

23rd
ANNUAL REPORT
2015 - 2016



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
(Haryana)
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. 022-25963838
Fax : No. 022-25946969

BOARD OF DIRECTORS :

Mr. Sunil Choksi - Managing Director
Mrs. Stela Choksi - Whole-time Director
Mr. Vyangesh Choksi - Whole-time Director & CFO
Mr. Sudarshan Shastri - Independent Director
Mr. Pradip Karmakar - Independent Director
Mr. Satish Chandra Joshi - Independent Director
Mr. N. K. Mani – Independent Director

Mrs. Himika Choksi - Chief Operating Officer
(From 21.03.2016)

COMPANY SECRETARY & COMPLIANCE OFFICER :

Mr. Abhishek Sharma

AUDITORS :

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

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

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of the Company will be held on Tuesday, 27th day of September, 2016 at 11.00 A.M. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Stela Choksi (DIN: 00155043) who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, M/s Prateek Jain & Co., Chartered Accountants (ICAI Firm Registration No. 009494C) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) to till the conclusion of next Annual General Meeting of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

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

TO DETERMINE FEE FOR SERVICE OF DOCUMENTS TO MEMBER(S) THROUGH A REQUESTED MODE:

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed there under, whereby a document may be served on any member(s) by the company entitled under the Companies Act, 2013, by sending it to him/her by post or by registered post or by speed post or by courier or by electronic or other mode as may be prescribed, the consent of the company be and is hereby accorded to charge from the member(s) the fee in advance equivalent to the estimated expenses of delivery of the documents, pursuant to any request made by the member(s) for delivery of such document to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the company and that no such request shall be entertained by the company to post / dispatch of such document by the company without receiving requisite fee in advance from the member (s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Board of Director of the company be and is hereby authorized to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all acts, deeds, matters and things as may be necessary, proper or desirable or expedient to give effect to above resolution."

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

REAPPOINTMENT OF MANAGING DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions if any, and in terms of schedule V of the Companies Act 2013 as amended up to the date for the reappointment of Shri Sunil Choksi, as Managing Director (DIN: 00155078) of the Company be and is hereby approved for a period of 3 (Three) years w.e.f. 01.09.2016 on the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors to sanction and/or vary the terms as they in their discretion deem fit in conformity with any amendments to relevant provisions of the Companies Act and/or the Rules and Regulations made in there under and/or such guidelines as may be announced by the Central Government from time to time."

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

REAPPOINTMENT OF WHOLE TIME DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions if any, and in terms of schedule V of the Companies Act 2013 as amended up to the date for the reappointment of Smt. Stela Choksi, as Whole Time Director (DIN: 00155043) of the Company be and is hereby approved for a period of 3 (Three) years w.e.f.

01.09.2016 on the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors to sanction and/or vary the terms as they in their discretion deem fit in conformity with any amendments to relevant provisions of the Companies Act and/or the Rules and Regulations made in there under and/or such guidelines as may be announced by the Central Government from time to time.”

7. To consider and if thought fit to pass with or without modification the following resolutions as Ordinary Resolution:-

REAPPOINTMENT OF WHOLE TIME DIRECTOR:

“RESOLVED THAT pursuant to the provisions of sections 196, 197 and other applicable provisions if any, and in terms of schedule V of the Companies Act 2013 as amended up to the date for the reappointment of Shri Vyangesh Choksi, as Whole Time Director (DIN: 00154926) of the Company be and is hereby approved for a period of 5 (Five) years w. e. f. 01.09.2016 on the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors to sanction and/or vary the terms as they in their discretion deem fit in conformity with any amendments to relevant provisions of the Companies Act and/or the Rules and Regulations made in there under and/or such guidelines as may be announced by the Central Government from time to time.”

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

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

Item No.4:

As per the provisions of Section 20 of the Companies Act, 2013, a member may request for delivery of document through a particular mode, for which the member is entitled under the Companies Act, 2013, shall pay such fees as may be determined by the Company in its annual general meeting. Since the cost of providing documents may vary according to the mode of service, weight and its destination etc., therefore it is proposed that estimated expenses borne by the Company for such dispatch will be paid in advance by the member to the company.

The Board recommends the resolution at item no. 4 for the approval of the Shareholders. No Director of the Company, Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Item No. 5:

Shri Sunil Choksi was appointed as Managing Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint him as Managing Director for a period of 3 (Three) years from 1st September, 2016 on the terms and conditions mentioned hereunder:

- | | | |
|----|---------------------|-------------------------------------|
| 1. | Period of Agreement | 3 (Three) years w. e. f. 01.09.2016 |
| 2. | Salary | ₹ 3,00,000 – 4,00,000 pm |

Perquisites and Allowances:

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

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

Minimum Remuneration:

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

The proposed Resolution is recommended for passing.

This may be treated as an abstract of the draft agreement between the company and Shri Sunil Choksi pursuant to Section 190 of the Companies Act 2013.

Except Shri Sunil Choksi, Smt. Stela Choksi and Shri Vyangesh Choksi, none of the other Directors and Key Managerial

Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution.

Item No. 6:

Smt. Stela Choksi was appointed as Whole Time Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint her as Whole Time Director for a period of 3 (Three) years from 1st September, 2016 on the terms and conditions mentioned hereunder:

- | | |
|------------------------|-------------------------------------|
| 1. Period of Agreement | 3 (Three) years w .e. f. 01.09.2016 |
| 2. Salary | ₹ 2,00,000 – 2,50,000 pm |

Perquisites and Allowances:

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

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

Minimum Remuneration:

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

The proposed Resolution is recommended for passing.

This may be treated as an abstract of the draft agreement between the company and Smt. Stela Choksi pursuant to Section 190 of the Companies Act 2013.

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

Item No. 7:

Shri Vyangesh Choksi was appointed as Whole Time Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint him as Whole Time Director for a period of 5 (Five) years from 1st September, 2016 on the terms and conditions mentioned hereunder:

- | | |
|------------------------|------------------------------------|
| 1. Period of Agreement | 5 (Five) years w. e. f. 01.09.2016 |
| 2. Salary | ₹ 2,00,000 – 3,00,000 pm |

Perquisites and Allowances:

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

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

Minimum Remuneration:

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

The proposed Resolution is recommended for passing.

This may be treated as an abstract of the draft agreement between the company and Shri Vyangesh Choksi pursuant to Section 190 of the Companies Act 2013.

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

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

DATE : 12.08.2016

PLACE : INDORE

**ABHISHEK SHARMA
COMPANY SECRETARY**

NOTES:

1. **The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 4 to 7 set out above and the details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors proposed to be appointed/re-appointed at the Annual General Meeting, is annexed hereto.**
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.** The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered office of the Company not less than FORTY- EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member. Proxies shall not have any right to speak at the meeting.
3. The register of members and transfer books of the Company shall remain closed from 25th day of September, 2016 to 27th day of September, 2016 (both days inclusive) for the purpose of Annual General Meeting.
4. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring copies to the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.
6. Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at 6/3, Manoramaganj Indore-M.P. at least seven days before the date of the Meeting.
7. Corporate members intending to send their authorized representatives to attend the meeting are requested to lodge a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate not later than 48 (forty eight) hours before commencement of the meeting authorizing such person to attend and vote on its behalf at the meeting.
8. The Notice is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).
9. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
10. Members / Proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to inform company of any change in their address immediately so as to enable the company to dispatch any further communication at their correct address.
11. 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.

SECTION A - E-VOTING PROCESS:

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

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

Step 3: Select the Electronic Voting Sequence Number (EVSN) i.e. "160822054" along with "COMPANY NAME" i.e. "Choksi Laboratories Limited" from the drop down menu and click on "SUBMIT".

Step 4: Please enter User ID -

- a. For account holders in CDSL :- Your 16 digits beneficiary ID
- b. For account holders in NSDL :- Your 8 Character DP ID followed by 8 Digits Client ID
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

Step 6: If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

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

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

Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

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

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

Step 9: First time user holding shares in Demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system. Members holding shares in physical form will then directly reach the Company selection screen.

Step 10: Click on the EVSN of the Company i.e. "160822054" to vote.

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

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

Step 13: After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

1. The e-Voting period commences on From 10.00 A.M. (IST) on 23rd September, 2016 and ends on upto 05.00 P.M. (IST) on 26th September, 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut off date (record date) of 20th September, 2016 may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
2. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the Paid Up Equity Share Capital of the Company.
4. CS Devendra Kumar Jain, Practicing Company Secretary, Membership No.: ACS 31994, COP No. 13319, Address: UG-26, Johari Palace, Near T.I. Mall, M.G. Road, Indore (M.P.) -452001 (India), Email ID csdevendrajain@gmail.com, has been appointed as the Scrutinizer to scrutinize the e-Voting process.
5. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same, provided that the chairman or a person authorized by him in writing who shall countersign the same.
6. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.choksilab.com and on the website of CDSL <https://www.evotingindia.co.in> within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.
7. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
8. For Members holding shares in physical form, the password and default number can be used only for e-Voting on the resolutions given in the notice.
9. Institutional Shareholders (i. e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity helpdesk.evoting@cdslindia.com.
10. They should also upload a scanned copy of the Board Resolution / Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the vote.
11. You can also update your mobile number and E-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
12. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com.

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

**DATE : 12.08.2016
PLACE : INDORE**

**ABHISHEK SHARMA
COMPANY SECRETARY**

ANNEXURE TO NOTICE

Details of Directors seeking Appointment / Re-appointment

Name of Director	Date of Birth	No. of Shares Held	Qualification	Nature of Expertise	Name of the Company in which Director holds Directorship	Name of the Committee of the Company in which Director holds Membership & Chairmanship
Mr. Sunil Choksi DIN: 00155078 Appointed on 01/09/2008	09/07/1955	523192	B.Sc.	More than 30 years of experience in analytical services & research.	1. Choksi Holding Company Private Limited	NIL
Mrs. Stela Choksi DIN: 00155043 Appointed on 01/04/2011	05/06/1956	220200	B.Sc.	Administration	NIL	NIL
Mr. Vyangesh Choksi DIN:00154926 Appointed on 01/08/2009	04/12/1979	447099	BCA MCSA MCSE GAMP	IT, Finance and General Administration	1. Choksi Holding Company Private Limited 2. Brucke Consulting Private Limited 3. Choksi Toxlab Private Limited 4. Auro Vision Infotech And Marketing Private Limited	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure presenting the 23rd Annual Report alongwith Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(Rs. In lacs)

	(31.03.2016)	(31.03.2015)
Operational Receipts	2230.48	2197.46
Other Income	1.49	17.26
Profit/(Loss) on Sale of Fixed Assets	-	46.89
Profit before Depreciation, Interest & Tax	509.81	577.56
Depreciation	273.21	282.97
Interest	122.69	156.75
Provision for tax	70.40	55.25
Income Tax Earlier year	0.35	0.60
Deferred Tax Liability for Current Year	(29.02)	(6.13)
Net Profit	72.18	88.12
Balance brought forward	1079.47	1179.41
Less : Fixed assets W/o due to transitional provisions of the Act	-	(188.06)
Balance carried to Balance Sheet	1151.65	1079.47

OPERATIONS

The turnover for the year under review was Rs. 2230.48 Lacs as compared to Rs. 2197.46 Lacs in the previous year. The Company has recorded a profit before depreciation, interest and tax of Rs. 509.81 Lacs during the year as compared to Rs. 577.56 Lacs in the previous year and recorded a profit after tax of Rs. 72.18 Lacs during the year as compared to Rs. 88.12 Lacs during the previous year.

EXTRACT OF ANNUAL RETURN

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

MEETINGS OF THE BOARD

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

DIRECTORS

Smt. Stela Choksi (DIN: 00155043), Executive, Whole-time Director of the Company retire by rotation and being eligible offer herself for re-appointment. Board recommends her reappointment as director of the Company.

Shri Sunil Choksi was appointed as Managing Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint him as Managing Director for a period of 3 (Three) years from 1st September, 2016.

Smt. Stela Choksi was appointed as Whole Time Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint her as Whole Time Director for a period of 3 (Three) years from 1st September, 2016.

Shri Vyangesh Choksi was appointed as Whole Time Director for a period of 3 (Three) years up to 31st August, 2016, the Board of Directors of the Company has considered it desirable to reappoint him as Whole Time Director for a period of 5 (Five) years from 1st September, 2016.

All the Independent Directors qualify all the requirements of sub-section (6) of section 149 of the Companies Act, 2013 and Listing Agreement & shall abide the code of Independent Directors.

Policy on Director's appointment and remuneration

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures.
- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts on a going concern basis.
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

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

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

No complaint pertaining to sexual harassment were received during FY 2015-2016.

AUDIT COMMITTEE

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

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

AUDITORS

M/s. Prateek Jain & Co. Chartered Accountants, Indore, Statutory Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

AUDIT REPORT

The Auditors, in their report have referred to the Notes forming part of the Account; the notes are self explanatory and need no comments. The Auditors' Report for the financial year 2015-2016 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

No frauds have been reported by the Auditors under Section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

SECRETARIAL AUDITOR

The Board has appointed M/s. M. Maheshwari & Associates., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-2017. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed here with marked as Form No. MR- 3 to this Report. The Secretarial Audit Report does not contain any qualification or observation or adverse remark does not call for any further comments.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

DIVIDEND

In order to conserve the resources of the Company and retain internal accruals for funding growth and maximizing capacity so that Company generates a good return for shareholders in the long run, the Board of Directors do not propose dividend for the year ended 2015-16.

PUBLIC DEPOSITS

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

Report on Corporate Governance and Management Discussion and Analysis Report, in terms of Clause 49 of the Listing Agreement are annexed and form part of this Annual Report. A certificate from the Auditors confirming compliance with the conditions of Corporate Governance is also annexed.

DECLARATION BY INDEPENDENT DIRECTORS

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

COMMITTEES OF THE BOARD

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

TRANSFER TO RESERVES

During the year the Board of Directors have decided not to transfer any amount to the reserves for the financial year ended 31st March, 2016.

BOARD EVALUATION

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

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective 1st December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited on 13th February, 2016.

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 2016-17.

DEMAT STATUS

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

BUSINESS RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

CORPORATE SOCIAL RESPONSIBILITY

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

PREVENTION OF INSIDER TRADING

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

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

DECLARATION FROM MANAGING DIRECTOR & CFO CERTIFICATION

The Board of Directors have received declaration from Managing Director and certificate from CFO under Clause 49(v) of listing agreement. The Certificate have been enclosed in the Corporate Governance Report, is annexed herewith marked as "Declaration from Managing Director" & "CFO Certificate Under Clause 49 (IX)".

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange outgo :	a.	Imports	: Rs. 51,241,683/-
	b.	Travelling Expenses	: Rs. 751,165/-
	c.	Interest on Foreign Currency loan to bank	: Rs. 134,761/-

Foreign Exchange Earnings : Rs. 35,16,427/-

ACKNOWLEDGEMENT

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

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

**DATE: 12.08.2016
PLACE: INDORE**

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

**SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

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

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

Based on our verification of the **CHOKSI LABORATORIES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **March 31, 2016** according to the provisions of:

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1999- **Not applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review.**

vi Taking into consideration, business activities of the Company, there are no specific regulator / law whose approval is required for undertaking business operations of the Company and hence no comment is invited in respect of the same. We have in principally verified existing systems and mechanism which is followed by the Company to ensure compliance of other applicable Laws like Labour Laws etc and have relied on the representation made by the Company and its officers in respect of aforesaid systems and mechanism for compliances of other applicable Acts, Laws and Regulations and found the satisfactory operation of the same.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings. These Standards were applicable with effect from July 1, 2015 and have been taken into consideration for all meetings of the Company held thereafter.
- (ii) The Listing Agreements entered into by the Company with the Exchanges read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

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

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

Note : This Report is to be read with our letter dated 12th August 2016 which is annexed as Annexure A and forms an integral part of this report.

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

Date : 12th August, 2016
Place : Indore

To,
The Members,

CHOKSI LABORATORIES LIMITED

CIN: L85195MP1993PLC007471

6/3,MANORAMA GANJ, INDORE

(M. P.) - 452001

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

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

For M. Maheshwari & Associates
Company Secretaries

Manish Maheshwari
FCS-5174
CP-3860

Date: 12th August, 2016
Place: Indore

Form No. AOC-2

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

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

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

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

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

S. No.	Particulars	Sunil Choksi	Stela Choksi	Vyangesh Choksi	D G Choksi HUF	Khyati Choksi	Neeta Shah
a)	Name(s) of the related party and nature of relationship:	Managing Director	Whole time Director	Whole time Director	Director's HUF	Spouse of Director	Sister of Director
b)	Nature of contracts/ arrangements/transactions:	Remuneration paid & Loan Recd.	Remuneration paid & Rent Paid	Remuneration paid & Loan Recd. & Repaid	Rent Paid	Salary Paid	Commission Paid
c)	Duration of the contracts / arrangements/transactions:	12 Mths.	12 Mths.	12 Mths.	12 Mths	12 Mths.	12 Mths.
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	27.00 Lakhs & 40.00 Lakhs	21.00 Lakhs & 03.00 Lakhs	14.40 Lakhs & 13.50 Lakhs	11.37 Lakhs	4.80 Lakhs	6.35 Lakhs
e)	Justification for entering into such contracts or arrangements or transactions:	Int. Free Loan from Director	Rent of Baroda	Int. Free Loan from Director	Rent of Indore & VAPI Lab	JOB at Indore	Franchisee Commission for Gujrat
f)	Amount paid as advances, if any:	No	No	No	No	No	No

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

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

**SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078**

**DATE: 12.08.2016
PLACE: INDORE**

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L85195MP1993PLC007471
- ii) Registration Date: 29/01/1993
- iii) Name of the Company: CHOKSI LABORATORIES LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares/ Indian Non-Government Company.
- v) Address of the Registered office and contact details: 6/3, Manorama Ganj, Indore, Madhya Pradesh.
- vi) Whether listed company: Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
M/s. Link Intime India Private Limited
C – 13, Kantilal Maganlal Estate, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai - 400 078
Tel No: 022-25963838 Ext. : 2293, 2289
Fax No: 022 - 25946969
Email : rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
g) Individual/ HUF	1891754	Nil	1891754	27.16	1891754	Nil	1891754	27.16	Nil
h) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
j) Bodies Corp.	300000	Nil	300000	4.31	300000	Nil	300000	4.31	Nil
k) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
l) AnyOther....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	2191754	Nil	2191754	31.47	2191754	Nil	2191754	31.47	Nil

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2191754	Nil	2191754	31.47	2191754	Nil	2191754	31.47	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) StateGovt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others(specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1) :-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	699708	210000	909708	13.06	714908	210000	924908	13.27	0.21
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1437842	763615	2201457	31.61	1332205	758115	2090320	30.01	-1.6
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1412717	207000	1619717	23.25	1370961	207000	1577961	22.65	-0.6
c) Others (specify)	42627	Nil	42627	0.61	180320	Nil	180320	2.60	1.99
Sub-total (B)(2):-	3592894	1180615	4773509	68.53	3598394	1175115	4773509	68.53	0
Total Public Shareholding (B)= (B)(1)+ (B)(2)	3592894	1180615	4773509	68.53	3598394	1175115	4773509	68.53	0
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	5784648	1180615	6965263	100	5790148	1175115	6965263	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sunil Choksi	523192	7.51	Nil	523192	7.51	Nil	Nil
2	Vyangesh Choksi	447099	6.42	Nil	447099	6.42	Nil	Nil
3	Dhansukbhai Gulabdas Choksi HUF	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
	Total	2191754	31.47	Nil	2191754	31.47	Nil	Nil

(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
	Total	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	Sita Shree Food Products Limited	500000	7.18	Nil	Nil	Nil	500000	7.18
2	Pratap Singh Hardia	250000	3.59	Nil	Nil	Nil	250000	3.59
3	Quest Laboratories Pvt. Ltd.	142200	2.04	Nil	Nil	Nil	142200	2.04
4	Sakar Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
5	Dheeraj Kumar Lohia	-	-	Nil	Nil	Nil	108486	1.55
6	Lucky Fofriya	100000	1.44	Nil	Nil	Nil	100000	1.44
7	Purshottam Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
8	Alka Jain	75000	1.08	Nil	Nil	Nil	75000	1.08
9	Sonia Gulati	76221	1.09	Nil	Nil	Nil	76221	1.09
10	Midland Polymers Ltd.	-	-	Nil	Nil	Nil	67200	0.96
	Total	1343421	19.3				1519107	21.81

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	61503328	25410698	Nil	86914026
ii) Interest due but not paid	469450	Nil	Nil	469450
iii) Interest accrued but not due.	Nil	Nil	Nil	Nil
Total (i+ii+iii)	61972778	25410698	Nil	87383476
Change in Indebtedness during the financial year?				
• Addition	49890291	13500000	Nil	63390291
• Reduction	32985407	8791135	Nil	41776542
Net Change	16904884	4708865	Nil	21613749
Indebtedness at the end of the financial year				
i) Principal Amount	78877662	30119563	Nil	108997225
ii) Interest due but not paid	742912	67500	Nil	810412
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	79620574	30187063	Nil	109807637

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Sunil Choksi	Stela Choksi	Vyangesh Choksi	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2700000	2100000	1440000	6240000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify				
	Total (A)	2700000	2100000	1440000	6240000
	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	24000	2000	2000	24000	52000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	24000	2000	2000	24000	52000
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	24000	2000	2000	24000	52000
	Total					6292000
	Managerial					
	Overall Ceiling as per the Act	As per Schedule V.				

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

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

A. OPPORTUNITIES AND THREATS

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.

B. 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.

C. 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.

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

E. FINANCIAL AND OPERATIONAL PERFORMANCE

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

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees across various locations. 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. During the year under review, various training and development programmes were conducted to improve the competency level of employees with an objective to improve the operational performance of individuals, which are viewed as key drivers of their personal growth and the success of CLL.

G. CAUTIONARY STATEMENT

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

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

REPORT ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE), the Directors present the Company's Report on Corporate Governance.

1. Company Philosophy of Corporate Governance.

The Company's Corporate Governance policy is the ideology of transparency and openness in the effective working of the management and Board. It is believed that the imperative for good Corporate Governance lies not merely in drafting a code of Corporate Governance but in practicing it. Your Company confirms the compliance of Corporate Governance under Clause 49 of the Listing Agreement and as contained in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR Regulations)") as amended.

2. Best Corporate Governance Practices.

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

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

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

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

4. Board of Directors.

Composition:

The Company has a balanced mix of executive and nonexecutive Independent Directors. As at 31.03.2016, the Board of Directors comprises of 7 (Seven) Directors, out of which 3 (Three) are executive, including 1 (One) woman director and 4 (Four) are non-executive Independent Directors. The Chairman is executive and a Promoter of the Company.

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

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

Number of Board Meetings held and the dates on which held

During the year under review a total of 8 (Eight) Board Meetings were held. The details of the date(s) on which the meetings were held are as follows:

01st May, 2015	30th May, 2015	04th July, 2015	13th August, 2015	01st Sept., 2015	03rdNov., 2015	13th Feb., 2016	21st March, 2016
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Meetings of Independent Directors:

During the year under review, the Independent Directors met on 03rd July, 2015, inter alia, to discuss:

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

All the Independent Directors were present at the Meeting.

5. Performance Evaluation.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

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

The Directors expressed their satisfaction with the evaluation process.

6. Committees Of The Board.

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

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

Audit Committee.

Power of the Audit Committee

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

Terms of Reference and Role of Audit Committee

The scope and function of the Audit Committee is to regularly review the internal control, systems and procedures, accounting policies and other matters that protect the interest of the stakeholders, ensure compliance with the laws, and monitor with a view to provide effective supervision of the management’s process, ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The composition, procedures, powers and role/functions of the Audit Committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013. Role of Audit Committee includes the following:

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

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

COMPOSITION:

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

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

MEETINGS AND ATTENDANCE:

During the financial year ended 31st March, 2016, 6 (Six) meetings of the Audit Committee were held, as follows:

30th May, 2015	13th August, 2015	01st Sept., 2015	03rd Nov., 2015	13th Feb., 2016	21st March, 2016
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1. Attendance of each Member at the Audit Committee meetings held during the year

Name	Number of Meetings during the year 2015-16	
	Held	Attended
Mr. Sudarshan Shastri	6	6
Mr. Satish Chandra Joshi	6	0
Mr. N.K. Mani	6	6

Nomination and Remuneration Committee.

Description and Role of the Nomination & Remuneration Committee:

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

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

COMPOSITION:

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

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

Remuneration paid to the Directors during 2015-16 :

Sr.	Name of the Director	Nature of Directorship	(Rs.) Salary and Perquisites	(Rs.) Sitting Fee
1	Mr. Sunil Choksi	Executive	*27,00,000/-	-
2	Mrs. Stela Choksi	Executive	*21,00,000/-	-
3	Mr. Vyangesh Choksi	Executive	*14,40,000/-	-
4	Mr. Sudarshan Shastri	Non-Executive	-	24,000/-
5	Mr. Pradip Karmakar	Non-Executive	-	2,000/-
6	Mr. N.K. Mani	Non-Executive	-	24,000/-
7	Mr. Satish Chandra Joshi	Non-Executive	-	2,000/-

Notes

1. The remuneration to the executive directors is being paid as per the approval of the shareholders at the general body meeting.
2. 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.
3. *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.
4. *Salary and perquisites includes provident Fund and Gratuity etc.
5. Presently, the Company does not have a scheme for grant of Stock Options either to the executive directors or employees.
6. Mr. Sunil Choksi, Mrs. Stela Choksi and Mr. Vyangesh Choksi are related to each other. All other directors do not have any pecuniary relationship with the Company, other than receipt of sitting fee.
7. Non- executive Directors are entitled only for sitting fees for attending meetings of the Board and Committees and no remuneration is payable to them.
8. The company does not pay commission or performance linked incentives to any of the directors.

Stakeholder Relationship Committee.

Role of the Stakeholder Relationship Committee:

The Stakeholders Relationship Committee comprises of 3 Non-Executive Directors, all of whom are Independent Directors. The Stakeholders Relationship Committee’s constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 20 and Part D of Schedule VI of the SEBI (LODR Regulations).

The terms of reference of the Committee are as follows:

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

COMPOSITION:

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

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

Name, Designation & Address of Compliance Office:
 Mr. Abhishek Sharma, Company Secretary
 6/3, Manoramaganj, Indore - 452 001, Tel. : 4243888
 Email at compliance_officer@choksilab.com

During the year the Company received 0 (Nil) complaints from its shareholders and as on 31.03.2016 no complaint is pending beyond 30 days.

7. General Body Meetings.

i. Annual General Meetings:

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

Year	Date of Annual General Meeting	Time	Venue	No. of Special Resolutions Passed
2014-15	30 th Sept., 2015	11:00 A.M.	6/3, Manoramaganj, Indore	-
2013-14	30 th Sept., 2014	10:30 A.M.	6/3, Manoramaganj, Indore	Six
2012-13	30 th Sept., 2013	11:00 A.M.	6/3, Manoramaganj, Indore	-

Financial Calendar F.Y. 2016-17 (Tentative)

Board meeting for first three quarters ending on 30th June 16, 30th Sept. 2016 and 31st Dec. 2016	On or before 45th day from the end of Quarter
Board Meeting for Last quarter ending on 31st March 2017	On or before 30th May 2017
Annual General Meeting for FY 2016-17	On or before 30th Sept. 2017

ii. Postal Ballot:

- The Company has not passed any Special Resolution during last three years requiring voting through Postal Ballot.
- There is no proposal for passing any resolution through Postal Ballot at the ensuing Annual General Meeting scheduled to be held on 27th September, 2016.

8. Disclosures.

i. Legal Compliances

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

ii. CEO/CFO Certification

In terms of Clause 49 of the Listing Agreement, the certification by Chief Executive Officer and Chief Financial Officer on the financial statement and internal controls relating to financial reporting has been obtained.

iii. Disclosure Regarding Materially Significant Related Party Transactions

There are no materially significant related party transactions that may have potential conflict with the interests of company at large in the financial year 2015-16. Related party transactions have been disclosed in Note No.27 of Notes on Financial Statement part of the Annual Accounts for the year ended 31st March, 2016.

iv. Whistle Blower Policy

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

v. Mandatory and Non-Mandatory Requirements

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. Non-mandatory requirements are being complied with in a phased manner.

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

9. Means of Communication.

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

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

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

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

10. Familiarisation Programmes for Board Members.

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

11. Code of Conduct for prevention of Insider Trading.

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

12. Compliance Officer.

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

13. SEBI Complaints Redress System (SCORES)

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

14. Payment of Listing Fees.

Annual listing fee for the year 2016-2017 has been paid by the Company to BSE.

15. Payment of Depository Fees.

Annual Custody/Issuer fee for the year 2016-2017 will be paid by the Company to NSDL and CDSL on receipt of the invoices.

16. General Shareholders' Information

i.	23rd Annual General Meeting
Date	Tuesday, 27 th day of September, 2016
Time	11.00 A.M.
Venue	6/3, Manoramaganj, Indore-452001
ii.	Financial Year 1 st April, 2015 to 31 st March, 2016
iii. Date of Book Closure	from 25 th day of September, 2016 to 27 th day of September, 2016 (both days inclusive)
iv. Dividend Payment Date	None, as no dividend has been recommended for the year.
v. Listing on Stock Exchange(s)	The Shares of the company are listed on Bombay Stock Exchange Limited (BSE)
vi. BSE Stock Code	CHOKSILA
Scrip Code	526546
ISIN	INE493D01013 (NSDL & CDSL)
CIN	L85195MP1993PLC007471

vii. Market Price Data

The reported high and low closing prices during each month of the financial year ended on 31st March, 2016 on the Bombay Stock Exchange, where the Company's shares are being traded are given below:

Month	Quotations on BSE	
	High Price	Low Price
Apr, 2015	9.97	7.37
May, 2015	9.38	7.45
June, 2015	9.66	8.25
July, 2015	16.80	9.60
Aug, 2015	16.00	12.00
Sept, 2015	15.00	10.53
Oct, 2015	13.50	11.01
Nov, 2015	13.16	11.39
Dec, 2015	16.69	13.00
Jan, 2016	15.18	12.41
Feb, 2016	14.70	10.55
Mar, 2016	12.70	10.51

viii. 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

Tel No: 022-25963838

Fax No: 022 - 25946969

Email : rnt.helpdesk@linkintime.co.in

ix. Share Transfer System

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

x. Distribution of Shareholding

(a) Class-wise Distribution of Equity Shares as on 31st March, 2016

Slab of Shareholding	Shareholders		Shares	
	Number	% of total	Number	% of total
1-500	2962	76.0072	707545	10.1582
501-1000	479	12.2915	423731	6.0835
1001-2000	202	5.1835	316388	4.5424
2001-3000	86	2.2068	220359	3.1637
3001-4000	35	0.8981	125298	1.7989
4001-5000	28	0.7185	135808	1.9498
5001-10000	43	1.1034	314522	4.5156
10001-and above	62	1.5910	4721612	67.7880
Total	3897	100.0000	6965263	100.0000

(b) Shareholding Pattern as on 31st March, 2016

SR. NO.	CATEGORY	NO. OF SHARES HELD	% OF SHARE-HOLDING
A	PROMOTER'S HOLDING		
1.	<u>Promoters</u>		
	Indian	2191754	31.47%
	Foreign	-	-
2.	<u>Persons acting in Concert</u>	-	-
	Sub-Total	2191754	31.47%
B	NON-PROMOTER'S HOLDING		
3.	<u>Institutional Investors</u>		
	(a) Mutual funds and UTI	-	-
	(b) Banks, Financial Institutions Central/State Govt. Institutions/ Non-government Institutions)	-	-
	(c) Insurance Companies	-	-
	(d) FII's	-	-
4.	<u>Others</u>		
	(a) Bodies Corporate	924908	13.27%
	(b) Indian Public	3668281	52.66%
	(c) NRIs/OCBs	18157	0.26%
	(d) Any Other (Clearing Members, Trust, Directors)	162163	2.34%
	Sub-Total	4773509	68.53%
	GRAND TOTAL (A+B)	6965263	100%

xi. Dematerialization of shares

Trading in Company's share is permitted compulsorily in dematerialized form as per notification issued by SEBI. The break-up of shares in physical and demat form as on 31st March, 2016 is as follows:

Particulars of Equity Shares	Equity Shares of Rs.10/- each	
	Number	% of Total
NSDL	4103365	58.91
CDSL	1686783	24.22
Sub-Total	5790148	83.13
Physical	1175115	16.87
Total	6965263	100.00

Note: As on 31st March, 2016 paid up capital of the Company is Rs. 69,65,2630/-.

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

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

The Company does not have any outstanding instruments GDRs/ADRs or any convertible instruments as on 31.03.2016.

xiii. Laboratory Locations

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

xiv. Address for Correspondence

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

Company

"Company Secretary"

Choksi Laboratories Limited, 6/3, Manoramaganj

Indore (M.P.)-452 001

E-mail: Compliance_officer@choksilab.com

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

C -13, Kantilal Maganlal Estate,

Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Tel No: 022-25963838 Fax No : 022 - 25946969

Email : rnt.helpdesk@linkintime.co.in

Date : 12.08.2016

PLACE : INDORE

FOR AND ON BEHALF OF THE BOARD

SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078

DECLARATION FROM MANAGING DIRECTOR

A declaration signed by the Managing Director of the company on behalf of the members of the Board and Senior Management Personnel in terms of Clause 49(I)(D)(ii) of the Listing Agreement for the year ended on 31st March, 2016:

Declaration

I, Sunil Choksi, Managing Director of the Company do hereby affirm and declare on behalf of all the Directors and Senior Management Personnel in terms of Clause 49(I)(D)(ii) of the Listing Agreement that the Company has laid down and complied with the Code of Conduct have confirmed compliance with the code of conduct as adopted by the Company.

DATE : 12.08.2016

PLACE : INDORE

SUNIL CHOKSI
MANAGING DIRECTOR
DIN: 00155078

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To The Members of

Choksi Laboratories Limited,

1. We have examined the compliance of the conditions of Corporate Governance by **Choksi Laboratories Limited** ("the Company") for the year ended 31st March, 2016 as stipulated in:
 - Clause 49 (excluding Clause 49(VII) (E)) of the Listing Agreements of the Company with Stock Exchange(s) for the period from April 1, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the Stock exchange(s) for the period from April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing regulations") for the period from September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 1, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the ICAI.
4. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

(Prateek Jain)
Proprietor
M.No. 079214

DATE : 28.05.2016

PLACE : INDORE

CEO/CFO CERTIFICATE UNDER CLAUSE 49 (IX)

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, 2016 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and We have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

Date : 12.08.2016

Place : Indore

Sunil Choksi
Chief Executive Officer

Vyangesh Choksi
Chief Financial Officer

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Choksi Laboratories Limited** ("The Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year then ended.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

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

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion 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, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

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

Indore, dated : 28th May 2016

BALANCE SHEET AS AT 31ST MARCH 2016

Amount in ₹

PARTICULARS	Note	AS AT 31st March, 2016	AS AT 31st March, 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	1	69,652,630	69,652,630
Reserves and Surplus	2	130,681,161	123,463,154
		200,333,791	193,115,784
Non-Current Liabilities			
Long-term borrowings	3	80,644,739	56,095,296
Deferred tax Liability (Net)	4	5,864,622	8,766,546
		86,509,361	64,861,842
Current Liabilities			
Short-term Borrowings	5	28,238,198	29,594,726
Trade Payables	6	40,069,034	26,773,004
Other Current Liabilities	7	44,858,762	40,311,518
Short-term Provisions	8	25,278,629	22,032,207
		138,444,623	118,711,455
TOTAL		425,287,774	376,689,081
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	9	174,057,604	189,522,086
Intangible Assets	9a	2,334,430	3,303,670
Capital Work-in-progress	10	89,946,313	27,329,553
		266,338,346	220,155,309
Long-term Loans and Advances	11	-	-
Other Non-current Assets	12	9,037,256	10,055,356
Trade receivables	13	85,778,923	84,541,154
Cash and Cash Equivalents	14	9,230,687	8,156,029
Short-term Loans and advances	15	8,006,305	5,789,240
Other Current Assets	16	46,896,257	47,991,993
TOTAL		425,287,774	376,689,081

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
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

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

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore

Date : 28-05-2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2016

Amount in ₹

PARTICULARS	Note	2015-16	2014-15
INCOME			
Revenue from operations	17	223,047,565	219,745,934
Other Income	18	148,631	6,415,264
Total Revenue		223,196,196	226,161,198
EXPENDITURE :			
Cost of materials Consumed	19	28,233,058	27,994,193
Employee Benefits Expenses	20	79,182,696	76,027,045
Finance Costs	21	12,269,226	15,674,969
Depreciation and Amortization Expenses	9	27,320,917	28,296,915
Other Expenses	22	64,799,155	64,383,647
Total Expenses		211,805,053	212,376,768
Profit before Tax		11,391,144	13,784,431
Tax expenses			
Income Tax earlier years		35,473	60,553
Current tax		7,039,588	5,525,340
Deferred tax		(2,901,924)	(613,187)
Profit after tax		7,218,007	8,811,725
Net Profit for the year		7,218,007	8,811,725
Earnings per equity share of Face Value ₹ 10 each			
Basic		1.04	1.27
Diluted		1.04	1.27
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
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

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

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore
Date : 28-05-2016

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2015-16

(Amount in thousands)

	For the year ended 31-03-2016	For the year ended 31-03-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Profit and Loss Account	11391	13784
Adjustments for :		
Depreciation and Amortisation Expense	27321	28297
Finance Costs	12269	15675
Interest Income	(149)	(1726)
Loss on Sale / Discard of Assets (Net)	603	(4639)
Operating Profit before working capital changes	51436	51391
Adjustments for :		
Trade and other receivables	(1238)	(13294)
Trade and other payables	21506	5362
Other current assets	12370	(16434)
Movement in Non Current Assets	1018	151
Cash generated from Operations	85092	27177
Direct Taxes Paid (Net)	(18014)	(4180)
Net Cash from Operating Activities	67078	22996
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12093)	(6641)
Proceeds from sale of Fixed Assets	570	11534
Capital Work in Progress	(62617)	(13878)
Interest received	149	1726
Net cash used in investing activities	(73991)	(7259)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings Net	76039	43506
Repayment of Long Term Borrowings	(54426)	(44420)
Short Term Borrowings (Net)	(1357)	2935
Interest Paid	(12269)	(15675)
Net cash (Used in)/generated from financing activities	7988	(13655)
Net Increase (Decrease) in cash and cash equivalents (A+B+C)	1075	2083
Opening Balance of Cash and cash Equivalents	8156	6073
Closing Balance of Cash and cash Equivalents (As per note 14)	9231	8156

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

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

As per our report of even date

For and on behalf of the Board

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

Prateek Jain
Proprietor
M.No.079214

Sunil Choksi
Managing Director
DIN-00155078

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

Abhishek Sharma
Company Secretary
M. No. 37215

Place : Indore
Date : 28-05-2016

D) Employee Benefits:

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

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

Leave encashment is provided on year to year basis.

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

E) Prior Period Expenses/ Income:

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

F) Foreign Currency Transactions:

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

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

G) Borrowing Costs:

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

H) Earnings per Share :

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

I) Provision for Current and Deferred Tax :

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

J) Provisions, Contingent Liabilities and Contingent Assets :

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

K) General :

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

		Amount in (₹)		
		AS AT 31st March, 2016	AS AT 31st March, 2015	
1	SHARE CAPITAL			
	Authorised Share Capital			
	(120 Lacs Equity Shares of Rs.10/- each & 30 Lacs Preference Shares of Rs. 10 each)	150,000,000		150,000,000
	Issued			
	6965263 Equity Shares of ₹ 10/- Each (Previous year 6965263 Equity shares)	69,652,630		69,652,630
	Subscribed, Called up and Paid up			
	6965263 Equity Shares of Rs. 10/- each (Previous year 6965263 Equity Shares of Rs.10/- each)	69,652,630		69,652,630
		AS AT 31st March, 2016	AS AT 31st March, 2015	
1.1	The details of shareholders holding more than 5% shares			
	Name of the Shareholder	No. of shares	% held	No. of shares
				% held
	Sunil Choksi	523,192	7.51%	523,192
	Sitashree Food Products Ltd.	500,000	7.18%	500,000
	Vyangesh Choksi	447,099	6.42%	447,099
	Dhansukhbhai Gulabdas Choksi HUF	400,000	5.74%	400,000
1.2	The reconciliation of the number of shares outstanding is set out below :	AS AT 31st March, 2016	AS AT 31st March, 2015	
		No. of shares	No. of shares	
	Equity shares at the beginning of the year	6,965,263	6,965,263	
	Equity shares issued during the year	-	-	
	Equity shares at the end of the year	<u>6,965,263</u>	<u>6,965,263</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.			
		AS AT 31st March, 2016	AS AT 31st March, 2015	
2	RESERVE AND SURPLUS			
	Capital Reserve			
	As per last Balance Sheet	<u>2,005,500</u>	2,005,500	<u>2,005,500</u>
				2,005,500
	Securities Premium Reserve			
	As per last Balance Sheet	<u>13,510,478</u>	13,510,478	<u>13,510,478</u>
				13,510,478
	Profit and Loss Account			
	As per last Balance Sheet	107,947,176	117,941,659	
	Less : Fixed Assets W/o due to transitional provisions of the Act	-	(18,806,208)	
	Add : Profit for the year	<u>7,218,007</u>	<u>8,811,725</u>	
			115,165,183	107,947,176
	Total		<u>130,681,161</u>	<u>123,463,154</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
3 LONG-TERM BORROWINGS		
Secured		
From Banks :		
Term Loan From Axis Bank	50,683,756	32,877,935
Term Loan From Bank of India	5,624,000	4,375,000
Vehicle Loans From HDFC Bank Ltd.	47,608	237,242
Vehicle Loans From ICICI Bank Ltd.	225,360	-
From Others :		
Vehicle Loan From BMW Financial Pvt Ltd.	-	437,070
Unsecured		
From Others :		
Loan From Magma Fincorp Ltd.	1,073,590	1,478,991
Loan From Religare Finvest Ltd.	687,009	1,564,860
Loan from Bajaj Finance Ltd.	1,693,276	1,124,198
Loan from Tata Capital Financial Services Ltd.	110,140	-
Loan from Viji Finance Ltd.	2,500,000	-
Loan from Sunil Choksi (Director)	15,600,000	11,600,000
Loan from Stela Choksi (Director)	2,400,000	2,400,000
	80,644,739	56,095,296

3.1 Maturity Profile of Term Loans :

Maturity Profile of Term Loans are set out below	Rate of Interest	upto 1 year	After a year	2-3 years	3-4 years
Secured : Term Loan from Axis Bank	Base rate + 3.00% p.a.	18,973,231	30,528,000	13,053,000	7,102,756
Secured : Term Loan from Bank of India	11.25% p.a.	1,882,725	1,876,000	1,876,000	1,872,000
Secured : Vehicle Loans from HDFC Bank	10.50% p.a.	268,858	47,608	-	-
Secured : Vehicle Loans from ICICI Bank	10.60% p.a.	358,776	225,360	-	-
Secured : Vehicle Loans from BMW Finance	9.35% p.a.	437,070	-	-	-
Unsecured: Loan from Magma Fincorp Ltd.	21.00% p.a.	2,268,399	981,708	91,882	-
Unsecured: Loan from Religare Finvest Ltd.	19.50% p.a.	877,851	687,009	-	-
Unsecured: Loan from Bajaj Finance Ltd.	18.50% p.a.	1,628,423	986,478	706,798	-
Unsecured: Loan from Tata Capital Financial Services Ltd.	19.30% p.a.	1,187,703	110,140	-	-
Unsecured: Loan from Viji Finance Ltd.	12.00% p.a.	-	2,500,000	-	-
Unsecured: Loan from Director Sunil Choksi	-	-	15,600,000	-	-
Unsecured: Loan from Director Stela Choksi	-	-	2,400,000	-	-
Total		27,883,036	55,942,303	15,727,680	8,974,756

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

3.3 All unsecured Loans are also 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, 2016	AS AT 31st March, 2015
Deferred Tax Liability		
Related to fixed assets	8,663,143	11,803,101
Deferred Tax Assets		
Disallowances under the Income Tax Act, 1961	1,263,682	3,036,555
Others	1,534,839	-
	5,864,622	3,036,555

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
5 SHORT-TERM BORROWINGS		
Working Capital Loans (From Banks)		
Rupee Loans		
*Cash Credit From Axis Bank	28,238,198	29,594,726
	<u>28,238,198</u>	<u>29,594,726</u>
5.1 Working Capital Loans are secured by joint hypothecation of running stocks of consumable and all Book debts, both present and future alongwith Indore and Goa Fixed Assets.		
*The above loans are also personally guaranteed by the directors Mr. Sunil Choksi & Mr.Vyangesh Choksi.		
6 TRADE PAYABLES	AS AT 31st March, 2016	AS AT 31st March, 2015
Micro, Small and Medium Enterprises	137,526	118,972
Others	39,931,508	26,654,032
	<u>40,069,034</u>	<u>26,773,004</u>
6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
7 OTHER CURRENT LIABILITIES		
Advance payments from Customers	1,450,800	1,522,227
Tax Liabilities: Service Tax Payable & TDS Payable	15,490,299	7,886,578
Current maturities of Long Term Debt (Note 3.1)	27,883,036	30,818,730
Credit Balances of Staff & Others	34,626	83,984
	<u>44,858,762</u>	<u>40,311,518</u>
8 SHORT-TERM PROVISIONS		
Provision for employee benefits	15,691,597	14,001,407
Provision for Income Tax	7,039,588	4,520,038
Provision for Expenses	2,547,444	3,510,762
	<u>25,278,629</u>	<u>22,032,207</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

9 : TANGIBLE ASSETS For the Period of 01.04.2015 to 31.03.2016

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Total As at 01.04.2015	Addition during the year	Deductions during the year	Total As at 31.03.2016	Up to 01.04.2015	For the year	Deductions during the year	Total As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
Land (Freehold)	29,268,528	1,114,190	-	30382718	-	-	-	0	30,382,718	29,268,528
Land (Leasehold)	5,330,200	-	-	5330200	-	-	-	0	5,330,200	5,330,200
Instruments	125,662,526	3,576,126	1,289,308	127949344	39,888,324	16,894,521	668,003	56114842	71,834,502	85,774,202
Computers	4,936,955	1,222,555	-	6159510	2,498,390	1,350,971	-	3849361	2,310,149	2,438,565
Air Conditioners	2,760,045	331,070	-	3091115	1,152,946	310,287	-	1463233	1,627,882	1,607,099
Electrical Installation	8,559,540	2,021,330	-	10580870	4,413,419	1,089,425	-	5502843	5,078,027	4,146,121
Furniture & Fixtures	29,370,692	1,059,144	33,195	30399641	11,127,114	2,894,075	-	14021189	16,375,452	18,243,578
Buildings	46,541,816	137,500	-	46679316	12,996,621	1,725,105	-	14721726	31,957,590	33,545,195
Office Equipment	2,199,465	95,905	-	2295370	832,868	567,711	-	1400579	894,791	1,366,597
Motor Car	11,568,428	2,040,869	635,738	12973559	4,118,194	1,077,598	86,704	5109088	7,864,471	7,450,234
Motor Cycle	667,911	113,351	32,880	748382	316,144	60,766	30,349	346561	401,821	351,767
Total (A)	266,866,106	11,712,040	1,991,121	276,587,025	77,344,020	25,970,458	785,056	102,529,421	174,057,604	189,522,086
9a : INTANGIBLE ASSETS. For the Period of 01.04.2015 to 31.03.2016										
Softwares	8,208,568	381,218	-	8589786	4,904,897	1,350,459	-	6255356	2,334,430	3,303,671
Total (B)	8,208,568	381,218	0	8,589,786	4,904,897	1,350,459	0	6,255,356	2,334,430	3,303,671
Grand Total A+B	275,074,674	12,093,258	1,991,121	285,176,811	82,248,917	27,320,917	785,056	108,784,778	176,392,033	192,825,757
Previous Year	340,740,245	17,919,655	83,585,226	275,074,674	100,945,250	28,296,915	46,993,249	82,248,917	192,825,757	239794,995

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
10 CAPITAL WORK IN PROGRESS (AT COST)		
Building	2,449,966	1,211,619
Furniture & Fixtures	10,749,267	6,616,052
Instruments	74,428,459	19,019,598
Air Conditioner	791,983	482,284
Electrical Installation	648,859	-
Office Equipments	11,805	-
Computers	865,974	-
	<u>89,946,313</u>	<u>27,329,553</u>
11 LONG-TERM LOANS & ADVANCES		
(Unsecured considered good)		
Recoverable in cash or in kind or for value to be received		
(a) Capital Advances	-	-
(b) Other Loans and Advances	-	-
Note: Due by Directors either severally or jointly with any other persons or due by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL	<u>-</u>	<u>-</u>
12 OTHER NON CURRENT ASSETS		
Long Term Trade Receivables	-	-
<i>Others:</i>		
Prepayments & Others	2,789,711	4,137,291
Deposits	6,247,545	5,918,065
	<u>9,037,256</u>	<u>10,055,356</u>
13 TRADE RECEIVABLES		
(Unsecured Considered Good)		
: Outstanding for a period exceeding six months	21,721,127	18,627,246
: Others	64,057,796	65,913,908
Note: Due by Directors either severally or jointly with any other persons or ue by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL	<u>85,778,923</u>	<u>84,541,154</u>
14 CASH & CASH EQUIVALENTS		
i) a) Balances with Banks	1,538,105	4,708,750
b) Cheques, Drafts on hand	-	898,075
c) Cash on hand	6,088,291	1,440,354
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	556,155	114,502
* Bank deposits with more than 12 months maturity	1,048,136	994,348
	<u>9,230,687</u>	<u>8,156,029</u>
15 SHORT TERM LOANS & ADVANCES		
(Unsecured Considered Good)		
Misc advances	4,450,167	5,380,700
Service Tax Credit Unutilised	3,556,139	408,540
Note: Due by Directors either severally or jointly with any other persons or ue by Firms/ private Companies in which any of the Director is a Partner or a Member: NIL	<u>8,006,305</u>	<u>5,789,240</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016		AS AT 31st March, 2015	
16 OTHER CURRENT ASSETS				
Income Tax Refundable		25,266,942		12,782,030
Tax Deducted at Source		15,430,511		14,423,721
Prepayments & Others		3,857,546		2,676,724
Advance to staff		517,075		43,000
Advance to suppliers		1,100,317		1,173,860
Advance for Capital Goods		723,865		16,892,658
		<u>46,896,257</u>		<u>47,991,993</u>
17 REVENUE FROM OPERATIONS				
a) Sale of Services	251,318,020		244,758,913	
Less: Service Tax	<u>28,313,947</u>	223,004,073	<u>25,277,776</u>	219,481,137
b) Other Operating Revenues:				
Net gain on foreign currency transactions	-		134,961	
Miscellaneous Income	<u>43,492</u>	43,492	<u>129,836</u>	264,797
		<u>223,047,565</u>		<u>219,745,934</u>
18 OTHER INCOME				
Interest on FDR		114,363		87,033
Interest on IT Refund		-		1,615,263
Interest Received from Others		34,268		24,052
Profit on sale of Fixed Assets		-		4,688,916
		<u>148,631</u>		<u>6,415,264</u>
19 COST OF MATERIALS CONSUMED				
	% of consumption	Amount	% of consumption	Amount
Imported	-	-	-	-
Indigenous	100%	28,233,058	100%	27,994,193
	100%	<u>28,233,058</u>	100%	<u>27,994,193</u>
19.1 PARTICULARS OF MATERIALS CONSUMED				
Glassware		983,294		1,213,552
Chemicals		16,932,834		16,327,958
Consumable		<u>10,316,931</u>		<u>10,452,683</u>
		<u>28,233,058</u>		<u>27,994,193</u>
20 EMPLOYEE BENEFITS EXPENSES				
Salaries and allowances to staff		63,369,795		60,487,484
Contribution to provident fund		4,683,541		3,756,428
Contribution to ESIC		1,013,056		998,495
Bonus to Staff		2,319,100		2,243,500
Exgratia to Staff		423,533		447,500
Group Gratuity Premium of LIC		512,779		1,527,035
EDLI Premium to LIC		106,566		49,360
Staff Welfare		514,326		527,243
Directors Remuneration		6,240,000		5,990,000
		<u>79,182,696</u>		<u>76,027,045</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
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20.1 As per Accounting Standard 15 "Employee benefits", the disclosure as defined in the Accounting Standard are given below:

1) Defined Contribution Plans **As at 31/03/2016** **As at 31/03/2015**

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

Employer's Contribution to Provident Fund	5,696,597	4,754,923
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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	31/03/2016	31/03/2015
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%

ii) Reconciliation of opening and closing balances of Defined Benefit Obligation	As at 31/03/2016	As at 31/03/2015
--	------------------	------------------

Present value of obligations as at beginning of year	7,975,213	7,024,988
Interest cost	638,017	574,327
Current Service Cost	1,248,101	1,298,529
Benefits Paid	(391,890)	(784,664)
Actuarial (gain)/ loss on obligations	(129,271)	(137,967)
Present value of obligations as at end of year	8,176,730	7,975,213

iii) Reconciliation of opening and closing balances of fair value of Plan Assets

Fair value of plan assets at beginning of year	2,382,048	1,871,626
Expected return on plan assets	233,130	180,338
Contributions	1,003,578	1,114,748
Benefits Paid	(391,890)	(784,664)
Actuarial gain/(loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	3,226,866	2,382,048

iv) Table showing fair value of plan assets

Fair value of plan assets at beginning of year	2,382,048	1,871,626
Actual return on plan assets	233,130	180,338
Contributions	1,003,578	1,114,748
Benefits Paid	(391,890)	(784,664)
Fair value of plan assets at the end of year	3,226,866	2,382,048
Funded status	(4,949,864)	(5,593,165)
Excess of Actual over estimated return on plan assets	NIL	NIL

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

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
v) Actuarial Gain/Loss recognized		
Actuarial (gain)/ loss on obligations	1,292,711	137,967
Actuarial (gain)/ loss for the year - plan assets	-	-
Actuarial (gain)/ loss on obligations	(1,292,711)	(137,967)
Actuarial (gain)/ loss recognized in the year	(1,292,711)	(137,967)
vi) The amounts to be recognized in the balance sheet and statement of profit and loss		
Present value of obligations as at the end of year	8,176,730	7,975,213
Fair value of plan assets as at the end of the year	3,226,866	2,382,048
Funded status	(4,949,864)	(5,593,165)
Net asset/(liability) recognized in the balance sheet	(4,949,864)	(5,593,165)
vii) Expenses Recongnised in statement of profit and loss		
Current Service cost	1,248,101	1,144,431
Interest Cost	638,017	574,327
Expected return on plan assets	(233,130)	(180,338)
Net Acturial (gain)/ loss recognized in the year	(1,292,711)	(137,967)
Expenses recognised in statement of Profit and loss	360,277	1,400,453
21 FINANCE COSTS		
Interest to Bank		
(a) on Term Loans	3,633,267	6,555,236
(b) on Working Capital Loans	3,749,729	3,632,192
Interest to Others	3,459,769	3,953,238
Bank charges	1,426,461	1,534,303
	12,269,226	15,674,969
22 OTHER EXPENSES		
22.1 Direct Expenses		
Laboratory Expenses	8,908,727	8,099,713
Power & Fuel Charges	6,866,673	6,918,531
Insurance: Instruments & Building	176,138	144,802
Freight / Transporation Charges	88,365	108,824
Testing Charges	1,222,032	1,760,563
NABL/BIS/NPL - Asstt. Charges	265,908	258,696
Repair & Maintenance – Instruments	8,044,885	7,932,991
Repair & Maintenance – Building	1,509,237	1,485,276
Training & Certification Charges	285,054	251,892
	27,367,018	26,961,288
22.2 Selling and Distribution Expenses		
Business Promotion & Advertisement Expenses	2,948,261	3,349,972
Commission & Brokerages	1,583,127	2,814,794
Discount Allowed	371,477	474,358
Bad Debts Written Off	397,757	535,440
	5,300,622	7,174,565

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
22.3 Establishment Expenses		
Security Service Charges	1,233,803	1,139,666
Housekeeping Charges	805,724	694,410
Telephone & Mobile Expenses	823,414	788,220
Internet Expenses	1,052,796	1,047,198
Postage & Courier Charges	1,012,514	997,594
Conveyance Expenses	646,642	640,699
Vehicle Running & Maintenance	1,598,486	1,438,761
Computer Expenses	3,225,505	3,035,638
Guest House Expenses	156,884	156,484
Printing & Stationery Expenses	2,817,777	3,110,005
Books & Periodicals	124,387	108,525
Directors' Sitting Fees	52,000	34,000
Rent Charges	5,751,935	5,445,955
Insurance on Vehicle	138,803	114,314
Insurance on Others	311,234	374,167
Garden Maintenance Charges	64,246	42,112
Office Expenses / Maintenance charges	538,173	604,584
Repair & Maintenance Charges	322,218	353,693
Membership Fees & Subscriptions	11,980	150,622
Placement Expenses	250,000	188,250
Legal Expenses	258,124	149,257
Professional Charges	3,308,223	3,201,197
Auditor's Remuneration	175,000	175,000
Rates & Taxes	687,429	273,895
Registration / Filing / Licence Renewal Fees	149,007	593,120
Listing Fees	255,416	259,671
Penalty Charges	35,196	58,006
Donation	30,000	30,000
Travelling Expenses	5,111,990	4,992,483
Loss on Sale of Fixed Assets	602,870	50,269
Loss on Foreign Exchange	579,741	-
	32,131,515	30,247,794
Total	64,799,155	64,383,647
23.1 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF		
Capital Goods	51,078,131	7,606,265
Spare Parts	94,318	345,062
Books and Periodicals	69,234	-
	51,241,683	7,951,327
23.2 PAYMENT TO AUDITORS AS:		
Statutory Audit Fees	175,000	175,000
Certification & Taxation Matters	50,000	40,000
	225,000	215,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS AT 31st March, 2016	AS AT 31st March, 2015
23.3 EXPENDITURE IN FOREIGN CURRENCY		
Travelling Expenses	751,165	632,130
Interest on Foreign Currency loan to bank	134,761	-
	885,926	632,130
24 EARNINGS IN FOREIGN EXCHANGE		
FOB Value of Exports	3,516,427	921,930
	3,516,427	921,930
25 EARNINGS PER SHARE (EPS)		
i) Net Profit for the year attributable to equity shareholders	7,218,007	8,811,725
ii) Weighted Average number of Equity Shares for Basic EPS	6,965,263	6,965,263
iii) Weighted Average number of Equity Shares for Diluted EPS	6,965,263	6,965,263
iv) Face Value per equity share Amount in (Rs.)	10	10
v) Earnings per Share (Basic)	1.04	1.27
vi) Earnings per Share (Diluted)	1.04	1.27

26. Segmental Reporting :

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

27. Related Party Disclosures :

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

1. Related Parties

(a) Individual having control & Key Management Personnel

Mr. Sunil Choksi	Managing Director
Mrs. Stela Choksi	Whole Time Director
Mr. Vyangesh Choksi	Whole Time Director & CFO
Ms. Himika Choksi	Chief Operating Officer (w.e.f. 21.03.2016)

(b) Relatives of KMP

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

2. Disclosure of transactions between the Company and Related Parties and the Status of outstanding balances as at March 31, 2016:

Nature of Transactions	Individual having Control and KMP	Relatives of KMP	Outstanding balance as on 31-03-2016
Remuneration	6240000	Nil	2591492
Commission	Nil	635077	167765
Salary	Nil	480000	Nil
Rent	300000	1136820	1031313
Deposit Given	Nil	Op.Bal. 20 Lacs	2000000
Loan Taken	5350000	Nil	18000000
Loan Repaid	1350000	Nil	Nil

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

28. Operating Leases :

i)	Obligation on Non-cancelable operating leases :	
	a) not later than one year	787,885
	b) later than one year and not later than five years	158,920
	c) later than five years	675,410
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	5,751,935
iv)	Sub lease payments received or receivable recognized in P&L A/c during the period	NIL
v)	General description of significant leasing arrangements	
	a) Description of the assets taken on operating lease	Various Properties for Commercial use
	b) Basis on which contingent rent payments are determined	Basis taken as per the lease agreements with the lessor
	c) Terms of renewal or purchase options and escalation clauses of lease arrangements	All lease agreements are general and can be renewed after expiry of the lease period. No purchase options specifically mentioned in the agreement.
	d) Restrictions imposed by lease agreements, if any	Not to sub-lease

29. Contingent liabilities not provided for in respect of :

- Guarantees issued by Bank on behalf of the Company Rs. 2,512,400/- (Previous year Rs. 1,478,612).
- An amount of Rs.3,204,212/- has been shown as recoverable from Commissioner of Customs (EPCG) under current assets. This amount was forfeited by the said authority during FY 2012-13 . The Company has timely fulfilled all export obligations & is under the process of recovering the same from the said authority.

30. Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

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

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

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

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

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

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

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

1. Name :	
Address :	
Email ID :	
Signature :	, or failing him
2. Name :	
Address :	
Email ID :	
Signature :	, or failing him
3. Name :	
Address :	
Email ID :	
Signature :	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on Tuesday, the 27th day of September, 2016 at 11.00 a.m. at 6/3, Manoramaganj, Indore and at any adjournment thereof in respect of such resolutions as are indicated below:

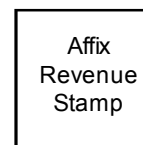
Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March, 2016 and the Reports of the Directors and Auditors thereon.
2. Reappointment of Mrs. Stela Choksi (DIN: 00155043) as Director of the company, who retires by rotation and being eligible offers herself for re-appointment.
3. Re-appointment of M/s Prateek Jain & Co., Chartered Accountants as Statutory Auditor of the company for the financial year 2016-17.
4. To determine fee for service of documents to member(s) through a requested mode.
5. Reappointment of Mr. Sunil Choksi (DIN: 00155078) as Managing Director of the Company, for a period of 3 (Three) years w.e.f. 01.09.2016.
6. Reappointment of Mrs. Stela Choksi (DIN: 00155043) as Whole Time Director of the Company, for a period of 3 (Three) years w. e .f. 01.09.2016.
7. Reappointment of Mr. Vyangesh Choksi (DIN: 00154926) as Whole Time Director of the Company, for a period of 5 (Five) years w. e .f. 01.09.2016.

Affix Revenue Stamp Signed this.....day of2016.

Signature of shareholder(s)

Signature of Proxy holder(s) Note:



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

Notes:

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

Choksi Laboratories Limited

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

CIN : L85195MP1993PLC007471

ATTENDANCE SLIP

23rd ANNUAL GENERAL MEETING held on 27th Sepetmber, 2016

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 11.00 a.m. on Tuesday, September 27, 2016 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.

To,

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

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