	Non- Promoter Holding:				
1	Institutional Investors				
	a) Mutual Funds & UTI	0	0.0000	0	0.0000
	b) Banks, FI, FIIs,	0	0.0000	0	0.0000
2	Non- Institutional Private Corporate	938784	13.4781	938784	12.8424
3	Bodies Directors and Relative	0	0.0000	0	0.0000
4	Indian Public	3782629	54.3071	3782629	51.7459
5	Other including NRI'S	52096	0.7479	52096	0.7126
	Sub Total (B)	4773509	68.5331	4773509	65.3010
	GRAND TOTAL	6965263	100.0000	7310000	100.0000

The members are required to authorize to the Board of Directors of the Company to create charge on the movable and immovable assets and properties of the company in favor of the lenders as per the terms of the Loans and security documents, as stated in the Resolution of item No. 12.

The Board accordingly recommends the Special Resolution as mentioned at item no.12 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors and Key managerial Personal and their relatives is either directly or indirectly concerned or interested, financially or otherwise in the proposed resolution except in capacity of shareholder.

For Item No. 13:

Due to the increasing business operations and future growth plans of the Company would necessitate borrowing from any bank, financial institutions or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board. However as per the provisions of section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company cannot, apart from temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business except with the consent of the Shareholders in General Meeting by way of special resolution, borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company.

Hence, the Board of Directors of the Company considered needs to be authorized by the members to borrow money whether secured or otherwise (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), from time to time on behalf of the company not exceeding Rs. 50.00 Crores (Rupees Fifty Crores) over and above the paid up capital of the Company and its free reserves of the Company. Earlier members had given their consent to Board under section 293(1)(a) of the Companies Act, 1956.

The Board accordingly recommends the Special Resolution as mentioned at item No.13 of this Notice for your approval.

Pursuant to applicable provisions of the Companies Act, 2013, none of the Directors and Key managerial Personal and their relatives is either directly or indirectly concerned or interested, in the proposed resolution. However the promoter directors and their relatives may be considered as financially interested to the extent of the interest as may be received by them on the unsecured loan, if any, as may be provided by them.

For Item No. 14:

The existing Articles of Association ("AOA") are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles.

The new AOA to be substituted in place of existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

FOR AND ON BEHALF OF THE BOARD
CHOKSI LABORATORIES LIMITED

VYANGESH CHOKSI
WHOLE TIME DIRECTOR
DIN: 00154926

DATE : 03.09.2014
PLACE : INDORE

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Fiscal year 2013-14, was marked by subdued economy at 4.7%, measures and steps enabled to proof an increase of 16% in sales and marginal increase in profit. The Indian Economy is 5th fastest growing economy in the world (Euromonitor) and is poised to be the 3rd largest economy by 2040 (PwC). As economies develop, there is increasing healthcare awareness and hence greater spends.

B. OPPORTUNITIES AND THREATS:

Strategies are as often driven by challenges as they are by opportunities. The strategic blueprint, we drafted a year ago, as the roadmap for our future growth was well-aligned to our ability to capitalize on the opportunities that prevailed at the time. Certain unforeseen developments during the year, however, made us rethink our strategies to realign our priorities to the changing business environment. While our goals remained intact, we decide to remap our journey to the same.

C. SEGEMENT- WISE PERFORMANCE:

The Company is engaged in the sole segment of analysis. Company is not involved in manufacturing, exports or trading of any commodity.

D. OUTLOOK:

The outlook for the Company stands promising. CLL now has six centers across India. The new facilities are expected to improve considerable in the coming years. Company is poised to continue an upward trend.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal control system is a means by which an organization's resources are directed, monitored, and measured. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (e.g., machinery and property) and intangible (e.g. reputation or intellectual property such as trademarks). 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 Chief Executive Officer (the top manager) of the company has overall responsibility for designing and implementing effective internal control, the chief executive sets the "tone at the top" that affects integrity and ethics and other factors of a positive control environment and the chief executive fulfills this duty by providing leadership and direction to senior managers and reviewing the way they're controlling the business.

The internal auditors and external auditors of the company also measure the effectiveness of internal control through their efforts. They assess whether the controls are properly designed, implemented and working effectively, and make recommendations on how to improve internal control.

F. FINANCIAL AND OPERATIONAL PERFORMANCE:

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

G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

Our employees are our most important assets and source of competitive advantage. Our success depends entirely on the strength of our talent pool which we build by fostering an environment and continually investing in them to enable them to deliver superior performance. Our Human Resources strategy is aimed at talent acquisition, development, motivation and retention.

CLL recognizes that nurturing and recruiting the best talent is vital to the long term success of the enterprise. Employees are provided with continuous opportunities for active learning and development which are viewed as key drivers of their personal growth and the success of CLL.

H. CAUTIONARY STATEMENT:

The statements made in this report and those appearing elsewhere, may be "forward looking statements" that set forth anticipated results based on management plans and assumptions. These statements are likely to address the Company's growth strategy, financial results, product development, product approvals, product potential and development programs based on certain assumptions and expectation of future event, actual results could differ materially from those expressed or implied.

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

REPORT ON CORPORATE GOVERNANCE

1. Company Philosophy on Code of Corporate Governance

Corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company.

The philosophy of Corporate Governance is to enhance the long term economic value of the company. Its stakeholders and the society at large by adopting practices in fair and transparent manner by aligning interests of the company with shareholders and other key stakeholders.

2. Board of Directors

Composition:

The Board of Directors of the Company consist of eight members, out of which four members are executive and holding whole-time positions and four members are independent directors. The detailed statement on composition of the Board is as under:

S. No.	Name of the Director	Promoter, Executive, Non-Executive, Independent	No. of Directorship/Committees membership of other Companies	No. of Board Meetings		Whether attended Last Annual General Meeting
				Held	Attended	
1.	Mr. Sunil Choksi	Promoter/Executive	1	13	5	Yes
2.	Mrs. Stela Choksi	Promoter/Executive	0	13	0	No
3.	*Mrs. Himika Varma	Promoter/Executive	0	13	0	No
4.	Mr. Vyangesh Choksi	Promoter/Executive	4	13	13	Yes
5.	Mr. Sudarshan Shastri	Non-Executive /Independent	4	13	13	Yes
6.	Mr. Pradip Karmakar	Non-Executive / Independent	0	13	1	No
7.	Mr. N.K. Mani	Non-Executive / Independent	0	13	8	No
8.	Mr. Satish Chandra Joshi	Non-Executive / Independent	0	13	1	No

Note: - Mr. Sunil choksi, Mrs. Stela Choksi, Mrs. Himika Varma and Mr. Vyangesh Choksi are related to each other.

*Resignation of Mrs. Himika Varma has been accepted by Board from the office of Joint Managing Director w.e.f. 01st day of September, 2014.

Particulars of the Directors seeking re-appointment:

As required under the Listing Agreement, particulars of the directors seeking re-appointment at the ensuing Annual General Meeting have been given under the Annexure to Notice of this report.

Number of Board Meetings held and the dates on which held

During the year under review a total of 13 (Thirteen) Board Meetings were held. The details of the date(s) on which the meetings were held are as follows:

Sr.No.	Date	Day	Time
1.	06th April' 2013	Saturday	11:00 A.M.
2.	25th April' 2013	Thursday	11:00 A.M.
3.	27th May' 2013	Monday	11:00 A.M.
4.	31st July' 2013	Wednesday	11:30 A.M.
5.	30th October'2013	Wednesday	11:30 A.M.
6.	08th November' 2013	Friday	11.00 A.M.
7.	14th November' 2013	Thursday	3.00 P.M.
8.	25th November' 2013	Monday	11:00 A.M.
9.	02nd January' 2014	Thursday	11:30 A.M.
10.	06th January'2014	Monday	11:00 A.M.
11.	31st January'2014	Friday	11.30 A.M.
12.	06th March'2014	Thursday	11:00 A.M.
13.	25th March'2014	Tuesday	11.30 A.M.

COMMITTEES OF THE BOARD

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

- a. Audit Committee;
- b. Nomination & Remuneration Committee;
- c. Stakeholder Relationship Committee.

3. AUDIT COMMITTEE

Terms of Reference and Role of Audit Committee

The scope and function of the Audit Committee is to regularly review the internal control, systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws, and monitor with a view to provide effective supervision of the management's process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 1956. Role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of Statutory Auditors including Cost Auditors and fixation of audit fees.
3. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Changes, if any, in accounting policies and practices and reasons for the same.
 - b) Significant adjustments made in the financial statements arising out of audit findings.
 - c) Compliance with listing and other legal requirements relating to financial statements.
 - d) Disclosure of related party transactions.
 - e) Qualifications in draft audit report.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
5. Reviewing with the management, the performance of Statutory Auditors and adequacy of internal control systems.
6. Carrying out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

COMPOSITION:

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

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

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2014, 4 (four) meetings of the Audit Committee were held, as follows:

S.No.	Date	Day	Time
1.	27th May'2013	Monday	10:30 A.M.
2.	31st July'2013	Tuesday	11:00 A.M.
3.	30th October' 2013	Wednesday	11:00 A.M.
4.	31st January' 2014	Friday	11:00 A.M.

Attendance of each Member at the Audit Committee meetings held during the year

Name	Number of Meetings during the year 2013-14	
	Held	Attended
Mr. Sudarshan Shastri	4	4
Mr. Satish Joshi	4	4
Mr. N.K. Mani	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

Description and Role of the Nomination & Remuneration Committee:

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

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

COMPOSITION:

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

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

Remuneration paid to the Directors during 2013-14:

Sr.	Name of the Director	Nature of Directorship	Salary, Perquisites and Sitting Fee (Rs.)
1	Mr. Sunil Choksi	Executive	*22,00,000/-
2	Mrs. Stela Choksi	Executive	*16,75,000/-
3	Mrs. Himika Varma	Executive	-
4	Mr. Vyangesh Choksi	Executive	*14,40,000/-
5	Mr. Sudarshan Shastri	Non-Executive	8,000/-
6	Mr. Pradip Karmakar	Non-Executive	4,000/-
7	Mr. N.K. Mani	Non-Executive	8,000/-
8	Mr. Satish Chandra Joshi	Non-Executive	4,000/-

Notes

- The remuneration to the executive directors is being paid as per the approval of the shareholders at the general body meeting.
- No service contract has been executed between the company and executive directors. The services of Executive Directors are subject to the personnel policy of the Company. No severance fees is payable to executive directors.
- *The remuneration to the executive directors is being paid as per the recommendation of Remuneration Committee and approval of the shareholders at the general body meeting.
- *Salary and perquisites includes provident Fund and Gratuity etc.
- Presently, the Company does not have a scheme for grant of Stock Options either to the executive directors or employees.
- Mr. Sunil Choksi is holding 523192 equity shares, Mrs. Stela Choksi is holding 220200 and Mr. Vyangesh Choksi is holding 447099 equity shares of the Company.
- There was no meeting of the Remuneration Committee during the year and no sitting fee was paid to its members.
- The Remuneration Committee has not felt the need of any remuneration policy till now.
- Mr. Sunil Choksi, Mrs. Stela Choksi, Mrs. Himika Varma and Mr. Vyangesh Choksi are related to each other and are the promoter directors of the company. All other directors do not have any pecuniary relationship with the Company, other than receipt of remuneration and sitting fee.
- Non- executive Directors are entitled only for sitting fees for attending meetings of the Board and Committees and no remuneration is payable to them.
- The company does not pay commission or performance linked incentives to any of the directors.

8. MEANS OF COMMUNICATION

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

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

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

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

9. GENERAL SHAREHOLDERS' INFORMATION

i. 21st Annual General Meeting	
Date	30th September, 2014, Tuesday
Time	10: 30 A.M.
Venue	6/3, Manoramaganj, Indore-452001
ii. Financial Year	1st April, 2013 to 31st March, 2014
iii. Date of Book Closure	Wednesday, 24th September, 2014 to Tuesday, 30th September, 2014 (both days inclusive)
iv. Dividend Payment Date	None, as no dividend has been recommended for the year.
v. Listing on Stock Exchange(s)	The Shares of the company are listed on Bombay Stock Exchange Limited (BSE)
vi. Stock Code	
BSE Stock Code	CHOKSILA
Scrip Code	526546
ISIN	INE493D01013 (NSDL & CDSL)
CIN	L85195MP1993PLC007471

vii. Market Price Data

The reported high and low closing prices during each month of the financial year ended on 31st March, 2014 on the Bombay Stock Exchange, where the Company's shares are being traded are given below:

Month	Share Price on BSE	
	High Price	Low Price
Apr, 2013	8.26	8.00
May, 2013	8.25	6.36
June, 2013	7.30	6.24
July, 2013	7.20	6.23
Aug, 2013	7.77	7.01
Sept, 2013	9.22	6.02
Oct, 2013	9.54	8.14
Nov, 2013	10.85	8.86
Dec, 2013	8.45	6.23
Jan, 2014	7.17	6.12
Feb, 2014	6.21	5.62
Mar, 2014	6.56	5.25

viii. Performance of Shares of the Company in comparison to BSE Index

BSE Index		CHOKSI		
Month	High Price	Low Price	High Price	Low Price
Apr, 2013	19622.68	18144.22	8.26	8.00
May, 2013	20443.62	19451.26	8.25	6.36
June, 2013	19860.19	18467.16	7.30	6.24
July, 2013	20351.06	19126.82	7.20	6.23
Aug, 2013	19569.2	17448.71	7.77	7.01
Sept, 2013	20739.69	18166.17	9.22	6.02
Oct, 2013	21205.44	19264.72	9.54	8.14
Nov, 2013	21321.53	20137.67	10.85	8.86
Dec, 2013	21483.74	20568.7	8.45	6.23
Jan, 2014	21409.66	20343.78	7.17	6.12
Feb, 2014	21140.51	19963.12	6.21	5.62
Mar, 2014	22467.21	20920.98	6.56	5.25

ix. Registrar and Transfer Agent

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

M/s. Link Intime India Private Limited

C – 13, Kantilal Maganlal Estate,
Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Incharge: Mr. Vishal Panjabi

Tel No: 25963838 Ext. : 2293, 2289, Fax No: 022 - 25946969

Email : rnt.helpdesk@linkintime.co.in

vishal.panjabi@linkintime.co.in

x. Share Transfer System

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

xi. Distribution of Shareholding

(a) Class-wise Distribution of Equity Shares as on 31st March, 2014

Slab of Shareholding	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	3118	75.5695	747749	10.7354
501-1000	535	12.9665	469973	6.7473
1001-2000	218	5.2835	344765	4.9497
2001-3000	81	1.9631	208337	2.9910
3001-4000	40	0.9694	142140	2.0406
4001-5000	30	0.7270	144995	2.0816
5001-10000	47	1.1391	351077	5.0403
10001-and above	57	1.3814	4556227	65.4135
Total	4126	100.00	6965263	100.00

(b) Shareholding Pattern as on 31st March, 2014

SR. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHARE-HOLDING
A	PROMOTER'S HOLDING		
1.	Promoters		
	Indian	2191754	31.4669%
	Foreign	-	-
2.	Persons acting in Concert	-	-
	Sub-Total	2191754	31.4669%
B	NON-PROMOTER'S HOLDING		
3.	Institutional Investors		
	(a) Mutual funds and UTI	-	-
	(b) Banks, Financial Institutions Central/State Govt. Institutions/ Non-government Institutions)	-	-
	(c) Insurance Companies	-	-
	(d) FII's	-	-
	Sub-Total	2191754	31.4669%
4.	Others		
	(a) Bodies Corporate	941841	13.5220%
	(b) Indian Public	3785672	54.3507%
	(c) NRIs/OCBs	24957	0.3583%
	(d) Any Other (Clearing Members, Trust, Directors)	21039	0.3021%
	Sub-Total	4773509	68.5331%
	GRAND TOTAL (A+B)	6965263	100%

xii. Dematerialization of shares

Trading in Company's share is permitted compulsorily in dematerialized form as per notification issued by SEBI. The break-up of shares in physical and demat form as on 31st March, 2014 is as follows:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	3745159	56.19
CDSL	1627089	24.41
Sub-Total	5372248	80.60
Physical	1293015	19.40
Total	6665263	100.00

Note: As on 31st March, 2014 paid up capital of the Company is Rs. 69,65,263/-. 3,00,000 equity shares had been allotted but Corporate action application was made on 23.04.2014 due to which there is difference in total number of dematerialized shares.

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

Annexure to the Audit Report dated 30.05.2014 (Referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of our report of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. This being a service rendering Company, there are no Manufacturing Activities in the Company, the only inventory for the Company is Chemicals which are used & consumed for testing purposes. Since its inception, the Company follows the practice of charging to revenue, the purchases of chemicals in the year of purchase itself. Due to this reason, and considering the nature of volatility of the item, as per the explanations given to us, no inventory register is maintained for the same. Hence we are unable to express our opinion on Clause 2 of the CARO, 2003.
3. The Company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, but during the year, the Company has taken loan from 1 such party. The maximum amount involved during the year was Rs 122.00 Lacs and the year end balance of loans taken from such party was Rs115.00 Lacs. The rate of interest and other terms and conditions of the above loans taken by the Company are not prima facie prejudicial to the interest of the Company. However, the Company has given a deposit of Rs.20 Lacs to a party listed in the register maintained under Section 301 of the Companies Act as deposit for office building on rent, which is interest free.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs. 5 Lacs or more in respect of each party during the year have been made at prices which appear reasonable as per the information available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of Paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for this Company.
9. According to the information and explanations given to us in respect of statutory dues:
 - a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, service tax, cess and other material statutory dues as applicable to it with the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Income Tax, Customs Duty, Service Tax and other material statutory dues in arrears as at 31st March 2014 for a period of more than six months from the date they became payable, except Service Tax amounting to Rs. 10430258 pertaining to FY 12-13, wherein the Company has gone into the Service Tax Voluntary Compliance Encouragement Scheme, 2013, whereby 50% of the same has been paid upto Dec 2013 & the remaining 50% will be paid by 30th June 2014.
 - c) Details of dues of Income Tax, Sales Tax, Service Tax, Customs Duty which have not been deposited as on 31st March 2014 on account of disputes are given below:

Name of Statute	Nature of dues	Amount involved	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income Tax	576960/-	2008-2009	Commissioner of Income Tax (Appeals)

10. The company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or to debenture holders during the year.
12. In our opinion and according to the information and explanations given to us and based on the information available, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund/ nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long term investment, and vice-versa.
18. According to the information and explanations given to us, the Company has made preferential allotment of 300,000 Equity shares of Rs.10/- each to parties and companies covered in the register maintained under section 301 of the Act during the year issued at Rs. 11.50/-. The terms of the said issue are not prejudicial to the interest of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any monies by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Prateek Jain
Proprietor
M.No. 079214

Place : Indore
Date : 30-05-2014

BALANCE SHEET AS AT 31ST MARCH 2014

Amount in ₹

PARTICULARS	Note	AS AT 31st March, 2014	AS AT 31st March, 2013
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	1	69,652,630	66,652,630
Reserves and Surplus	2	133,457,637	121,656,199
		203,110,267	188,308,829
Non-Current Liabilities			
Long-term borrowings	3	62,762,067	36,266,558
Deferred tax Liability (Net)	4	17,789,455	18,923,990
		80,551,522	55,190,548
Current Liabilities			
Short-term Borrowings	5	26,660,135	35,306,150
Trade Payables	6	16,515,105	10,015,122
Other Current Liabilities	7	41,850,650	37,358,706
Short-term Provisions	8	18,373,667	16,739,689
		103,399,557	99,419,667
TOTAL		387,061,347	342,919,044
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	236,180,781	192,474,415
Intangible Assets	9a	3,614,214	4,183,743
Capital Work-in-progress	10	22,262,406	19,323,332
		262,057,401	215,981,490
Long-term Loans and Advances	11	-	-
Other Non-current Assets	12	10,206,316	11,071,069
Trade receivables	13	71,246,645	62,614,519
Cash and Cash Equivalents	14	6,072,568	16,291,492
Short-term Loans and advances	15	6,149,783	15,466,542
Other Current Assets	16	31,328,634	21,493,932
TOTAL		387,061,347	342,919,044

Significant Accounting Policies
Notes on Financial Statements

1 to 32

As per our report of even date

For and on behalf of the Board

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

Prateek Jain
Proprietor

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

Sudarshan Shastri
Director
DIN - 00155105

Rikita Jain
Company Secretary
M. No. 34274

M.No.079214

Place : Indore

Date : 30-05-2014

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		Amount in (₹)	
		AS AT 31st March, 2014	AS AT 31st March, 2013
1	SHARE CAPITAL		
	Authorised Share Capital		
	100 Lacs Equity Shares of Rs.10/- each	100,000,000	100,000,000
	Issued		
	6965263 Equity Share of ₹ 10/- Each (Previous year 6665263 Equity share)	69,652,630	66,652,630
	Subscribed, Called up and Paid up		
	6965263 Equity Shares of Rs. 10/- each (Previous year 6665263 Equity Shares of Rs.10/- each)	69,652,630	66,652,630
1.1	The details of shareholders holding more than 5% shares	AS AT 31st March, 2014	AS AT 31st March, 2013
	Name of the Shareholder	No. of shares	No. of shares
		% held	% held
	Sunil Choksi	523,192	518,292
	Sitashree Food Products Ltd.	500,000	500,000
	Unique Powergen Consultants Pvt. Ltd.	67,200	467,200
	Vyanges Choksi	447,099	447,099
	Dhansukhbhai Gulabdas Choksi HUF	400,000	404,900
1.2	The reconciliation of the number of shares outstanding is set out below :	AS AT 31st March, 2014	AS AT 31st March, 2013
		No. of shares	No. of shares
	Equity shares at the beginning of the year	6,665,263	6,665,263
	Preferential Allotment of Equity Shares during the year	300,000	-
	Equity shares at the end of the year	<u>6,965,263</u>	<u>6,665,263</u>
1.3	The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share. Dividend on equity shares whenever proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.		
2	RESERVE AND SURPLUS	AS AT 31st March, 2014	AS AT 31st March, 2013
	Capital Reserve		
	As per last Balance Sheet	2,005,500	2,005,500
		2,005,500	2,005,500
	Securities Premium Reserve		
	As per last Balance Sheet	13,360,478	13,360,478
	Add: Premium received on issue of equity shares warrants	150,000	-
		13,510,478	13,360,478
	Profit and Loss Account		
	As per last Balance Sheet	106,290,221	96,068,159
	Add: Profit for the year	11,651,438	10,222,062
		<u>117,941,659</u>	<u>106,290,221</u>
	Total	<u>133,457,637</u>	<u>121,656,199</u>
3	LONG-TERM BORROWINGS		
	Secured		
	From Banks :		
	Term Loan From Axis Bank	33,136,231	31,135,231
	Term Loan From Bank of India	8,723,514	-
	Vehicle Loans From HDFC Bank Ltd.	-	23,892
	From Others :		
	Vehicle Loan From BMW Financial Pvt Ltd.	1,419,728	-

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31st March, 2014	AS AT 31st March, 2013
Unsecured		
From Others :		
Term Loan From Magma Fincorp Ltd.	3,175,002	1,014,630
Term Loan From Religare Finvest Ltd.	521,682	1,864,045
Term Loan from Bajaj Finance Ltd.	-	1,017,660
Term Loan from Tata Capital Financial Services Ltd.	1,770,910	696,100
Term Loan from Viji Finance Ltd.	2,000,000	-
Term Loan from Sunil Choksi (Director)	11,500,000	-
Deposits :		
Deposit From Franchisees	515,000	515,000
	62,762,067	36,266,558

	Rate of Interest	upto 1 year	1-2 years	2-3 years	3-4 years	Beyond 4 Years
3.1 Maturity Profile of Term Loans are set out below:						
Secured : Term Loan from Axis Bank	Base rate + 3.75% p.a.	11,074,000	14,004,000	15,007,231	3,300,000	825000
Secured : Term Loan from Bank of India	13.50% p.a.	5,355,045	4,375,000	4,348,514	-	-
Secured : Vehicle Loans from HDFC Bank	12.00% p.a.	23,891	-	-	-	-
Secured : Vehicle Loans from BMW Finance	9.25% p.a.	895,269	982,658	437,070	-	-
Unsecured: Term Loan from Magma Fincorp Ltd.	20.00% p.a.	1,757,265	1,696,011	1,478,991	-	-
Unsecured: Term Loan from Religare Finvest Ltd.	18.50% p.a.	1,342,363	521,682	-	-	-
Unsecured: Term Loan from Bajaj Finance Ltd.	20.00% p.a.	1,017,660	-	-	-	-
Unsecured: Term Loan from Tata Capital Financial Services Ltd.	19.50% p.a.	1,600,984	1,770,910	-	-	-
Unsecured: Term Loan from Viji Finance Ltd.	12% p.a.	2,000,000	2,000,000	-	-	-
Unsecured: Term Loan from Director Sunil Choksi	-	-	11,500,000	-	-	-

3.2 The Term Loan from Axis Bank is secured by hypothecation of entire movable fixed assets of the Company (present & future) & Equitable mortgage of property at Goa & Indore.

Term Loan from Bank of India is secured by Diverted Plot No. 11, & 12 at Vyaapaar Vikas Parishad, Village Devguradiya & Freehold Land at Kumedi in Indore.

The above loans are also personally guaranteed by the directors Mr. Sunil Choksi & Mr.Vyangesh Choksi.

3.3 All unsecured Term Loans are personally guaranteed by the director Mr. Vyangesh Choksi.

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

4 DEFERRED TAX LIABILITY (Net)	AS AT 31st March, 2014	AS AT 31st March, 2013
Deferred Tax Liability		
Related to fixed assets	22,871,799	21,311,387
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	2,846,502	1,025,579
Others	2,235,841	5,082,344
	17,789,455	18,923,990
TOTAL		

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

9 : TANGIBLE ASSETS For the Period of 01.04.13 to 31.03.14

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Total As on 01.04.2013	Additions during the Year	Deductions during the Year	Total As on 31.03.2014	Up to 31.03.2013	For the Year	Deductions during the Year	Total As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Land (Freehold) Indore	7,452,689	28,268,528	-	35,721,217	-	-	-	-	35,721,217	7,452,689
Land (Leasehold) Goa	5,330,200	-	-	5,330,200	-	-	-	-	5,330,200	5,330,200
Instruments	164,569,800	13,504,703	-	178074503	52,812,295	8,290,425	-	61,102,720	116,971,783	111,757,505
Computers	7,546,545	1,420,843	1,854,014	7113374	4,753,655	776,331	1,824,806	3,705,180	3,408,194	2,792,890
Air Conditioners	1,874,568	330,742	65,571	2139739	317,157	131,613	62,812	385,958	1,753,781	1,557,411
Electrical Installation	9,002,839	1,156,477	-	10159316	3,929,583	701,707	-	4,631,290	5,528,026	5,073,256
Furniture & Fixtures	24,929,336	9,047,365	121,955	33854746	8,820,601	2,112,317	118,960	10,813,958	23,040,788	16,108,735
Buildings	44,121,215	990,127	-	45111342	9,799,142	1,505,359	-	11,304,501	33,806,841	34,322,073
Office Equipment	3,549,006	263,977	-	3812983	1,096,895	176,052	-	1,272,947	2,540,036	2,452,111
Motor Car	9,035,851	3,442,741	1,273,572	11205020	3,840,413	986,921	1,273,572	3,553,762	7,651,258	5,195,438
Motor Cycle	877,486	103,209	39,326	941369	445,379	83,783	16,449	512,713	428,656	432,107
Total	278,289,535	58,528,712	3,354,438	333,463,809	85,815,120	14,764,507	3,296,599	97,283,028	236,180,781	192,474,420
Previous Year	269,263,782	14,985,612	5,959,859	278,289,535	78,192,024	13,131,396	5,508,304	85,815,120	192,474,415	191,071,758

9a : INTANGIBLE ASSETS For the Period of 01.04.13 to 31.03.2014

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Total As on 01.04.2013	Additions during the Year	Deductions during the Year	Total As on 31.03.2014	Up to 31.03.2013	For the Year	Deductions during the Year	Total As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Softwares	6,709,366	567,070	-	7,276,436	2,525,623	1,136,599	-	3,662,222	3,614,214	4,183,743
Total	6,709,366	567,070	-	7,276,436	2,525,623	1,136,599	-	3,662,222	3,614,214	4,183,743
Previous Year	6,507,787	201,579	-	6,709,366	1,470,711	1,054,912	-	2,525,623	4,183,743	5,037,076
Grand Total	284,998,901	59,095,782	3,354,438	340,740,245	88,340,743	15,901,107	3,296,599	100,945,251	239,794,995	196,658,163

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31st March, 2014	AS AT 31st March, 2013
10 CAPITAL WORK IN PROGRESS (AT COST)		
Building	625,692	915,157
Furniture & Fixtures	3,660,530	8,395,790
Instruments	17,976,184	7,794,513
Air Conditioner	-	113,202
Electrical Installation	-	853,238
Computers	-	1,202,717
Office Equipment	-	48,715
	<u>22,262,406</u>	<u>19,323,332</u>
11 LONG-TERM LOANS & ADVANCES		
(Unsecured considered good)		
Recoverable in cash or in kind or for value to be received		
(a) Capital Advances	-	-
(b) Other Loans and Advances	-	-
Note: Due by Directors either severally or jointly with any other persons or due by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL		
	-	-
12 OTHER NON CURRENT ASSETS		
Long Term Trade Receivables	-	-
Others:		
Prepayments & Others	4,639,005	2,163,780
Deposits	5,567,311	5,703,077
Commissioner of Customs (Export) EPCG	-	3,204,212
	<u>10,206,316</u>	<u>11,071,069</u>
13 TRADE RECEIVABLES		
(Unsecured Considered Good)		
:Outstanding for a period exceeding six months	16,116,352	13,578,900
:Others	55,130,293	49,035,619
Note: Due by Directors either severally or jointly with any other persons or by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL		
	<u>71,246,645</u>	<u>62,614,519</u>
14 CASH & CASH EQUIVALENTS		
i) a) Balances with Banks	4,239,317	7,017,261
b) Cheques, Drafts on hand	268,821	588,933
c) Cash on hand	610,028	646,079
ii) Balances with bank to the extent held as margin money or security against the borrowings, guarantees, other commitments		
Bank deposits with less than 12 months maturity	53,661	7,996,064
Bank deposits with more than 12 months maturity	900,741	43,155
	<u>6,072,568</u>	<u>16,291,492</u>
15 SHORT TERM LOANS & ADVANCES		
(Unsecured Considered Good)		
Advances for Capital Assets	1,000,000	14,601,000
Loans to other body corporates other than related parties	-	267,105
Misc advances	3,929,706	-
Service Tax Credit Unutilised	1,220,077	598,437
Note: Due by Directors either severally or jointly with any other persons or by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL		
	<u>6,149,783</u>	<u>15,466,542</u>
16 OTHER CURRENT ASSETS		
Income Tax Refundable	14,874,872	9,190,536
Minimum Alternative Tax Credit Entitlement	1,005,302	-
Tax Deducted at Source	11,456,276	9,600,745
Prepayments & Others	2,351,728	2,393,911
Advance to staff	123,339	50,029
Advance to suppliers	1,517,117	258,711
	<u>31,328,634</u>	<u>21,493,932</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31st March, 2014		AS AT 31st March, 2013	
17 REVENUE FROM OPERATIONS				
a) Sale of Services	221,615,320		191,481,109	
Less: Service Tax	23,294,698	198,320,622	20,531,913	170,949,196
b) Other Operating Revenues:				
Net gain on foreign currency transactions	294,482		18,413	
Miscellaneous Income	249,546	544,028	87,744	106,157
		<u>198,864,650</u>	<u>171,055,353</u>	
18 OTHER INCOME				
Interest on FDR		464,883		458,558
Interest on IT Refund		-		268,915
Interest Received from Others		24,205		107,641
Profit on sale of Fixed Assets		463,161		-
		<u>952,249</u>		<u>835,114</u>
19 COST OF MATERIALS CONSUMED				
	% of consumption		% of consumption	
Imported	-		0.16%	33,465
Indigenous	100%	24,177,563	99.84%	20,384,961
	<u>100%</u>	<u>24,177,563</u>	<u>100%</u>	<u>20,418,426</u>
19.1 PARTICULARS OF MATERIALS CONSUMED				
Glassware		1,152,478		885,439
Chemicals		14,766,661		13,138,751
Consumable		8,258,424		6,394,236
		<u>24,177,563</u>		<u>20,418,426</u>
20 EMPLOYEE BENEFITS EXPENSES				
* Salaries and allowances to staff		57,833,380		46,942,733
Contribution to provident fund		3,104,577		2,700,198
Contribution to ESIC		1,121,241		952,226
Bonus to Staff		2,536,749		2,187,500
Group Gratuity Premium of LIC		1,919,909		1,349,418
EDLI Premium to LIC		80,000		72,270
Staff Welfare		460,537		382,500
Directors Remuneration		5,315,000		4,860,000
		<u>72,371,393</u>		<u>59,446,845</u>
20.1 As per Accounting Standrad 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below:				
1) Defined Contribution Plans		As at 31/03/2014		As at 31/03/2013
Contribution to Defined Contribution Plans, recognised as expense for the year is as under:				
Employer's Contribution to Provident Fund		4,225,818		3,652,424
2) Defined Benefit Plan				
The employees' gratuity Fund Scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, 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.				
i) Assumption As on		31/03/2014		31/03/2013
* Discount Rate		8.00%		8.00%
ii) Reconciliation of opening and closing balances of Defined Benefit Obligation		As at 31/03/2014		As at 31/03/2013
Present value of obligations as at beginning of year		5,122,180		4,080,117
Interest cost		409,774		326,409
Current Service Cost		862,264		681,336
Benefits Paid		(60,636)		(308,869)
Actuarial (gain)/ loss on obligations		691,406		343,187
Present value of obligations as at end of year		<u>7,024,988</u>		<u>5,122,180</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31st March, 2014	AS AT 31st March, 2013
iii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of plan assets at beginning of year	1,203,154	904,272
Expected return on plan assets	129,108	86,751
Contributions	600,000	521,000
Benefits Paid	(60,636)	(308,869)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1,871,626	1,203,154
iv) Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	1,203,154	904,272
Actual return on plan assets	129,108	86,751
Contributions	600,000	521,000
Benefits Paid	(60,636)	(308,869)
Fair value of plan assets at the end of year	1,871,626	1,203,154
Funded status	(5,153,362)	(3,919,026)
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)		
v) Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	(691,406)	(343,187)
Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	691,406	343,187
Actuarial (gain)/ loss recognized in the year	691,406	343,187
vi) The amounts to be recognized in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	7,024,988	5,122,180
Fair value of plan assets as at the end of the year	1,871,626	1,203,154
Funded status	(5,153,362)	(3,919,026)
Net asset/(liability) recognized in the balance sheet	(5,153,362)	(3,919,026)
vii) Expenses Recognised in statement of profit and loss		
Current Service cost	862,264	681,336
Interest Cost	409,774	326,409
Expected return on plan asset	(129,108)	(86,751)
Net Actuarial (gain)/ loss recognized in the year	691,406	343,187
Expenses recognised in statement of Profit and loss	1,834,336	1,264,181
21 FINANCE COSTS		
Interest to Bank		
(a) on Term Loans	5,714,825	4,601,929
(b) on Working Capital Loans	3,654,810	3,744,776
Interest to Others	1,750,291	2,418,313
Bank charges	780,971	563,610
	11,900,897	11,328,628
22 OTHER EXPENSES		
22.1 Direct Expenses		
Laboratory Expenses	7,036,410	5,742,412
Power & Fuel Charges	6,676,043	5,334,463
Insurance: Instruments & Building	136,658	144,750
Freight / Transportation Charges	136,261	186,555
Testing Charges	1,558,779	1,182,051
NABL/BIS/NPL - Asstt. Charges	319,586	512,435
Repair & Maintenance – Instruments	6,964,453	5,313,991
Repair & Maintenance – Building	1,031,271	1,462,982
Training & Certification Charges	547,251	256,846
	24,406,712	20,136,485

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	AS AT 31st March, 2014	AS AT 31st March, 2013
22.2 Selling and Distribution Expenses		
Advertisement Expenses	766,169	153,875
Business Promotion Expenses	2,174,563	2,129,265
Commission & Brokerages	2,563,748	2,718,302
Discount Allowed	604,408	943,621
Bad Debts Written Off	676,882	695,056
	<u>6,785,770</u>	<u>6,640,119</u>
22.3 Establishment Expenses		
Security Service Charges	1,114,132	921,543
Housekeeping Charges	825,180	402,755
Telephone & Mobile Expenses	772,346	814,043
Internet Expenses	1,033,234	1,046,965
Postage & Courier Charges	1,130,283	838,229
Conveyance Expenses	503,574	484,746
Vehicle Running & Maintenance	1,228,630	1,206,426
Computer Expenses	2,667,461	2,400,522
Guest House Expenses	115,551	79,265
Printing & Stationery Expenses	2,857,546	2,106,871
Books & Periodicals	203,375	137,495
Directors' Sitting Fees	24,000	18,000
Rent Charges	5,319,137	5,127,915
Insurance on Vehicle	137,757	93,526
Insurance on Others	433,828	302,013
Garden Maintenance Charges	67,233	62,333
Office Expenses / Maintenance charges	628,968	499,255
Repair & Maintenance Charges	223,474	209,096
Membership Fees & Subscriptions	98,176	52,439
Placement Expenses	119,000	190,625
Legal Expenses	215,388	298,883
Professional Charges	2,760,915	2,454,897
Auditor's Remuneration	175,000	175,000
Rates & Taxes	554,982	510,153
Registration / Filing / Licence Renewal Fees	92,868	41,251
Listing Fees	145,000	74,512
Penalty Charges	93,626	13,800
Donation	48,000	50,101
Travelling Expenses	4,404,965	4,443,678
Loss on Sale of Fixed Assets	-	232,555
	<u>27,993,629</u>	<u>25,288,892</u>
Total	59,186,111	52,065,496
23.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
	2013-14	2012-13
Capital Goods	4,178,277	2,239,192
Consumables	966,140	796,708
	<u>5,144,417</u>	<u>3,035,900</u>
23.2 PAYMENT TO AUDITORS AS:		
Statutory Audit Fees	175,000	175,000
Certification & Other Services	32,500	42,840
	<u>207,500</u>	<u>217,840</u>
23.3 EXPNDITURE IN FOREIGN CURRENCY		
Travelling Expenses	611,690	617,606
Membership Fees	59,840	-
	<u>671,530</u>	<u>617,606</u>
24 EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	3,773,177	670,540
25 EARNINGS PER SHARE (EPS)		
i) Net Profit for the year attributable to equity shareholders	11,651,438	10,222,062
ii) Weighted Average number of Equity Shares for Basic EPS	6,965,263	6,665,263
iii) Weighted Average number of Equity Shares for Diluted EPS	6,965,263	6,665,263
iv) Face Value per equity share Amount in (₹)	10	10
v) Earnings per Share (Basic)	1.67	1.53
vi) Earnings per Share (Diluted)	1.67	1.53

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

27. Related Party Disclosures :

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

1. Related Parties

(a) Individual having control & Key Management Personnel

Mr. Sunil Choksi	Managing Director
Mrs. Himika Varma	Jt. Managing Director
Mrs. Stela Choksi	Whole Time Director
Mr. Vyangesh Choksi	Whole Time Director

(b) Relatives of KMP

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

(c) Enterprises having control by the KMP or relatives Choksi Holding Company Private Limited.

2. Disclosure of transactions between the Company and Related Parties and the Status of outstanding balances as at March 31, 2014:

Nature of Transactions	Individual having Control and KMP	Relatives of KMP	Enterprises Having Control	Outstanding balance as on 31-03-2014
Remuneration	5315000	Nil	---	421793
Commission	---	1013184	---	259711
Salary	---	480000	---	36201
Rent	300000	1136820	---	270000
Deposit Given	---	Op.Bal. 20 Lacs	---	2000000
Loan Taken	12200000	---	---	11500000
Loan Repaid	700000	---	---	11500000
Preferential Shares issued	---	---	3,150,000	---

27. Operating Leases :

i)	Obligation on Non-cancelable operating leases :	
	a) not later than one year	7,22,029
	b) later than one year and not later than five years	1,57,536
	c) later than five years	7,48,296
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	53,19,137
iv)	Sub lease 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
	a) Description of the assets taken on operating lease	Basis taken as per the lease agreements with the lessor
	b) Basis on which contingent rent payments are determined	All lease agreements are general and can be renewed after expiry of the lease period. No purchase options specifically mentioned in the agreement.
	c) Terms of renewal or purchase options and escalation clauses of lease arrangements	Not to sub-lease
	d) Restrictions imposed by lease agreements, if any	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2014 at 10.30 a.m. at 6/3, Manoramaganj, Indore and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.

Affix Revenue Stamp Signed this.....day of2014.

Signature of shareholder(s)

Signature of Proxy holder(s)Note:



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

Notes:

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

Choksi Laboratories Limited

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

ATTENDANCE SLIP

21st ANNUAL GENERAL MEETING held on 30th Sepetmber , 2014

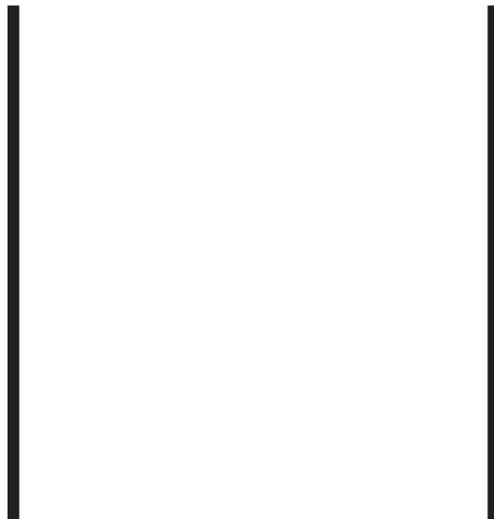
DP ID		Name & Address of Registered shareholder
Client ID		
No. of shares(s) held		

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

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company convened at 10.30 a.m. on Tuesday, September 30, 2014 at 6/3, Manoramaganj, Indore (M.P.)-452001.

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

Note: Please complete this and hand it over at the entrance of the hall.



Book - Post

To,

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

RADIANT PRINTERS ☎ 2538485

Corporate Office & Central Laboratory :
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 Fax : +91 731 2490 593
 Email : indore@choksilab.com
 Website : www.choksilab.com

CIN- L85195MP1993PLC007471

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	Choksi Laboratories Limited
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	NA
5.	To be signed by:	
	<ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee of Chairman 	  

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