

Date: 28/09/2018

To,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Rotunda Bldg, Dalal Street,
Mumbai- 400 051.

Dear Sir/ Madam,

Subject: Submission of Annual Report for the year 2017 - 2018.
Ref: Scrip Code: 526546, ISIN: INE493D01013.

As per the requirements of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Annual Report for the year 2017-2018 of Choksi Laboratories Limited.

This is for your information and record.

Thanking You

For Choksi Laboratories Limited

Sanjay
Chourey

Digitally signed by Sanjay Chourey,
DN: cn=Sanjay Chourey, o=Choksi Laboratories Limited,
ou=Choksi Laboratories Limited, postalCode=400005, email=sanjay.chourey@choksilab.com,
serialNumber=1, postalCode=400005,
email=sanjay.chourey@choksilab.com,
c=IN

SANJAY CHOUREY
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As Above

25th
ANNUAL REPORT
2017 - 2018



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



CHOKSI LABORATORIES LIMITED

Company Information
CIN : L85195MP1993PLC007471

COMPOSITION OF BOARD

Mr. Sunil Choksi	-	Managing Director
Mrs. Stela Choksi	-	Whole Time Director
Ms. Himika Choksi	-	Whole Time Director
Mr. Vyangesh Choksi	-	Whole Time Director
Mr. Sudarshan Shastri	-	Independent Director
Mr. N. K. Mani	-	Independent Director
Mr. Ratnesh Sadoriya	-	Independent Director
Mr. Mayank Pandey	-	Independent Director
Mr. Pradip Kamarkar*	-	Independent Director
Mr. Satish Chand Joshi*	-	Independent Director

*Resigned from the board on 31st March 2018

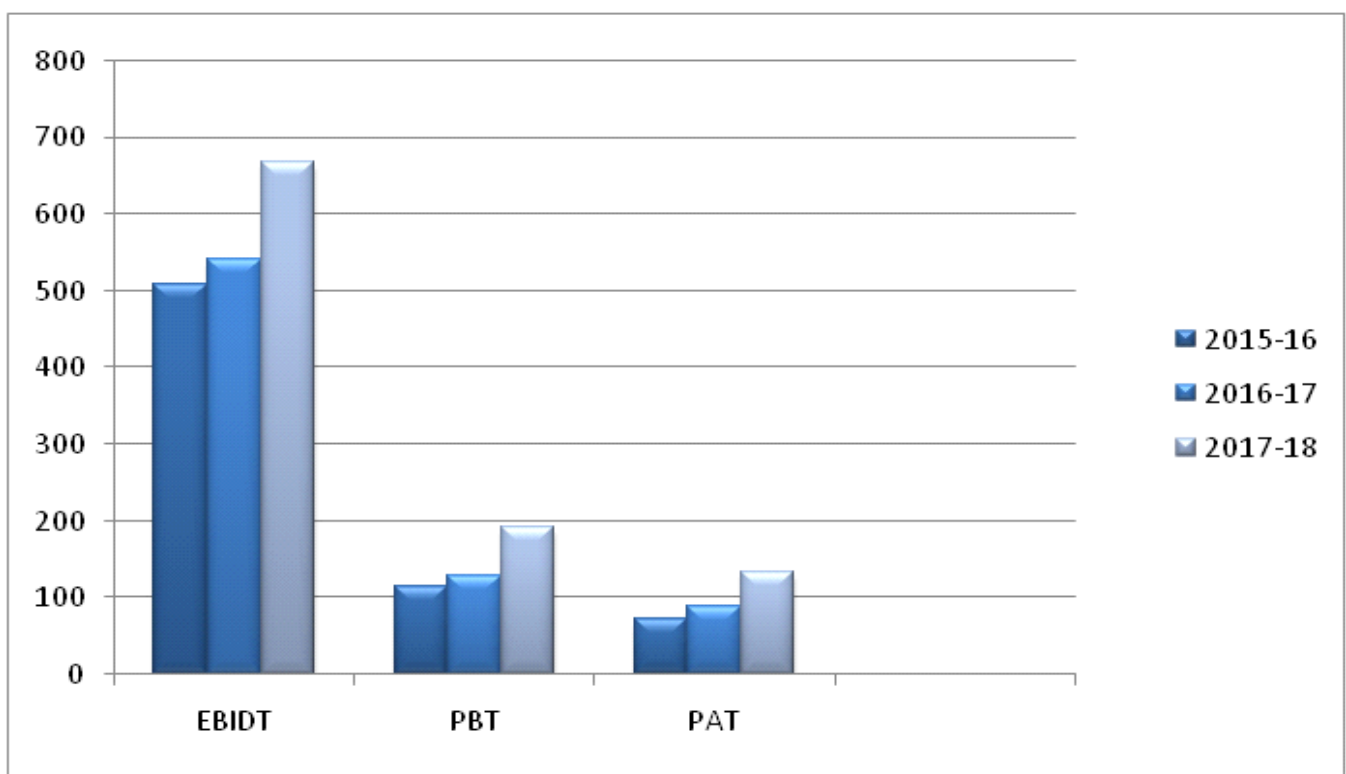
CHIEF FINANCIAL OFFICER	-	Mr. Vyangesh Choksi
COMPANY SECRETARY & COMPLIANCE OFFICER	-	Mr. Sanjay Chourey

OUR BRANCHES / LABORATORIES

STATUTORY AUDITORS Subhash Chand Jain Anurag & Associates, Chartered Accountants	■	GOKUL COMPLEX, 2ND & 3RD FLOOR, 101/8 GIDC, CHAR RASTA VAPI (GUJRAT)
REGISTERED OFFICE 6/3, Manoramaganj, Indore, MP452001	■	829. GIDC MAKARPURA, VADODARA - 390 010 (GUJRAT)
SHARE TRANSFER AGENT Link Intime Private Limited C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.	■	PLOT NO. 362, INDUSTRIAL AREA PHASE II, PANCHKULA (HARYANA)
	■	PLOT NO. C-18 & 20 PHACE 1 - A, VERNA INDUSTRIAL ESTATE VERNA - 403722 (GOA)
	■	PLOT NO. 8, 2ND FLOOR, SIDDHIVINAYAK COMPLEX, PHASE - II, NEAR BDA COMPLEX, 80, FEET RING ROAD, NAGARBHAVI BANGALORE - 560072, (KARNATAKA)

FINANCIAL PERFORMANCE

(Rs. in lac)	2015-16	2016-17	2017-18
EBIDT	509.81	564.11	668.63
PBT	113.91	130.95	193.29
PAT	72.18	89.26	134.71



MAP



NOTICE OF 25TH ANNUAL GENERAL MEETING

NOTICE

Notice is hereby given that the 25th Annual General Meeting (AGM) of the members of Choksi Laboratories Limited will be held on Friday 28th September, 2018 at registered office of the Company at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March 2018, Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss for the Financial Year ended on that date together with the reports of the Board of Directors and Auditors thereon, and in this regard, pass the following resolution as an Ordinary Resolution:

RESOLVED THAT "The Audited Financial Statement of the Company for the financial year ended March 31st, 2018 and the reports of the Board of Director and Auditors thereon laid before this meeting, be and are hereby considered and adopted"

2. To appoint a Director in place of Mr. Sunil Choksi (DIN: 00155078), who retires by rotation and being Eligible offer himself for re-appointment;

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Choksi (DIN: 00155078), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.

SPECIAL BUSINESS

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

To regularize the appointment of Mr. Mayank Pandey appointed as Additional Independent Director and in this regard, passes the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Mayank Pandey (DIN: 00039170), who was appointed by the Board of Directors as an Additional Independent Director of the Company effective from May 30, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed there under read with Schedule IV to the Act as amended from time to time, Mr. Mayank Pandey, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing May 30, 2018 through May 30, 2023."

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

To regularize the appointment of Mr. Ratnesh Sadoriya appointed as Additional Independent Director and in this regard passes the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ratnesh Sadoriya (DIN: 08146570), who was appointed by the Board of Directors as an Additional Independent Director of the Company effective from May 30, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed there under read with Schedule IV to the Act as amended from time to time, Mr. Ratnesh Sadoriya, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing May 30, 2018 through May 30, 2023.

5. **RE-APPOINTMENT OF NON EXECUTIVE-INDEPENDENT DIRECTOR**

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

“RESOLVED THAT pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as inserted by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) Mr. SUDARSHAN SHASTRI (DIN: 00155105), Independent Director of the Company be and is hereby re-appointed as Non Executive- Independent Director of the Company to hold office for a term of Five consecutive Years with effect from 1st April, 2019 to 31st March, 2024;

RESOLVED FURTHER THAT this resolution shall have overriding effect and shall substitute any other earlier resolution passed in entirety with effect from 1st April, 2019 to 31st March, 2024”

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

6. RE-APPOINTMENT OF NON-EXECUTIVE-INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as inserted by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) Mr. N.K. Mani (DIN: 02783996), Independent Director of the Company be and is hereby re-appointed as Non Executive- Independent Director of the Company to hold office for a term of Five consecutive Years with effect from 1st April, 2019 to 31st March, 2024;

RESOLVED FURTHER THAT this resolution shall have overriding effect and shall substitute any other earlier resolution passed in entirety with effect from 1st April, 2019 to 31st March, 2024

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

BY ORDER OF BOARD
FOR CHOKSI LABORATORIES LIMITED

SD/-
SANJAY CHOUREY
COMPANY SECRETARY & COMPLIANCE OFFICER

Place: INDORE

DATE: 13th August 2018

Notes:

1. A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of this meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members' not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed hereunder and forms part of the Notice.
3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanship of Board Committees, shareholding and relationships between directors inter-se as stipulated under SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Book of the Company shall remain closed from Wednesday, September 26, 2018 to Friday, September 28, 2018 (both days inclusive).
6. Members are requested to bring their copies of the Annual Report with them, since separate copies will not be distributed at the venue of the Annual General Meeting.

7. The shareholders are hereby informed that all the correspondence in connection with the shares is addressed to the Registrar & Share Transfer Agent M/S LINK INTIME PRIVATE LIMITED, at C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083.
8. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
9. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Link Intime Private Limited.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
12. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend.
13. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the Concerned Depository Participant and holdings should be verified.
15. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
16. Electronic copy of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 25th Annual General Meeting of the Company inter alia indicating the process and manner of E-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
17. Members may also note that the Notice of the 25th Annual General Meeting and the Annual Report for 2017-18 will also be available on the Company's website at www.choksilab.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours (11.00 A.M. to 5.00 P.M.) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: compliance_officer.com.
18. **E-voting (E-VOTING PROCESS)**
 - (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, and SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the Company is pleased to provide its members facility to exercise their right to vote at the annual general meeting by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Limited.

The instructions for shareholders voting electronically are as under:

 - (i) The voting period begins on 25th September 2018, 9.00 am and ends on 27th September 2018, 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

NOTE: Please keep the sequence number in safe custody for future e-voting.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant CHOKSI LABORATORIES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone 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.

(xix) Note for Non – Individual Shareholders and Custodians

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

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions –

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date (record date) of 19th September 2018.
- Mr. Kaushal Ameta, M/s Kaushal Ameta & Company, Company Secretaries (Membership No. FCS: 8144, CP No. 9103) has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.
- The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will not later than forty eight (48) hours of conclusion of the meeting, make a consolidated scrutinizer's report and submit the same to the Chairman.
- The Results shall be declared on or after the AGM of the Company. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.choksilab.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Exchanges.

20. Section 72 of the Companies Act, 2013 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders willing to avail this facility may make nomination in Form SH-13.

21. The Ministry of Corporate Affairs (vide circular Nos.17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively, has undertaken a Green initiative in 'Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by representing / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Transfer Agent.

Place: Indore

Date: 13th August, 2018

Registered Office:

6/3, MANORAMAGANJ,

INDORE, MP-452001

CIN: L85195MP1993PLC007471

Contact Information

Mr. Sanjay Chourey

Company Secretary & Compliance Officer

E-mail: compliance_officer@choksilab.com

Phone No.0731-4243888

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

Sd/-

Sanjay Chourey

Company Secretary & Compliance Officer

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013**

Item No. 3

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Mayank Pandey , as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective May 30, 2018. Pursuant to the provisions of Section 161 of the Act, Mr. Mayank Pandey will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company.

The Company has received from Mr. Mayank Pandey (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made there under, for appointment of Mr. Mayank Pandey as an Independent Director of the Company for a period commencing May 30, 2018 for five years. Mr. Mayank Pandey, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Pandey is a person of integrity, fulfils the conditions specified in the Act and the Rules made there under and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Pandey as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Mayank Pandey are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Mayank Pandey, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

Item No. 4

The Board of Directors ("Board") upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Ratnesh Sadoriya, as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective May 30, 2018. Pursuant to the provisions of Section 161 of the Act, Mr. Ratnesh Sadoriya will hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed a Director of the Company.

The Company has received from Mr. Ratnesh Sadoriya (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made there under, for appointment of Mr. Ratnesh Sadoriya as an Independent Director of the Company for a period commencing May 30, 2018 for five years. Mr. Ratnesh Sadoriya, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Sadoriya is a person of integrity, fulfils the conditions specified in the Act and the Rules made there under and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Sadoriya as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Ratnesh Sadoriya are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Ratnesh Sadoriya, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5

Mr. Sudarshan Shastri (DIN: 00155105), was appointed as Non Executive- Independent Director of the Company for a term upto five consecutive years i.e. 30th September, 2019 at 22nd Annual General Meeting of the Company held on 29th September, 2014 at the registered office of the Company. Consecutively, his existing tenure is expiring on 30th September, 2019.

However, Pursuant to the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of insertion of Regulation 17(1A) vide SEBI Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) the re-appointment/ continuation of directorship of Mr. Sudarshan Shastri (DIN: 00155105) as Non Executive- Independent Director of the Company requires approval of the members.

Keeping in view the above facts and on recommendation and Performance Evaluation, the Board of Directors at their meeting held on 13th August, 2018 has considered the matter and decided to Continue and re-appoint Mr. Sudarshan Shastri (DIN: 00155105) as Non Executive- Independent Director of the Company for a term upto five consecutive years commencing from 1st April, 2019 to 31st March, 2024.

Mr. Sudarshan Shastri holds a Bachelor Degree in Law (LL.B) and the Degree of Master of Commerce (M.Com). Mr. Shastri posses a very wide background of practicing in corporate laws and allied matters for about 40 years and have tremendous legal and commercial knowledge and is associated with the Company for more than a decade.

During his tenure as an Independent Director he have actively participated in the Committee and Board Meetings and have rigorously reviewed company's activities as Independent Director of the Company. The re-appointment and continuation of his directorship would benefit company manifolds in the governance of the Company.

Further, in the opinion of Nomination and Remuneration Committee and the Board, Mr. Sudarshan Shastri fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same.

The Directorship and membership of the board and committees of the other listed entity(s) and shareholding of the Company of Mr. Sudarshan Shastri is disclosed in Corporate Governance Report forming part of this annual report.

A Copy of draft letter of appointment of Shri Sudarshan Shastri, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution except the Director himself to the extent of his shareholding in the Company.

The Board recommends Resolution as set out in item no. 5 for approval of members as Special Resolution.

Item No. 6

Mr. N.K. Mani (DIN: 02783996), was appointed as Non Executive- Independent Director of the Company for a termup to five consecutive years i.e. 30th September, 2019 at 22nd Annual General Meeting of the Company held on 29th September, 2014 at the registered office of the Company. Consecutively, his existing tenure is expiring on 30th September, 2019. However, Pursuant to the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way

of insertion of Regulation 17(1A) vide SEBI Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) the re-appointment/ continuation of directorship of Mr. N.K. Mani (DIN: 02783996) as Non Executive- Independent Director of the Company requires approval of the members. Keeping in view the above facts and on recommendation and Performance Evaluation, the Board of Directors at their meeting held on 13th August, 2018 has considered the matter and decided to Continue and re-appoint Mr. N.K. Mani (DIN: 02783996) as Non Executive- Independent Director of the Company for a term upto five consecutive years commencing from 1st April, 2019 to 31st March, 2024.

Mr. N.K. Mani (DIN: 02783996) having posses a very wide background of in corporate matters for about 40 years and have tremendous legal and commercial knowledge and is associated with the Company for more than a decade.

During his tenure as an Independent Director he have actively participated in the Committee and Board Meetings and have rigorously reviewed company's activities as Independent Director of the Company. The re-appointment and continuation of his directorship would benefit company manifolds in the governance of the Company

Further, in the opinion of Nomination and Remuneration Committee and the Board, Mr. Sudarshan Shastri fulfills the conditions of appointment of Independent Director as specified in the Companies Act, 2013, Rules made thereunder and other applicable provisions of listing regulations and is independent of the management and has given his consent and declaration for the same.

The Directorship and membership of the board and committees of the other listed entity(s) and shareholding of the Company of Mr. N. K. Mani is disclosed in Corporate Governance Report forming part of this annual report.

A Copy of draft letter of appointment of Shri Sudarshan Shastri, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the above resolution except the Director himself to the extent of his shareholding in the Company.

The Board recommends Resolution as set out in item no. 6 for approval of members as Special Resolution.

Place: Indore
Date: 13th August, 2018

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

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

**Sd/-
Sanjay Chourey
Company Secretary & Compliance Officer**

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

DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT

Name of Director	Mr. Sunil Choksi	Mr. Ratnesh Sadoriya	Mr. Mayank Pandey	Mr. Sudarshan Shastri
Date of Birth	01/09/1955	28/08/1979	01/03/1980	17/05/1943
Age	63 Years	49 Years	38 Years	75 Years
Date of Appointment	01/09/2008	30/05/2018	30/05/2018	30/01/1999
Experience in specific functional area	20 Years in Chemical Industries	22 Years as professional	15 Years as Professional	30 Years as Professional
No & % of Equity share held in the Company	7.51%	Nil	Nil	06%
List of outside company's directorship held in Public Limited Company	Jash Engineering Limited	Nil	Prestec Systems Private Limited, Virim InfoTech Private Limited	Divya Jyoti Limited
Chairman / Member of the Committees of the Board of Directors of the Company	Nil	Member in Audit and Stakeholder Committee	Member in Nomination and Remuneration Committee	Chairman in Audit, Nomination & Remuneration and Stakeholder Committee
Chairman/Member of the Committees of the Board Directors of other Companies in which he is director	Nil	Nil	Nil	Audit , Remuneration and Stakeholder Committee
Relation between director inter –se	Relative of Director	No relation	No relation	No Relation

BOARD'S REPORT

Dear Members,

The Directors are pleased to present herewith the Twenty fifth Annual Report along with Financial Statement of the Company for the financial year ended March 31, 2018

FINANCIAL SUMMARY/HIGHLIGHTS

The summarized financial result for the year are as under:

(Rs. In lacs)

Particulars	2017-18	2016-17
Total Revenue (Including other operating revenue)	3,154.83	2,962.11
Profit before Tax (PBT)	193.29	130.95
Less: a) Current Tax	53.11	59.89
b) Deferred Tax	5.47	(18.20)
Net Profit/ (Loss) for the period	134.71	89.26
Total Comprehensive Income	126.86	88.57
Add : Surplus brought forward	1,261.07	1,151.65
Add : Ind - AS Adjustments	-	20.85
Surplus carried to Balance Sheet	1,387.93	1,261.07
Bais & Diluted EPS per equity share of face value Rs. 10 each (in Rs.)	1.93	1.28
Equity shares of face value of Rs. 10 each (In Rs.)	696.52	696.52

COMPANY'S PERFORMANCE REVIEW

The Company continued to maintain its upward trend by registering Sales of Rs. 3119.63 lacs as against Rs. 2876.11 lacs in the previous year. However, Profit before Finance Costs, Depreciation, and Tax has increased from Rs. 564.11 lacs to Rs. 668.63 lacs. After providing for finance costs and Depreciation amounting to Rs. 159.03 lacs and Rs.316.31 lacs respectively, the Profit before Tax for the year under review has amounted to Rs.193.29 lacs as compared to Rs.130.95 lacs in the previous year. Net profit after tax for the year is Rs. 134.71 lacs as compared to Rs. 89.26 lacs in 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

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 2017-18.

Adoption of Indian Accounting Standards (Ind As)

Transition from Indian GAAP to Ind AS: In February 2015, Ministry of Corporate Affairs (MCA) notified the final roadmap on Ind AS with implementation in a phased manner to be complied by the specified class of companies effective from 1st April 2016. Post above notification Ind AS has replaced existing Indian GAAP prescribed under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 according to applicability on specified entities. Accordingly, this is first year when the Company's financial statements for the year ended 31st March 2018 have been prepared in accordance with Ind AS and the financial statements for the year ended 31st March 2018 and opening balance sheet as at 1st April 2017 (the Company's date of transition) earlier reported in previous IGAAP, have been restated in accordance with Ind-AS to make them comparable

Goods and Service Tax (GST) – Implementation And Impact

The year 2017-18 started with biggest ever tax reform since independence, rolled out by Government of India on 1st July 2017, i.e. implementation of Goods and Service Tax (GST), followed by changes in GST rates through various notifications in November, 2017. GST implementation has introduced a single system of taxation across the nation absorbing most of the Indirect Taxes. GST is touted to simplify doing business in India, allowing supply chains to be integrated and aligned, as also providing greater transparency. However, the initial implementation phase alike all other industries remained challenging.

Though expecting this new Tax regime to be a game changer for Indian Economy, your Company has stabilized the processes adequately for compliance of law and is embracing this reform positively that unifies India into one market.

Management Discussion and Analysis Report

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

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

Change in the Nature of Business, If Any

There was no change in the nature of business of the Company during the Financial Year ended 31st March 2018

Foreign Exchange Earnings and Outgo

Foreign Exchange outgo: Rs. 28373167/-

Foreign Exchange Earnings: Rs. 8071679/-

GOVERNANCE AND ETHICS

a. Corporate Governance

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

A separate report on Corporate Governance (Annexure II) is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 (Annexure III). A Certificate of the MD and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.(Annexure IV)

b. Directors & Key Managerial Personnel

Appointments :

Director: The Company on recommendation of Nomination and Remuneration Committee and in its Board Meeting dated 30th May 2018 appointed Mr. Mayank Pandey (DIN 00039170) and Mr. Ratnesh Sadoriya (DIN08146570) as an Additional Independent Director of the Company with effect from 30th May, 2018 for a period of 5 years, not liable to retire by rotation.

Company Secretary: The Company on recommendation of Nomination and Remuneration Committee and in its Board Meeting dated 30th May 2018 appointed Mr. Sanjay Chourey as Company Secretary and Compliance Officer of the Company.

Re-appointments : In accordance with the Articles of Association of the Company and Section 152 of The Companies Act, 2013, Mr. Sunil Choksi(DIN:00155078), Managing Director is due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Re-appointments : Mr. Sudarshan Shastri (DIN: 00155105), was appointed as Non Executive- Independent Director of the Company for a term upto five consecutive years i.e. 30th September, 2019 at 22nd Annual General Meeting of the Company held on 29th September, 2014 at the registered office of the Company. Consecutively, his existing tenure is expiring on 30th September, 2019.

However, Pursuant to the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of insertion of Regulation 17(1A) vide SEBI Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) the re-appointment/ continuation of directorship of Mr. Sudarshan Shastri (DIN: 00155105) as Non Executive- Independent Director of the Company requires approval of the members.

Re-appointments : Mr. N. K. Mani (DIN: 02783996), was appointed as Non Executive- Independent Director of the Company for a term upto five consecutive years i.e. 30th September, 2019 at 22nd Annual General Meeting of the Company held on 29th September, 2014 at the registered office of the Company. Consecutively, his existing tenure is expiring on 30th September, 2019.

However, Pursuant to the amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of insertion of Regulation 17(1A) vide SEBI Listing Obligations and Disclosure Requirements) Regulations, 2018 (to be effective from 1st April, 2019), Section 149, 152 of the Companies Act, 2013 read with Schedule IV to the said Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment thereto or modification thereof for the time being in force) the re-appointment/ continuation of directorship of Mr. N. K. Mani (DIN: 02783996), as Non Executive- Independent Director of the Company requires approval of the members.

Cessations : During the year under review Mr. Satish Chandra Joshi and Mr. Pradeep Karmakar have ceased to be Independent Directors of the Company w.e.f. 31st March, 2018 and Mr. Abhishek Sharma, Company Secretary w.e.f. 30th May 2018. The Board places on record its appreciation towards valuable contribution made by Mr. Satish Chandra Joshi and Mr. Pradeep Karmakar during their tenure as Director of the Company.

c. Number of meeting of Board of Directors

The Board of Directors met Six (6) times during the Financial Year under review viz. 29th May 2017, 15th July 2017, 14th August 2017 27th Nov 2017, 12th Feb 2018, 31st March 2018. The maximum gap between any 2 meetings did not exceed 120 days.

d. Independent Directors and their Meeting

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

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

e. Secretarial Standards

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

f. Performance Evaluation of Board, Committee and Directors

In accordance with applicable provisions of The Companies Act, 2013 and Listing Regulations, the evaluation of the Board as a whole, committees and all the Directors was conducted, as per the internally designed evaluation process approved by the Board. The evaluation process inter alia considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

Report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

a. Audit Committee & Composition

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

b. Contracts and Arrangements with Related Parties

During the financial year 2017-18, the Company has not entered into transactions with related as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014,

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

During the financial year 2017-18, there were no transactions with related parties which qualify as material transactions under SEBI (Listing obligation and Disclosure Requirements) Regulation 2015 and the Companies Act.

In line with the requirements of the Companies Act, 2013 and Equity SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.choksilab.com/Downloads> The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties. Therefore the Company is not required to furnish any particulars in the Form AOC-2.

c. Particulars of Employees

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

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

1. INTERNAL FINANCIAL CONTROL

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company for ensuring the and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

2. DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a 'going concern' basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS & THEIR REPORT

Statutory Auditors:

M/s. Subhash Cand Jain Anurag & Associates, having ICAI Registration No. 004733C were appointed as Statutory Auditor of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on 25th September 2017. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditors :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Kaushal Ameta, M/s Kaushal Ameta & Company, Company Secretary (FCS: 8144, CP No. 9103) to undertake the Secretarial Audit of the Company. The Secretarial

Auditors in their report for the year 2017-18 has confirmed the compliances of by the Company as covered in their report.

The Report of the Secretarial Audit for the year 2017-18 in the Form MR-3 is annexed herewith as "Annexure VI". There is no qualification, reservation or adverse remark or in Secretarial Audit Report except the following:

Internal Auditors

In compliance with the provisions of Section 138 of Companies Act, 2013, read with Companies (Accounts) Rules, 2014, your Company has appointed as Internal M/s. Tanmay V. Rajurkar & Co., Chartered Accountants for the Financial Year 2017-18.

Reporting of Fraud by auditors

During the year under review neither the statutory auditor nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Related Party Transactions

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

All the related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134 (3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

OTHER DISCLOSURES

Particulars of Loans, Guarantees or Investments:

The particulars of loans, guarantees and investments as on 31st March 2018 are covered under the provisions of Section 186 of The Companies Act, 2013 is given in the Notes to Financial statements of the Company.

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

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

Details of Fixed Deposits

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

Prevention of Sexual Harassment at Workplace:

As per the requirement of the provisions of the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 read with rules made there under, your Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment. During the year under review, there were no complaints pertaining to sexual harassment.

Acknowledgement

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

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

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

**Place: Indore
Date: 13th August 2018**

**Sd/-
Sunil Choksi
Chairman & Managing Director
DIN00155078**

ANNEXURE-II

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At CLL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. We believe that sound Corporate Governance is critical to enhance and retain investors trust. Accordingly, we always seek to ensure that, we attain our performance rules with integrity. Our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long term Shareholder value and respect minority rights in all our business decisions.

The Securities and Exchange Board of India ('SEBI') on 28th March 2018 has accepted some of the recommendations of Kotak Committee on Corporate Governance. Subsequently, on 9th May 2018 the SEBI has amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Your Company shall ensure that its governance framework incorporates the applicable amendments introduced in the Listing Regulations and the same is proactively communicated and absorbed down the line with a view to strengthen its philosophy of Corporate Governance.

GOVERNANCE STRUCTURE

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

Board of Directors

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

Independent Directors

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

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

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

Committee of Directors

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

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

Management Structure

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

a. Chairman & Managing Director

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

b. Executive Director -

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

BOARD OF DIRECTORS

Board Composition and Category of Director

Name of Directors	Category
A. Executive Director	
Sunil Choksi	Managing Director
Vyangesh Choksi	Whole time Director
Stela Choksi	Whole time Director
Himika Choksi	Whole time Director
B. Non-Promoter	
Sudarshan Shastri	Independent Director
Namo Krishna Mani	Independent Director
Ratnesh Sadoriya**	Independent Director
Mayank Pandey**	Independent Director
Pradip Kamakar*	Independent Director
Satish Chand Joshi*	Independent Director

Note_*Resigned From Board on 31st March, 2018

**appointed with effect from 30th May 2018

Shri Sunil Choksi, Mr. Vyangesh Choksi, Mrs. Stela Choksi and Ms. Himika Choksi is relative, None of the other Directors are related to any other Director on the Board.

The Chairman of the Board of Directors is the Executive Chairman.

Board Meetings held during the Year

Date of Board Meeting	Total strength of Board	No of Director present
29th May 2017	8	6
15th July 2017	8	7
14th August 2017	8	7
27th Nov 2017	8	6
12th Feb 2018	8	7
31st March 2018	8	5

Attendance of Directors at Board Meetings and Annual General Meeting

Name of Director	Category of Director	Attendance		Directorship in other Public Companies	Committee Composition	
		Board	Last AGM		Chairman	Member
Sunil Choksi	Managing Director	8	Yes	1	0	0
Stela Choksi	Whole Time Director	7	Yes	0	0	0
Vyangesh Choksi	Whole Time Director	6	Yes	0	0	0
Himika Choksi	Whole Time Director	6	Yes	0	0	0
Sudarshan Shastri	Independent Director	8	Yes	1	3	0
Pradip Kamarkar	Independent Director	5	Yes	0	0	1
Satish Chand Joshi	Independent Director	5	Yes	0	0	2
N.K Mani	Independent Director	5	Yes	0	0	3

The Companies Act, 2013 read with the relevant rules made there under, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in

the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

Familiarization Programm for Independent Directors

In accordance with Regulation 25 of the Listing Regulations, the Board has adopted a Familiarization Program for Independent Directors to familiarize the Independent Directors of the Company with the organization.

The Company through its Managing Director/Chief Executive Officer/Senior Managerial Personnel conducts programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company and above all the Industry perspective & issues.

Meetings of Independent Directors

The Company's Independent Directors met one time during the financial year 2017-18 without the presence of Executives. Such meetings were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views to the Lead Independent Director. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

Role of the Company Secretary in Overall Governance Process

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

Recording Minutes of Proceedings at Board and Committee Meetings

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

Post Meeting Follow-up Mechanism

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

Compliance

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

COMMITTEES OF THE BOARD

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

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

(a) Audit Committee - Mandatory Committee

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

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

Internal Controls and Governance Processes

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

Audit

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

Other Duties

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

The composition of the Audit Committee as at 31st March, 2018 and details of the Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Audit Committee meeting held During the Year			
		29th May 2017	14th Aug 2017	27th Nov 2017	12 Feb 2018
Sudarshan Shastri	ID/Chairman	Yes	Yes	Yes	Yes
N. K. Mani	ID/Member	Yes	Yes	Yes	Yes
Satish Chand Joshi**	ID/Member	Yes	Yes	Yes	Yes
Ratnesh Sadoriya*	ID/Member	NA	NA	NA	NA

*Appointment w.e.f. 30th May 2018

** Resigned from board on 31st March 2018

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

Company Secretary was also present during all the Committee Meetings.

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

Self-Assessment by the Audit Committee

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

(b) Stakeholders’ Relationship Committee -Mandatory Committee

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

The terms of reference of the Committee are:

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

The composition of the Stakeholders’ Relationship Committee as at 31st March, 2018 and details of the Members participation at the Meetings of the Committee are as under :

Name of Member	Category	Attendance at the Stakeholders Relationship Committee meeting held During the Year			
		29th May 2017	14th Aug 2017	27th Nov 2017	12 Feb 2018
Sudarshan Shastri	ID/Chairman	Yes	Yes	Yes	Yes
N. K. Mani	ID/Member	Yes	Yes	Yes	Yes
Satish Chand Joshi**	ID/Member	Yes	Yes	Yes	Yes
Ratnesh Sadoriya*	ID/Member	NA	NA	NA	NA

*Appointment w.e.f. 30th May 2018

** Resigned from board on 31st March 2018

Company Secretary was also available during all the Committee Meetings

As on 31st March, 2018, no investor grievance has remained unattended/ pending for more than thirty days.

(c) Nomination and Remuneration Committee -Mandatory Committee

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

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

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

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

The composition of the Nomination and Remuneration Committee as at March, 31, 2018 and the details of Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Nomination and Remuneration Committee meeting held During the Year			
		29th May 2017	14th Aug 2017	27th Nov 2017	12 Feb 2018
Sudarshan Shastri	ID/Chairman	Yes	Yes	Yes	Yes
N. K. Mani	ID/Member	Yes	Yes	Yes	Yes
Pradip Karmakar**	ID/Member	Yes	Yes	Yes	Yes
Mayank Pandey*	ID/Member	NA	NA	NA	NA

*Appointment w.e.f. 30th May 2018

**Resigned From Board on 31st March 2018

Company Secretary was also present during all the Committee Meetings

(d) Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board has constituted an Internal Committee have been nominated in the committee to look into the complaints of the women employees relating to the Sexual Harassment of Women at Workplace.

(e) Independent Directors’ Meeting

During the year under review, the Independent Directors met on 29th May 2017, under the chairmanship of the Lead Independent Director, Shri Sudarshan Shastri inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Performance of the Chairman & Managing Director Shri Sunil Choksi and Director, Shri Vyangesh Choksi,
- Timelines of flow of information between the Management and the Board that is necessary for the board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

1. Criteria of selection of Non-Executive Directors

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

2. Remuneration

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

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

3. Managing Director - Criteria for selection /appointment

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

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

Remuneration for the Managing Director & Whole-time Directors

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

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

PERFORMANCE EVALUATION

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

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

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

TERMS OF APPOINTMENT & REMUNERATION - CEO & MD

Particulars	Shri Sunil Choksi Chairman & Managing Director
Period of Appointment	01.04.2014 to 31.03.2019
Salary Grade	27 Lacs P.A.
Minimum Remuneration	As per provisions of the Schedule V of the Companies Act, 2013 (previously Schedule XIII of Companies Act, 1956)

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

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Audit Committee and the Board has approved a policy for related party transactions which has been uploaded on the Company's website.

Compliance Officer of the Company

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

General Body Meetings

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

Year	Venue	Date	Time
2016-17	6/3, Manoramaganj, Indore	25th September 2017	11.00 a.m.
2015-16	6/3, Manoramaganj, Indore	27th September 2016	11.00 a.m.
2014-15	6/3, Manoramaganj, Indore	30th September 2015	11.00 a.m.

DISCLOSURES

(a) Strictures and Penalties

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

(b) Compliance with Accounting Standards

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

(c) Internal Controls

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

(d) MD/CFO Certification

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

CODE OF CONDUCT

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. The Code has been posted on the Company's website www.groupsignet.com. The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

LISTING OF SECURITIES

The Equity Shares of the Company are listed at Bombay Stock Exchange. The Company had duly paid the listing fees to the Bombay Stock Exchange for the financial year 2018-2019.

DEMAT STATUS

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

BUSINESS RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

COMMUNICATION WITH THE MEMBERS/ SHAREHOLDERS

- The unaudited quarterly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, with the Stock Exchanges/ SEBI (Listing obligation and Disclosure Requirements) Regulation 2015. The aforesaid financial results are sent to BSE Limited (BSE), where the Company's equity shares are listed, immediately after these are approved by the Board. The results are thereafter given by way of a Press Release to news agencies/ and are published in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.
- The Company also informs by way of intimation to BSE, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.
- The Annual Report of the Company, the quarterly and the annual results and the press releases of the Company are also placed on the Company's website: www.choksilab.com and can be downloaded.
- In compliance with SEBI (Listing obligation and Disclosure Requirements) Regulation 2015, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited, are filed electronically on BSE's on-line portal website www.listing.bseindia.com .
- A separate dedicated section under 'Corporate Governance' on the Company's website gives information on unclaimed dividends, quarterly compliance reports/ communications with the Stock Exchanges and other relevant information of interest to the investors /public.

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

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

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

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

GENERAL INFORMATION TO SHAREHOLDERS

1. Annual General Meeting Date/Day : 28th September, 2018, Time : 11.30 AM Venue : 6/3, Manoramganj, Indore, MP.452001	
2. Board Meeting for consideration of Accounts for the financial year ended March, 31, 2017	30th May, 2018
3. Posting of Annual Reports	On or before 5th September, 2018
4. Book Closure Dates	Wednesday, September 26th, 2018 to Friday, September 28th, 2018 (both days inclusive).
5. Last date for receipt of Proxy Forms	26th September, 2018 before 11.00 a.m
6. Financial Year of the Company	1st April, 2017 to 31st March, 2018.
7. Results for the Quarter ending : June 30, 2017 September 30, 2017 December 31, 2017 March 31, 2018	On or before 14th September, 2017 On or before 14th November, 2017 On or before 14th February, 2018 On or before 30th May, 2018 (Audited).

LISTING ON STOCK EXCHANGES

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:
 Name and Address of the Stock Exchanges Stock/Scrip Code ISIN for CDSL/NSDL Dematerialised Shares
 BSE Ltd., Mumbai CHOKSI INE493D01013

INVESTOR SERVICES

The Company has a Registrar and Share Transfer Agent M/s LINK INTIME INDIA PVT. LTD address C -101, 247 PARK, L.B.S. MARG, VIKHROLI(WEST), MUMBAI – 400083, which offers all share related services to its Members and Investors.

These services include transfer/transmission/dematerialization of shares, payment of dividends, sub-division/consolidation / renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent

Address for Correspondence with the Share Transfer Agent of the Company

LINK INTIME INDIA PRIVATE LIMITED

**C -101, 247 PARK, L.B.S. MARG,
 VIKHROLI (WEST),
 MUMBAI – 400083**

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

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

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

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

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

Exclusive E-Mail ID

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

Market Information

Equity Share Price on BSE/NSE April, 2017 – March, 2018

Month	Bombay Stock Exchange Limited (BSE)	
	High	Low
April 2017	28.95	16.15
May 2017	26.25	18.00
June 2017	23.50	17.55
July 2017	22.85	20.00
August 2017	21.55	17.60
September 2017	24.50	17.75
October 2017	23.00	19.05
November 2017	25.20	17.20
December 2017	35.80	18.70
January 2018	32.55	25.00
February 2018	30.00	21.60
March 2018	31.20	24.45

SHARE TRANSFER SYSTEM AND OTHER RELATED MATTERS

i. Share transfers

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

ii. Permanent Account Number (PAN)

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

iii. Pending Investors' Grievances

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

iv. Reconciliation of Share Capital Audit

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

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

Other Important Information

(a) Nomination Facility

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

(b) Updating of Shareholders Information

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

(c) Mandatory Requirement of PAN

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

- Transferees and Transferors PAN Cards for transfer of shares
- Transfer of shares to Legal Heirs/ Nominees
- For Dematerialization of shares
- Issuance of Duplicate Share certificates

(d) Shareholders are requested to keep record of their specimen Signature before lodgment of Shares with the Company to obviate possibility of differences in signature at a later date.

For and on behalf of the Board of Directors

**Place: Indore
Date: 13th August 2018**

**Sd/-
SUNIL CHOKSI
Chairman & Managing Director
DIN00155078**

**ANNEXURE - I
MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

A. OPPORTUNITIES AND THREATS

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

B. SEGEMENT- WISE PERFORMACE

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

C. OUTLOOK

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

D. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

E. FINANCIAL AND OPERATIONAL PERFORMANCE

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

F. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS

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

G. CAUTIONARY STATEMENT

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

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

For and on behalf of the Board of Directors

Place: Indore
Date: 13th August 2018

Sd/-
SUNIL CHOKSI
Chairman & Managing Director
DIN00155078

CEO/CFO CERTIFICATE

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

To
The Board of Directors
Choksi Laboratories Limited

1. We have reviewed financial statements and the cash flow statement of Choksi Laboratories Limited for the year ended 31st March, 2018 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 : 13.08.2018
PLACE : INDORE

SUNIL CHOKSI
CHIEF EXECUTIVE OFFICER

VYANGESH CHOKSI
CHIEF FINANCIAL OFFICE

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

(Regulations 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To The Members of
Choksi Laboratories Limited,

We have examined the compliance of conditions of Corporate Governance by Choksi Laboratories Limited, for the year ended 31 March 2018 as stipulated in Regulations 15 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

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

Date: 13.08.2018
Place : Indore

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

Annexure VI
Secretarial Audit Report
(For the financial year ended 31st March, 2018)
[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 (MP)

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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the company during the year);
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the company during the year);
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the company during the year) ;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the company during the year);
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the company during the year);
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the company during the year);
 - i. The Company has complied with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - VI other Specifically applicable laws to the Company:.
 - a. The Employee Provident Fund & Miscellaneous Provisions Act, 1952;
 - b. Employees State Insurance Act, 1948;
 - c. Payment of Gratuity Act, 1973;
 - d. The Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013 We, have also examined compliance with the applicable clauses of the following:
 - I. Secretarial Standards issued by The Institute of Company Secretaries of India.
 - II. The Listing Agreements entered into by the Company with the BSE Limited.
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, Listing Agreements etc mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committees of the Board, as the case may be.

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

Place: Indore
Date: July 12th, 2018

For Kaushal Ameta & Co.

Kaushal Ameta
(Proprietor)
Practicing Company Secretary
Membership No: F 8144
C.P. No.: 9103

Annexure to Secretarial Audit Report

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
3. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. 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 compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Indore
Date: July 12th , 2018

For Kaushal Ameta & Co.
Kaushal Ameta
(Proprietor)
Practicing Company Secretary
Membership No: F 8144
C.P. No.: 9103

ANNEXURE-VII

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2018

[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 - 452001
vi) Whether listed company:	Listed
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	M/s. Link Intime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1891754	Nil	1891754	27.16	1892754	Nil	1892754	27.17	0.01
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	300000	Nil	300000	4.31	300000	Nil	300000	4.31	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) AnyOther....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	2191754	Nil	2191754	31.47	2192754	Nil	2192754	31.47	0.01

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April, 2017)				No. of Shares held at the end of the year (As on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A) = (A)(1)+ (A) (2)	2191754	Nil	2191754	31.47	2192754	Nil	2192754	31.47	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									
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) NIR & OBC	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii) Clearing Member									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1288336	756515	2044851	29.36	1405836	827015	2232851	32.06	3.21
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	195629	207000	2163829	31.06	1789586	125800	1915386	27.50	(3.56)
c) Others (specify)	353821	210000	563829	8.1	414272	210,000	624,272	8.95	0.85
Sub-total (B)(2):-	3609694	1162815	4772509	68.52	3609694	1162815	4772509	68.52	0
Total Public Shareholding (B)= (B)(1)+ (B)(2)	3598994	1173515	4772509	68.52	3609694	1162815	4772509	68.52	0
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	5802448	1162815	6965263	100	5802448	1162815	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	D.G. Choksi HUF (Karta Sunil Kumar Choksi)	400000	5.74	Nil	400000	5.74	Nil	Nil
4	Khyati Choksi	301263	4.33	Nil	301263	4.33	Nil	Nil
5	Choksi Holding Company Private Limited	300000	4.31	Nil	300000	4.31	Nil	Nil
6	Stela Choksi	220200	3.16	Nil	220200	3.16	Nil	Nil
7	Himika Choksi	Nil	Nil	Nil	1000	0.01	Nil	0.01
	Total	2191754	31.47	Nil	2192754	31.48	Nil	0.01

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

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

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

Sl No.	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Pratap Singh Hardia	243000	3.48	Nil	Nil	Nil	250000	3.48
2	Gaurav Anand	-	-	Nil	200000	Buy	200000	2.87
3	Dheeraj Kumar Lohia	108486	1.55	Nil	45910	Buy	154396	2.21
4	Shantanu Trivedi	-	-	Nil	150000	Buy	150000	2.15
5	Timsy Kapoor	-	-	Nil	150000	Buy	150000	2.15
6	Quest Laboratories Pvt. Ltd.	142200	2.04	Nil	Nil	Nil	142200	2.04
7	Lucky Fofriya	100000	1.44	Nil	Nil	Nil	100000	1.44
8	Purshottam Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
9	Sakar Gupta	100000	1.44	Nil	Nil	Nil	100000	1.44
10	Sonia Gulati	100000	1.44	Nil	Nil	Nil	76221	1.09
	Total	876907	12.59	-	545910	-	1422817	20.42

(iv) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNES of the Company including interest outstanding/accrued but not due for payment As on 31st March 2018

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,35,50,715	2,07,64,014	Nil	7,43,14,729
ii) Interest due but not paid	5,17,285	-	Nil	5,17,285
iii) Interest accrued but not due.	Nil	Nil	Nil	Nil
Total (i+ii+iii)	5,40,68,000	2,07,64,014	Nil	7,48,32,014
Change in Indebtedness during the financial year				
• Addition	4,17,67,000	62,00,000	Nil	4,79,67,000
• Reduction	3,48,47,250	45,65,335	Nil	3,94,12,586
Net Change	69,19,749	16,34,665	Nil	85,54,414
Indebtedness at the end of the financial year				
i) Principal Amount	6,04,70,464	2,23,98,679	Nil	8,28,69,143
ii) Interest due but not paid	2,29,841	Nil	Nil	2,29,841
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	5,89,00,250	2,32,64,059	Nil	8,21,64,309

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.N.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sunil Choksi	Stela Choksi	Vyangesh Choksi	Himika Choksi	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,700,000	2,100,000	2,100,000	2,000,000	8,900,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify					
	Total (A)	2,700,000	2,100,000	2,100,000	2,000,000	8,900,000
	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	34000	8000	6000	30000	78000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	34000	8000	6000	30000	78000
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	34000	8000	6000	30000	78000
	Total					78000
	Managerial					
	Overall Ceiling as per the Act	34000	8000	6000	30000	78000

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	298680	0.00	298680
	(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	298680	Nil	298680

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

INDEPENDENT AUDITORS' REPORT

To,
The shareholders of
Choksi Laboratories Limited
Indore

Report on the Financial Statements

We have audited the accompanying financial statements of Choksi Laboratories Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as " Ind AS financial statements")

Management's Responsibility for the IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with the companies (Indian accounting standards) rule 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the IndAS financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the statement of affairs of the Company as at March 31, 2018 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our Audit Report we report, to the extent applicable that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Control over Financial Reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - h) 1) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer note 35 to the Ind AS financial statements.
 - 2) The Company does not have any long term contract including derivatives contract for which there were any material foreseeable losses.
 - 3) There were no amount which were required to be transferred to the investor education & protection fund by the company.
- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

S. C. Jain
Partner
M No : 072062

Place : Indore
Date : 30-05-2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Choksi Laboratories Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over financial reporting issued by the institute of chartered accountants of India ("ICAI") .

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

Place : Indore
Date : 30-05-2018

S. C. Jain
Partner
M No : 072062

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF CHOKSI LABORATORIES LIMITED

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

1. In respect of its fixed assets:

- ♦ The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets .
- ♦ As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- ♦ According to the information and explanations given to us and the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising of the immovable properties of land and building which are free hold and lease hold, are in the name of the company as at the balance sheet date except freehold land situated at 4/3, Manoramaganj, Indore whose title is still in the name of Director Shri Sunil Choksi having carrying value of Rs. 10 Lacs & Premises on the said land having carrying value of Rs. 82.39 Lacs.

2. Inventory

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

3. Loan given by company

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

4. Loan to directors and investment by the company

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

5. Deposits

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

6. Cost records

The Central Government has not prescribed maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by sub section (1) of Section 148 of the Companies Act, 2013.

7. Statutory dues

- a) According to the books of accounts and records examined by us and according to generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues.
- b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income tax, Sales Tax, Customs Duty, Excise Duty, Service Tax, Cess and other material statutory dues which have remained outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no Statutory dues which have not been deposited as on March 31, 2018 on account of disputes except TDS default on Traces to the tune of Rs. 5245/-.

8. Repayments of loans

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

9. Utilization of funds

During the year, The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The Term Loans availed were applied for the purposes for which they are raised.

10. Reporting of frauds

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

11. Approvals of managerial remuneration

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

12. Nidhi Company

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

13. Related party transaction

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

14. Private Placement or preferential allotment

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

15. Non cash transaction

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

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

Place : Indore
Date : 30-05-2018

S. C. Jain
Partner
M No : 072062

BALANCE SHEET AS AT 31ST MARCH 2018

Amount in ₹

PARTICULARS	NOTES	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
Non-current assets				
Property plant and equipment	1	254,308,785	193,339,577	147,371,235
Investment Property	1	29,926,734	26,686,368	26,686,368
Capital Work-in-Progress	1	-	42,834,787	89,628,442
Intangible assets	1	1,973,777	2,279,876	2,334,430
Intangible assets under development		-	-	317,871
Financial Assets				
Investments		-	-	-
Loans		-	-	-
Other Financial Assets	2	5,101,251	4,926,395	7,295,681
Other Non-current assets	3	5,294,180	5,913,542	3,289,711
Total Non-Current assets		296,604,727	275,980,545	276,923,738
Current assets				
Inventories	4	2,894,890	2,305,700	-
Financial Assets				
Investments		-	-	-
Trade receivables	5	98,764,156	88,011,555	85,778,923
Income tax assets	6	32,220,921	21,111,656	33,657,856
Cash and cash equivalents	7	9,502,407	5,601,040	7,626,396
Loans		-	-	-
Other Financial Assets	2	76,636	1,835,213	556,155
Deferred tax Asset (Net)		-	-	-
Other Current Assets	8	6,726,569	11,742,245	13,705,118
Total Current assets		150,185,579	130,607,409	141,324,448
Total Assets		446,790,306	406,587,954	418,248,186
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	9	69,652,630	69,652,630	69,652,630
Other Equity	10	154,309,225	141,622,965	130,681,161
Total Equity		223,961,855	211,275,595	200,333,791
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	11	55,207,775	42,725,618	80,644,739
Provisions	12	7,348,364	4,945,807	4,098,391
Deferred tax Liabilities (Net)	13	4,267,358	4,018,799	5,864,622
Total non-current liabilities		66,823,497	51,690,224	90,607,752
Current liabilities				
Financial Liabilities				
Borrowings	14	43,431,712	37,603,943	28,238,198
Trade payables	15	56,471,690	48,136,846	40,069,034
Other Financial Liabilities	16	25,622,285	31,589,112	27,883,036
Other Current liabilities	17	13,789,268	12,390,643	16,975,725
Provisions	18	16,689,999	13,901,591	14,140,650
Total current liabilities		156,004,954	143,622,135	127,306,643
Total Liabilities		222,828,451	195,312,359	217,914,395
Total Equity and Liabilities		446,790,306	406,587,954	418,248,186

Significant Accounting Policies : Notes A to C

See accompanying Notes forming Part of the Financial Statements : Notes 1 to 44

In terms of our Report Attached

As per our report of even date

For Subhash Chand Jain Anurag & Associates

Chartered Accountants

FRN: 004733C

(S. C. Jain)

Partner

M.No.:072062

Place : Indore

Date : 30th May, 2018

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

CIN : L85195MP1993PLC007471

Sunil Choksi

Managing Director

DIN-00155078

Vyangesh Choksi

Chief Finance Officer

DIN-00154926

Mrs. Stela Choksi

Director

DIN-00155043

Abhishek Sharma

Company Secretary

M. No. 37215

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH,2018

Amount in ₹

PARTICULARS	Note	Year ended 31 March 2018	Year ended 31 March 2017
I) INCOME			
Revenue from operations			
Sale of Products		-	-
Income from Services	19	311,963,600	287,611,657
Total Revenue from operations		311,963,600	287,611,657
Other Income	20	3,606,502	5,048,914
Other Gain/(Loss)	21	-86,700	3,551,256
Total Income		315,483,402	296,211,827
II) EXPENSES			
Cost of Material Consumed	22	34,727,577	29,749,450
Purchase of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods			
Work-in-Progress and Stock-in-Trade		-	-
Service tax on Revenue Services		7,816,820	35,625,091
Employee Benefits Expense	23	113,972,038	94,539,942
Finance Costs	24	15,903,206	14,680,998
Depreciation / Amortisation and			
Depletion Expense	1	31,631,143	28,634,585
Other Expenses	25	92,103,473	79,886,281
Total Expenses		296,154,257	283,116,347
III) Profit Before Tax		19,329,145	13,095,480
IV) Tax Expenses			
Current Tax	26	5,311,261	5,989,447
Deferred Tax	26	546,970	-1,819,601
V) Profit for the Year		13,470,914	8,925,634
VI) Other comprehensive income:			
Items that will not be reclassified to Statement of Profit and Loss			
Actuarial Gain on defined benefit plans recognised in accordance with IND AS-19	23	-1,083,065	-95,172
Income tax relating to items that will not be reclassified to Statement of Profit and			
Loss (Previous Year)	26	298,411	26,222
Items that will be reclassified to Statement of Profit and Loss			
Income tax relating to items that will be reclassified to Statement of Profit & loss		-	-
VII) Total comprehensive income for the year		12,686,260	8,856,684

VIII) Earnings per equity share of face value of RS 10 each			
Basic (in RS)	27	1.93	1.28
Diluted (in RS)	27	1.93	1.28

Significant Accounting Policies : Notes A to C
See accompanying Notes forming Part of the Financial Statements : Notes 1 to 44

As per our report of even date

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

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

Place : Indore
Date : 30th May, 2018

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

Sunil Choksi
Managing Director
DIN-00155078

Mrs. Stela Choksi
Director
DIN-00155043

Vyangesh Choksi
Chief Finance Officer
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018
EQUITY SHARE CAPITAL

Amount in ₹

Balance at the beginning of the reporting period i.e. 1st April 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March 2017	Changes in equity of the reporting year 2017-18	Balance at the end of the reporting period i.e. 31st March 2018
69,652,630	-	69,652,630	-	69,652,630

OTHER EQUITY

Particulars	Reserves and Surplus			Other Comprehensive income	Total
	Capital Reserve	security premium reserve	Retained Earning		
As On 31 March 2017					
Balance At The Beginning Of The Reporting Period i.e. 1st April 2016	2,005,500	13,510,478	115,165,183	-	130,681,161
Profit & Loss for the year			8,925,633		8,925,633
Total Comprehensive Income For The Year			69,950	-68,950	-68,950
Changes In Accounting Policies Or Prior Period Errors			2,085,120		2,085,120
Balance At The End Of The Reporting Period 31ST March 2017	2,005,500	13,510,478	126,245,886	-68,950	141,622,964
As On 31 March 2017					
Balance At The Beginning Of The Reporting Period i.e. 1st April 2017	2,005,500	13,510,478	126,245,886	-68,950	141,622,964
Profit & Loss for the year			13,470,914		13,470,914
Other Comprehensive Income For The Year			784,654	-784,654	-784,654
Balance At The End Of The Reporting Period 31ST March 2018	2,005,500	13,510,478	139,577,901	-784,654	154,309,224

Significant Accounting Policies : Notes A to C
See accompanying Notes forming Part of the Financial Statements : Notes 1 to 44

As per our report of even date

For Subhash Chand Jain Anurag & Associates
Chartered Accountants

FRN: 004733C

(S. C. Jain)
Partner

M.No.:072062

Place : Indore

Date : 30th May, 2018

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

Sunil Choksi
Managing Director
DIN-00155078

Mrs. Stela Choksi
Director
DIN-00155043

Vyngesh Choksi
Chief Finance Officer
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Amount in ₹

PARTICULARS	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Profit before income tax	19,329,145	13,095,479
Adjustments for		
Depreciation and amortisation expense	31,631,143	28,634,584
Other Comprehensive Income	(1,083,065)	(95,172)
SOCI Adjustments	-	2,085,120
Loss/ (Gain) on disposal of property, plant and equipment	12,436	(3,558,650)
Interest Received	(3,606,502)	(5,048,914)
Finance costs	15,903,206	14,680,998
Net exchange differences	74,264	7,394
Operating Profit before working Capital Changes	62,260,627	49,800,839
Adjustments for :		
(Increase)/Decrease in trade receivables	(10,752,601)	(2,232,632)
(Increase) in inventories	(589,190)	(2,305,700)
Increase in trade payables	8,334,844	8,067,812
(Increase) in other financial assets	1,583,721	1,090,228
(Increase)/decrease in other non-current assets	(2,380,638)	376,169
(Increase)/decrease in other current assets	8,015,676	(1,037,127)
Increase/(decrease) in provisions	(707,478)	173,931
Increase in employee benefit obligations	5,898,443	434,426
Increase/ (decrease) in Working Capital Limits	5,827,769	9,365,745
Increase in other current liabilities	1,398,625	(4,585,082)
Cash generated from operations	78,889,798	59,148,609
Income taxes paid/(refunds) Net	16,421,324	(6,556,000)
Net cash inflow from operating activities	62,468,474	65,704,609
Cash flows from investing activities		
Payments for property, plant and equipment	(48,262,123)	(31,325,794)
Payments for investment property	(3,240,366)	-
Payments for software development costs	(1,220,981)	(1,061,648)
Proceeds from sale of property, plant and equipment	12,000	8,510,000
Interest received	3,606,502	5,048,914
Net cash outflow from investing activities	(49,104,968)	(18,828,528)
Cash flows from financing activities		
Proceeds from LT borrowings	46,767,000	750,000
Repayment of borrowings	(40,251,669)	(34,963,045)
Interest paid	(15,903,206)	(14,680,998)
Net cash inflow (outflow) from financing activities	(9,387,875)	(48,894,043)
Net increase (decrease) in cash and cash equivalents	3,975,631	(2,017,962)
Cash and cash equivalents at the beginning of the financial year	5,601,040	7,626,396
Effects of exchange rate changes on cash and cash equivalents	(74,264)	(7,394)
Cash and cash equivalents at end of the year (as per Note No. 7)	9,502,407	5,601,040

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS 7 Statement of Cash Flow.
- Figures for the Previous Year have been re-arranged and re-grouped wherever necessary to confirmation with the Current year classification. And figures in brackets represent outflows.

Significant Accounting Policies : Notes A to C
See accompanying Notes forming Part of the Financial Statements : Notes 1 to 44

As per our report of even date

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

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

Place : Indore
Date : 30th May, 2018

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

CIN : L85195MP1993PLC007471

Sunil Choksi
Managing Director
DIN-00155078

Vyangesh Choksi
Chief Finance Officer
DIN-00154926

Mrs. Stela Choksi
Director
DIN-00155043

Abhishek Sharma
Company Secretary
M. No. 37215

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

NOTE NO. A

GENERAL INFORMATION

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

NOTE NO. B

SIGNIFICANT ACCOUNTING POLICIES

a) Basis Of Preparation Of Financial Statements

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:-

- i) Certain financial assets and liabilities and
- ii) Defined benefit plans - plan assets

b) Statement of Compliance

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Upto financial year ended on 31st March 2017, the company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April 2016 and 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes.

c) Operating Cycle

Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set on the basis of following manner

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on its operating cycle. The company has identified twelve months as its operating cycle.

- a) 1) An asset is treated as current when it is:
 - Expected to be realized or intended to be sold or consumed in normal operating cycle;
 - Held primarily for the purpose of trading;
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

- 2) All other assets are classified as non-current:
- b) 1) A liability is current when:
- It is expected to be settled in normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- 2) All other liabilities are classified as non-current.
- c) Deferred tax assets and liabilities are classified as non-current assets / liabilities.

d) Accounting policies

The Company has changed its accounting policy in respect of recording the transactions of purchases & sales of goods, expenses and the valuation of inventory from inclusive method to exclusive method. Resultantly, the Company has recorded the transactions at Values exclusive of Value Added Tax, Central Sales Tax and Goods & Services Tax, charged thereon, instead of recording the transaction and valuing the inventory at values inclusive of such taxes up till the previous financial year.

Such change in accounting policy is an outcome of the roll out of the Goods & Services Tax Law w.e.f. 1-7-2017, due to which the taxes such as Value Added Tax and Central Sales Tax have been abolished and in the opinion of the management the recording of transactions exclusive of the taxes gives a true and fair view of the state of affairs of the business.

Due to the aforesaid changes in accounting policy, there would be no impact on the Profit or Loss for the year ended 31st March, 2018 or for any subsequent financial year.

e) First time adoption of IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2016, with a transition date of 1st April, 2015. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards". Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at And for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

f) USE OF ESTIMATES

IND AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

g) FINANCIAL STATEMENT PREPARATION CURRENCY

Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

h) PROPERTY, PLANT AND EQUIPMENT

- ★ All PPE are stated at original cost (net of tax/duty credit availed) less accumulated depreciation and impairment losses except freehold land which is carried at cost. Cost includes cost of acquisition, construction and installation, taxes, duties, freight, other incidental expenses relating to the acquisition, trail run expenses (net of revenue) and pre-operative expenses including attributable borrowing costs incurred during pre-operational period. And net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets
- ★ Borrowing costs directly attributable to acquisition of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.
- ★ Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met. Thus the policy of the company is that subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that the future economic benefits associated with the items will flow to the entity and the cost of the same can be measured reliably.
- ★ When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.
- ★ Gains and losses on disposal of an item of property, plant and equipments are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.
- ★ An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognized.
- ★ The residual values of property, plant and equipment are reviewed periodically.
- ★ Provision of decommissioning & restoration & other liabilities are not made.

i) Depreciation

Depreciation on fixed assets is provided on the straight-line method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine.

j) Intangible assets

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

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

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

k) Impairment

The carrying values of assets(tangible & intangible) / cash generating units at each reporting date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

D) Leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred. All other lease are classified as operating leases.

Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Borrowing cost are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss as per the term of the lease agreements

m) Capital work in progress

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

n) Financial instruments, Financial Assets, Financial Liabilities & Equity Instruments

n1) Financial assets

a) Initial recognition and measurements

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributed to the acquisition of financial assets of fair value through profit or loss are recognised immediately in profit or loss.

b) Subsequent recognition

For the purpose of subsequent measurement, financial assets are classified under:

1. Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold assets for collecting cash flow and whose contractual terms give rise on specified dates to cash flow that are solely payment of principal and interest on the principal amount outstanding are subsequently measured at amortized cost.

2. Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flow and selling the financial assets and the assets contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured a fair value. Fair value movements are recognized in other comprehensive income.

3. Financial assets at fair value through profit or loss (FVTPL)

Any financial asset which does not meet the criteria for categorization as financial assets at amortized cost or as FVTOCI is classified as assets at FVTPL.

4. Derecognition

The company derecognises a financial asset when contractual rights to the cash flows, from the assets expire, or when it transfers are financial assets and substantially all the risk and rewards of ownership of the assets to another party.

On derecognition of a financial in its entirety, the difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit and loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

n2) Financial liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

1. Financial liabilities at amortized cost

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

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

Financial liabilities include financial held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss if the recognition criteria as per Ind AS 109 – “Financial Instruments” are satisfied. Gains or losses on liabilities held for trading are recognised in statement of profit and loss. Fair value gains and losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognised on other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognised in the statements of profit or loss. The company has not designated any financial liabilities as at FVTPL.

3. Derecognition

The company derecognises a financial liabilities when the company's obligation are discharged, canceled all have expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable is recognised in profit or loss.

c) Impairment

1. Financial assets

The company applies expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCL). ECL is the difference between contractual cash flow that are due and the cash flow that the Company expects to receive, discounted at the original effective interest rate.

Expected credit losses are measured through a loss allowance at an amount equal to:

- ★ The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- ★ Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)."

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

d) Inventories

- a) Items of inventories are measured at lower of cost and reliable value, except in case of by-products & obsolescence/ defective which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- b) The cost formulas used are Weighted Average Cost in case of raw material, ancillary raw material, stores and spares, packing materials, trading and other products are determined at cost, with moving average price on FIFO basis.

e) Revenue recognition

The company recognize revenue when amount of revenue can be reliably measured , it is probable that future economic benefit will flow to the company and substantial risk and reward of ownership are transfer to customer.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AT 31ST MARCH 2018

NOTE NO. C

First time adoption of IND AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2018, with a transition date of 1st April, 2016. These financial statements for the year ended 31st March, 2018 are the first financial statements the Company has prepared under Ind AS. For all periods upto and including the year ended 31st March, 2017, the Company has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards". Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

1. Optional Exemptions from retrospective application

Ind AS 101 permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. The Company has elected to apply the following optional exemptions from retrospective application:

Deemed cost for property, plant and equipment and intangible assets

The Company has elected to measure all its property, plant and equipment and intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

2. Mandatory Exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The classification of financial assets to be measured at amortized cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

3. Transition to Ind AS – Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- a. Reconciliation of Equity as at 1st April, 2016.
- b. Reconciliation of Equity as at 31st March, 2017.
- c. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017.

Adjustments to Statement of Cash Flows for the year ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Reconciliation of Total Comprehensive Income for the year ended 31st March 2017

Amount in ₹

PARTICULARS	Previous GAAP	Adjustments	Ind AS
INCOME			
Revenue from operations			
Income from Services	251,986,566	35,625,091	287,611,657
Other Income	2,737,762	2,311,152	5,048,914
Other GAIN/LOSS	3,558,650	-7,394	3,551,256
Total Income	258,282,978	37,928,849	296,211,827
EXPENSES			
Cost of Material Consumed	29,749,450	-	29,749,450
Service tax on Revenue Services	-	35,625,091	35,625,091
Employee Benefits Expense	94,635,113	-95,170	94,539,942
Finance Costs	12,642,000	2,038,998	14,680,998
Depreciation / Amortisation and Depletion Expense	28,634,584	-	28,634,585
Other Expenses	79,621,523	264,758	79,886,281
Total Expenses	245,282,670	37,833,677	283,116,347
Profit Before Tax	13,000,308	95,172	13,095,480
Tax Expenses			
Current Tax	5,989,447	-	5,989,447
Deferred Tax	-1,845,823	26,222	-1,819,601
Profit for the Year	8,856,684	68,950	8,925,634
Other comprehensive income:			
Items that will not be reclassified to Statement of Profit and Loss			
Actuarial Gain on defined benefit plans recognised in accordance with IND AS-19	-	-95,172	-95,172
Income tax relating to items that will not be reclassified to Statement of Profit and Loss	-	26,222	26,222
Total comprehensive income for the year	8,856,684	-68,950	8,856,684

Reconciliation of Balance Sheet for the year ended 31st March 2017

Amount in ₹

PARTICULARS	Previous GAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property plant and equipment	220,025,945	-26,686,368	193,339,577
Investment Property	-	26,686,368	26,686,368
Capital Work-in-Progress	42,834,787	-	42,834,787
Intangible assets	2,279,876	-	2,279,876
Financial Assets			
Other Financial Assets	-	4,926,395	4,926,395
Other Non-current assets	8,051,352	-2,137,810	5,913,542
Total Non-Current assets	273,191,960	-	275,980,545
Current assets			
Inventories	-	2,305,700	2,305,700
Financial Assets			
Trade receivables	88,232,135	-220,580	88,011,555
Income tax assets	26,185,656	-5,074,000	21,111,656
Cash and cash equivalents	6,836,637	-1,235,597	5,601,040
Other Financial Assets	-	1,835,213	1,835,213
Other Current Assets	15,130,446	-3,388,201	11,742,245
Total Current assets	136,384,874	-	130,607,409
Total Assets	409,576,834	-2,988,880	406,587,954
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	69,652,630	-	69,652,630
Other Equity	139,537,845	2,085,120	141,622,965
Total Equity	209,190,475	-	211,275,595
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	42,725,618	-	42,725,618
Provisions	-	4,945,807	4,945,807
Deferred tax Liabilities (Net)	4,018,799	-	4,018,799
Total non-current liabilities	46,744,417	-	51,690,224
Current liabilities			
Financial Liabilities			
Borrowings	37,603,943	-	37,603,943
Trade payables	48,136,846	-	48,136,846
Other Financial Liabilities	31,589,112	-	31,589,112
Other Current liabilities	12,390,643	-	12,390,643
Provisions	23,921,398	-10,019,807	13,901,591
Total current liabilities	153,641,942	-	143,622,135
Total Liabilities	200,386,359	-	195,312,359
Total Equity and Liabilities	409,576,834	-2,988,880	406,587,954

NOTE "01"
Fixed Assets

	GROSS BLOCK					DEPRECIATION / AMORTISATION / DEPLETION					NET BLOCK		
	As at 01-04-2016	Impact on IND AS Transition	Adjustments / Additions (deductions)	As at 01-04-2017	Impact on IND AS Transition	Adjustments / Additions (deductions)	As at 01-04-2017	For the Year	Impact on IND AS Transition	Adjustments / Deductions	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
1. PROPERTY PLANT & EQUIPMENT													
A. Tangible Assets :													
Free Hold Land	30,382,718	-2,696,350	-	1,000,000	-	-	1,000,000	-	-	-	1,000,000	1,000,000	3,696,350
Buildings	31,957,590	3,211,379	82,935	35,251,904	1,166,537	119,820	36,538,261	1,851,319	-	3,631,278	33,471,945	33,471,945	31,957,590
Furniture, fittings and equipments	21,453,479	12,187,476	2,548,540	36,189,495	1,867,197	3,589,625	41,646,317	4,730,447	-	9,286,890	32,379,427	31,653,052	21,453,479
Plant and Machinery	74,357,175	51,004,847	3,080,084	128,442,106	39,863,997	39,172,898	207,369,107	20,256,620	-	38,509,036	168,860,071	110,189,690	74,357,175
Computers	2,310,149	1,531,757	4,425,989	8,771,672	4,345,683	1,413,078	10,956,408	1,893,179	-	3,306,257	3,012,911	3,012,911	2,310,149
Motor Vehicles	8,266,292	1,634,103	9,900,395	10,956,408	1,081,844	-25,831	12,118,422	1,372,498	-	2,589,719	8,681,779	8,681,779	8,266,292
Sub-Total	168,727,403	40,301,417	6,181,069	215,209,889	42,897,731	48,309,778	306,281,745	30,104,063	-	57,303,180	248,978,585	188,009,377	142,041,035
Leased Assets													
Leasehold Land	5,330,200	-	-	5,330,200	-	-	5,330,200	-	-	-	5,330,200	5,330,200	5,330,200
Total (A)	174,057,603	40,301,417	6,181,069	220,540,089	42,897,731	48,309,778	311,611,945	30,104,063	-	57,303,180	254,308,785	193,339,577	147,371,235
B. Investment Property													
Free Hold Land	26,686,368	26,686,368	-	26,686,368	-	3,240,366	29,926,734	-	-	-	29,926,734	26,686,368	26,686,368
Total (B)	26,686,368	26,686,368	-	26,686,368	-	3,240,366	29,926,734	-	-	-	29,926,734	26,686,368	26,686,368
C. Capital Work-in-Progress													
CAPITAL WIP	89,628,442	-66,987,785	20,194,130	42,834,787	-42,834,787	-	-	-	-	-	-	42,834,787	89,628,442
Total (C)	89,628,442	-66,987,785	20,194,130	42,834,787	-42,834,787	-	-	-	-	-	-	42,834,787	89,628,442
D. Intangible Assets :													
Computer Software	2,334,430	973,402	406,117	3,713,949	-	1,220,981	4,934,930	1,527,080	-	2,961,153	1,973,777	2,279,876	2,334,430
E. Intangible Assets Under Development													
Total (D)	2,334,430	973,402	406,117	3,713,949	-	1,220,981	4,934,930	1,527,080	-	2,961,153	1,973,777	2,279,876	2,334,430
Grand Total	203,075,401	67,961,107	6,587,186	250,940,406	42,897,731	52,771,125	346,473,629	31,631,143	-	60,264,333	286,209,296	222,305,821	176,709,904

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

NOTE "2"

OTHER FINANCIAL ASSETS

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Related Parties	-	-	-	1,793,722	2,000,000	-
Others- considered good	3,775,970	-	3,732,289	-	4,247,545	-
Balances with banks in deposit accounts: with more than 12months maturity	1,325,281	76,636	1,194,106	41,491	1,048,136	556,155
Interest accrued on above	-	-	-	-	-	-
Total	5,101,251	76,636	4,926,395	1,835,213	7,295,681	556,155

NOTE "03"

Other Non-current assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured and Considered Good)			
Capital Advances	3,000,000	3,000,000	-
Advances other than capital advances			
Prepayments & others	1,494,180	2,113,542	2,789,711
Other Advances	800,000	800,000	500,000
Total	5,294,180	5,913,542	3,289,711

NOTE "04"

Inventories

(Unsecured and Considered Good)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw materials	2,439,790	2,178,500	-
Stores and spares	455,100	127,200	-
TOTAL	2,894,890	2,305,700	-

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

NOTE "05"

Trade receivables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Unsecured Considered Good	98,764,156	88,011,555	85,778,923
b) Considered Doubtful	606,321	220,580	-
Less: Provision for Doubtful Debts	-606,321	-220,580	-
Total Trade Receivables (A + B)	98,764,156	88,011,555	85,778,923

Debts due by directors or other officers of the Company or any of them either severally or jointly with any other persons or debts due by firms or private companies respectively in which any director is a partner or a director or a member as on 31 March 2018-NIL (31.3.2017- NIL, 1.4.2016- Nil)

NOTE "06"

INCOME TAX ASSETS (NET)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Income Tax Deducted at Source(net of provisions)	12,782,747	9,509,521	8,390,914
Income Tax Refundable (earlier years)	19,438,174	11,602,135	25,266,942
Total	32,220,921	21,111,656	33,657,856

NOTE "07"

Cash and cash equivalents

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Cash on Hand	3,910,316	3,692,485	6,088,291
Unrestricted Balance with bank in Current accounts	3,592,091	1,908,555	1,538,105
Cheques, Draft on Hand	2,000,000	-	-
Other Balances with banks : In deposit accounts	1,401,917	1,235,597	1,604,291
Less: Amount disclosed under "Other financial assets"	-1,401,917	-1,235,597	-1,604,291
Cash and cash equivalents as per balance sheet	9,502,407	5,601,040	7,626,396

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

NOTE "08"

Other Current Assets

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Prepayments	4,076,406	4,896,532	3,857,546
Capital Advances (unsecured)	-	-	723,865
Advance to staff	907,698	682,137	517,075
GST Advance & unutilised inputs Credit	384,440	-	-
Service Tax Advance & unutilised inputs Credit	-	853,470	3,556,139
Other Advances	292,840	4,423,195	3,950,176
Advance to suppliers	1,065,185	886,911	1,100,317
Total	6,726,569	11,742,245	13,705,118

NOTE "09"

Equity Share capital

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Units	Amount	Units	Amount	Units	Amount
SHARE CAPITAL						
Authorised Share Capital						
Equity Shares of Rs 10 each	12000000	120,000,000	12000000	120,000,000	12000000	120,000,000
Preference share capital of Rs 10 each	3000000	30,000,000	3000000	30,000,000	3000000	30,000,000
TOTAL	15000000	150,000,000	15000000	150,000,000	15000000	150,000,000
Issued, Subscribed and Paid up:						
Equity Shares of Rs. 10 each fully paid up	6965263	69,652,630	6965263	69,652,630	6965263	69,652,630
Total	6,965,263	69,652,630	6,965,263	69,652,630	6,965,263	69,652,630

The details of shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Sunil Choksi	523192	7.51%	523192	7.51%	523192	7.51%
Vyangesh Choksi	447099	6.42%	447099	6.42%	447099	6.42%
Dhansukhbhai Gulabdas Choksi HUF	400000	5.74%	400000	5.74%	400000	5.74%

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

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
	No. of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	6965263	6965263	6965263
Add: Shares issued during the year	-	-	-
Equity Shares at the end of the year	6,965,263	6,965,263	6,965,263

Terms/ Rights attached to equity shares :

The Company has only one class of shares i.e. equity shares with equal rights for dividend and repayment. Each holder of the shares is entitled to one vote per share. Dividend on equity shares whenever proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE "10"

Other Equity

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital Reserve			
As per last Balance Sheet	2,005,500	2,005,500	2,005,500
Less: Transferred to retained earnings	-	-	-
Total	2005500	2005500	2005500
Security Premium Reserve			
As per last Balance Sheet	13,510,478	13,510,478	13,510,478
Less: Transferred to retained earnings	-	-	-
Total	13510478	13510478	13510478
Retained Earnings			
As per last Balance Sheet	126,106,987	115,165,183	115,165,183
Add: Profit for the year	13,470,914	8,925,634	-

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Add/(Less): Prior Period adjustments	-	2,085,120	-
	139,577,901	126,175,937	115,165,183
Less: Appropriations	-	-	-
Transfer to General reserve	-	-	-
	139,577,901	126,175,937	115,165,183
Other Comprehensive Income (OCI)			
As per last Balance Sheet	-	-	-
Add: Movement in OCI (Net) during the year	-784,654	-68,950	-
Total Retained Earnings	138,793,247	126,106,987	115,165,183
TOTAL OTHER EQUITY	154,309,225	141,622,965	130,681,161

Notes :

- a) Securities Premium is used to record the Premium on issue of Shares. The same is utilized in accordance with the Provision of Sec. 52 of the Companies Act, 2013.
b) Retained earning represent the Profit that the Company has earned till date less any dividend or other distribution to the Shareholders.

Note "11"

Financial liabilities

Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31/03/2018	31/03/2017	01/04/2016
Secured Term Loan From Banks:						
Axis bank	Term Loan (4)_30th Jun' 2018	Principle Repay in FY 18-19_1100000	8.40 + 4.25%	1,100,000	4,400,000	7,425,000
Axis bank	Term Loan (5)_ 31st Dec' 2019	Principle Repay in FY 18-19_12228000 & FY 19-20_7063673	8.40 + 4.25%	19,291,673	31,558,756	40,853,756
Axis bank (TL (1))				-	-	4,824,231
Axis bank (TL (2))				-	698,000	5,054,000
Axis bank (TL (3))				-	9,838,570	11,500,000
Bank of India TL (2)	Term Loan (2)_ 31st Mar2020	Principle Repay in FY 18-19_2144599 & FY 19-20_2144599 & FY 20-21_103939	8.4+0.3+1.50%	4,393,137	6,190,010	7,500,000
Bank of India TL (3)				-	-	6,725
Bank of India TL (4)	Term Loan (4)_31st May2021	Principle Repay in FY 18-19_ 5000004 & FY 19-20_5000004/- & FY 20-21_5000004 & FY 21-22_833318	8.40+0.3+2.45%	15,833,330	-	-
Bank of India TL (5)	Term Loan (5) 31st Dec2024	Principle Repay in FY 18-19_ 1142857.20 & FY 19-20_1142857.20 & FY 20-21_1142857.20 & FY 21-22_1142857.20 & FY 22-23_1142857.20 & FY 23-24_1142857.20 & FY 24-25_857142.80	8.40 + 0.3 + 2.45%	7,714,286	-	-
Vehicle Loans						
HDFC Bank	Honda Jazz_070518	Principle Repay in FY 18-19 Rs. 88687	9.50% p.a	88,687	592,411	-
HDFC Bank	Honda WR-V_050818	Principle Repay in FY 18-19 Rs. 370195	8.50% p.a	370,195	-	-
ICICI bank	Force Traveller_221017		10.60% p.a	-	225,360.00	584,136
BMW India Financial Ser.	BMW CAR			-	-	437,070
Pvt Ltd						
HDFC Bank	Swift Dzire			-	47,608	316,466

Term Loans From NBFC :

Reliance Commercial Finance Limited	Principle Repay in FY 18-19_265827.37 & FY 19-20_304019.95 & FY 20-21_347699.86 & FY 21-22_192157.52.	13.50% p.a	1,109,705	-	-
Reliance Commercial Finance Limited	Principle Repay in FY 18-19_874947.16 & FY 19-20_304019.95 & FY 20-21_347699.86 & FY 21-22_192157.52.	13.50% p.a	3,652,521	-	-
Reliance Commercial Finance Limited	Principle Repay in FY 18-19_ 1508865.80 & FY 19-20_1725651.24 & FY 20-21_1973583.22 & FY 21-22_1090721.87.	13.50% p.a	6,298,822	-	-
Reliance Commercial Finance Limited	Principle Repay in FY 18-19_ 138706.09 & FY 19-20_158634.63 & FY 20-21_181426.36 & FY 21-22_100257.94.	13.50% p.a	579,025	-	-

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

Unsecured From NBFC's :

Magma Fincorp Limited	Loan (3)			-	-	1,478,991
Magma Fincorp Limited	Loan (4)_07042018	Principle Repay in FY 18-19 Rs. 91882.01	22.00% p.a	91,882	1,073,590	1,862,998
Bajaj Finance Limited	Loan (2)			-	176,541	1,124,198
Bajaj Finance Limited	Loan (3)_02122018	Principle Repay in FY 18-19 Rs. 706797.70	17.50% p.a	706,798	1,516,735	2,197,501
Religare Finvest Limited	Loan (3)			-	687,009	1,564,860
Tata Capital Financial Ser Ltd	Loan (3)			-	110,140	1,297,843
Viji Finance Ltd	Loan (3)			-	-	2,500,000
From Related parties: Directors						
Mr.Sunil Choksi	Long Term	One time	Nil	13,200,000	15,200,000	15,600,000
Mrs. Stela Choksi	Long Term	One time	Nil	6,400,000	2,000,000	2,400,000
Total non-current borrowings				80,830,061	74,314,729.19	108,527,774
Less: Current maturities of long-term debt (included in note 13(b))				25,622,285	31,589,112	27,883,036
Less: Interest accrued (included in note 13(b))				-	-	-
Non-current borrowings (as per balance sheet)				55,207,776	42,725,617	80,644,738

The Term Loan 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

Term Loan from Bank of India is secured by Freehold Land at Kumedi in Indore and Land & Building situated at GIDC, Industrial Estate, Makarpura, Vadodara.

Term Loan from Reliance Commercial Finance Limited is Secured by hypothecation of lab instruments at Indore & is also personally guaranteed by the directors shri Sunil Choksi & Smt. Stela Choksi.

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

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

NOTE "12"
Provisions

PROVISIONS NON CURRENT

Provision for Employee Benefits

Provision for Gratuity

Total

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Gratuity	7,348,364	4,945,807	4,098,391
Total	7,348,364	4,945,807	4,098,391

NOTE "13"

Deferred tax liabilities (Net)

Component of Deferred Tax Liabilities as at 31st March 2018 as follows :

The movement on the deferred tax account is as follows :

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Tax Liability			
Related to Fixed Assets	7,644,098	7,909,065	8,663,143
Deferred Tax Assets			
Disallowances under the Income Tax Act	1,961,320	2,439,930	1,263,682
Others	1,415,420	1,450,336	1,534,839
Net Deferred Tax Liability	4,267,358	4,018,799	5,864,622
At the start of the year	4,018,799	5,864,622	
Charge/(credit) to Statement of Profit and Loss	248,559	-1,845,823	
At the end of year	4,267,358	4,018,799	5,864,622

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

NOTE "14"

Borrowings

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
BORROWING - CURRENT			
Secured - At Amortised Cost			
Working Capital Loans			
From Banks *			
Cash Credit from Axis Bank	29,596,439	30,000,000	28,238,198
Overdraft from Bank of India	11,835,273	7,603,943	-
Unsecured Loans			
From Related Parties : Directors *			
Mr. Sunil Choksi	2,000,000	-	-
Total	43,431,712	37,603,943	28,238,198

Cash Credit from Axis Bank is sanctioned for Rs.300 Lakh and is secured by joint hypothecation of running stocks of consumable and all book debts both present and future alongwith Indore and Goa Fixed Assets

The said cash credit is also personally guaranteed by the directors Mr. Sunil Choksi & Mr.Vyangesh Choksi

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

NOTE "15"

Trade Payables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Micro, Small and Medium Enterprises	374,487	58,741	137,526
Others (Other than Micro & Small Enterprises)	56,097,203	48,078,105	39,931,508
Trade payables to related parties	-	-	-
Total	56,471,690	48,136,846	40,069,034

NOTE "16"

Other Financial Liabilities

Other Financial Liabilities measured at Amortization Cost

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of Long Term Debt (Refer Note 11)	25,622,285	31,589,112	27,883,036
Total	25,622,285	31,589,112	27,883,036

NOTE "17"

Other Current Liabilities

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Credit balances of staff	1,361,243	333,016	34,626
Credit balances of others	222,231	-	-
Advance payment from Customers	8,018,101	2,167,287	1,450,800
Statutory tax payables	4,187,693	9,890,340	15,490,299
TOTAL	13,789,268	12,390,643	16,975,725

NOTE "18"

Provisions

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
PROVISIONS - CURRENT			
Provisions for Employee Benefits	14,676,102	11,180,216	11,593,206
Other Provisions	2,013,897	2,721,375	2,547,444
Total	16,689,999	13,901,591	14,140,650

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

NOTE "19"

REVENUE FROM OPERATIONS

	2017-18	2016-17
Rendering of services	311,957,720	287,588,459
Other operating revenues	5,880	23,198
Total	311,963,600	287,611,657

Revenue from rendering of services includes Service Tax upto 30.6.2017 amounting to Rs.7816820 (Previous year Rs.35625091) wef 1.7.2017 onwards for nine months GST on rendering of services amounts to Rs.4,01,11,296/-, which is not included in the above revenue

NOTE "20"

Other Income

	2017-18	2016-17
Interest Received	129,978	146,334
Interest on Income Tax Refund	657,659	2,591,428
Interest income from financial assets mandatorily measured at fair value through profit or loss	2,818,865	2,311,152
Total	3,606,502	5,048,914

NOTE "21"

Other GAIN/LOSS

	2017-18	2016-17
Net gain on disposal of property, plant and equipment	-12,436	3,558,650
Net foreign exchange losses	-74,264	-7,394
Total	-86,700	3,551,256

NOTE "22"

COST OF MATERIAL CONSUMED

	2017-18	2016-17
Raw materials at the beginning of the year	2,305,700	-
Add: Purchases	35,316,767	32,055,150
Less: Raw materials at the end of the year	2,894,890	2,305,700
Total	34,727,577	29,749,450

NOTE "23"

Employee Benefit Expense

EMPLOYEE BENEFITS EXPENSE

	2017-18	2016-17
Salaries and Wages	88,736,981	75,040,240
Bonus to employees	3,259,300	2,576,000
Exgratia to employees	1,069,232	698,559
Administration charges to LIC for Group Gratuity scheme	92,860	69,574
Directors Remuneration	8,900,000	6,900,000
Staff welfare expenses	649,891	489,194
Contribution to Provident Fund and Other Funds	7,955,379	7,009,553
Gratuity	3,308,395	1,756,822
Total	113,972,038	94,539,942

Particulars

	2017-18	2016-17
Employer's Contribution to Provident Fund	6,095,262	5,560,892
Employer's Contribution to ESIC	1,601,065	1,226,774
Employer's Contribution to employee deposit linked insurance scheme	259,052	221,887

Ind AS 19 Disclosures

Background :

Gratuity is classified as Defined Benefit plan as enterprise's obligation is to provide agreed benefits, subject to minimum benefits as subscribed by the Payment of Gratuity Act, to plan members. Actuarial & Investment risks are borne by the enterprise.

The Net Defined Benefit Liability/(Asset) is the Net (Surplus)/Deficit in the plan netted off by effect of Asset Ceiling, if any. It is arrived by deducting Fair Value of Plan Assets from the Defined Benefit Obligation as on the date of valuation.

As required under Para 67 of Ind AS 19 actuarial valuation is done using Projected Unit Credit Method. Under this method, only benefits accrued till the date of valuation (i.e. based on service upto date of valuation) are to be considered for valuation. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and project the benefit till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the future date of payment to the date of valuation using the assumed discount rate.

'Service Cost' is calculated separately in respect of benefit accrued during the current period using the same method as described above. However, instead of all accrued benefits, benefit accrued over the current reporting period is considered.

Recognition of Actuarial Gains/Losses :

All the remeasurements, comprising of actuarial gains/losses on DBO & Fair value of assets, arising during the reporting period have been recognized in full through outside of Profit & Loss account through Other Comprehensive Income.

Discount Rate :

Discount Rate for this valuation is based on Government bonds having similar term to duration of liabilities. Due to lack of a deep & secondary bond market in India, government bond yields are used to arrive at the discount rate.

Risk Posed by the Plan :

Gratuity is a multiple of last drawn salary paid at the time of retirement/resignation/death. The actuarial risk i.e. unusual (typically high) salary growth or turnover rate can increase the cost of providing the benefit. It can also alter timing of cashflows. This risk is borne by the employer. Gratuity is paid as lumpsum and hence there is no longevity risk involved.

Asset Information :

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs.3,677,505 as of the valuation

Funding Requirements :

Currently there are no minimum funding requirements in India. The investments made by the trust are regulated by the Income Tax Act. The enterprise and the trustees should ensure compliance with the provisions of the said act.

Special Events :

We have not been informed about any benefit improvements, curtailments & settlements during the inter-valuation period.

Amount Recognized in Statement of Financial Position at Period-End	31-Mar-17	31-Mar-18
Present Value of Unfunded Defined Benefit Obligation	8,985,547	12,725,869
Fair value of Plan Assets	3,039,740	3,677,505
	5,945,807	9,048,364
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to the Asset Ceiling	-	-
Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position	5,945,807	9,048,364

Net Defined Benefit Cost/(Income) included in Statement of Profit & Loss at Period-End

	31-Mar-17	31-Mar-18
Service Cost	1,341,592	1,605,008
Net Interest Cost	415,230	452,459
Past Service Cost	-	1,250,928
Administration Expenses	-	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Total Defined Benefit Cost/(Income) included in Profit & Loss	1,756,822	3,308,395
Current / Non-Current Bifurcation	31-Mar-17	31-Mar-18
Current Benefit Obligation	2,185,156	2,750,587
Non - Current Benefit Obligation	6,800,391	9,975,282
(Asset)/Liability Recognised in the Balance Sheet	8,985,547	12,725,869

Ind AS 19 Disclosures

Actual Return on Plan Assets	31-Mar-17	31-Mar-18
Interest Income on Plan Assets	238,909	243,179
Remeasurements on Plan Assets	-	2,760
Actual Return on Plan Assets	238,909	245,939

Analysis of Amounts Recognised in Other Comprehensive (Income)/Loss at Period-End

	31-Mar-17	31-Mar-18
Amount recognized in OCI, Beginning of Period	(1,292,711)	(1,197,539)
Remeasurements due to :		
Effect of Change in financial assumptions	-	205,581
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	95,172	880,244
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	(2,760)
Changes in asset ceiling	-	-
Total remeasurements recognized in OCI	95,172	1,083,065
Amount recognized in OCI, End of Period	(1,197,539)	(114,474)

Total Defined Benefit Cost/(Income) included in Profit & Loss and Other Comprehensive Income

	31-Mar-17	31-Mar-18
Amount recognized in P&L, End of Period	1,756,822	3,308,395
Amount recognized in OCI, End of Period	95,172	1,083,065
Total Net Defined Benefit Cost/(Income) Recognized at Period-End	1,851,994	4,391,460

Change in the Unrecognised Asset due to the Asset Ceiling During the Period

	31-Mar-17	31-Mar-18
Unrecognised Asset, Beginning of Period	-	-
Interest on Unrecognised Asset Recognised in P&L	-	-
Other changes in Unrecognised Asset due to the Asset Ceiling	-	-
Unrecognised Asset, End of Period	-	-

Change in Defined Benefit Obligation during the Period

	31-Mar-17	31-Mar-18
Defined Benefit Obligation, Beginning of Period	8,176,730	8,985,547
Net Current Service Cost	1,341,592	1,605,008
Interest Cost on DBO	654,139	695,638
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	95,172	1,085,825
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(1,282,086)	(897,077)
Past Service Cost	-	1,250,928
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	8,985,547	12,725,869

Ind AS 19 Disclosures

Change in Fair value of Plan Assets during the Period

	31-Mar-17	31-Mar-18
Fair value of Plan Assets, Beginning of Period	3,226,866	3,039,740
Interest Income Plan Assets	238,909	243,179

	31-Mar-17	31-Mar-18
Actual Company Contributions	856,051	1,288,903
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	2,760
Benefits Paid	(1,282,086)	(897,077)
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
Fair value of Plan Assets, End of Period	3,039,740	3,677,505

Reconciliation of Balance Sheet Amount

	31-Mar-17	31-Mar-18
Balance Sheet (Asset)/Liability, Beginning of Period	4,949,864	5,945,807
True-up	-	-
Total Charge/(Credit) Recognised in Profit and Loss	1,756,822	3,308,395
Total Remeasurements Recognised in OC (Income)/Loss	95,172	1,083,065
Acquisitions/Business Combinations/Divestitures	-	-
Benefits Paid	(856,051)	(1,288,903)
Other Events	-	-
Balance Sheet (Asset)/Liability, End of Period	5,945,807	9,048,364

Financial Assumptions Used to Determine the Defined Benefit Obligation

Discount Rate	8.00%	7.58%
Salary Escalation Rate	7.00%	7.00%

Financial Assumptions Used to Determine the Profit & Loss Charge

Discount Rate	8.00%	7.58%
Salary Escalation Rate	7.00%	7.00%
Expected Return on Plan Assets	N.A.	N.A.

Demographic Assumptions Used to Determine the Defined Benefit Obligation

Withdrawal Rate	22.50%	22.50%
Mortality Rate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Retirement Age	70 years	70 years

Asset Category	31-Mar-18	31-Mar-18	31-Mar-18
	Quoted Value	Non-Quoted Value	Total
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	100.00%	100.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
Total	0.00%	100.00%	100.00%

The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC. We have been provided with the fund size of Rs.3,677,505 as of the valuation date.

Ind AS 19 Disclosures

Expected Cashflows for the Next Ten Years	31-Mar-18
Year - 2019	2,852,930
Year - 2020	2,394,682
Year - 2021	2,062,176
Year - 2022	1,800,985
Year - 2023	1,547,626
Year - 2024 to 2028	4,772,900

Defined Benefit Obligation by Participant Status	
a. Actives	12,725,869
b. Vested Deferreds	-
c. Retirees	-
Total Defined Benefit Obligation	12,725,869

Sensitivity Analysis	
Defined Benefit Obligation - Discount Rate + 100 basis points	(476,105)
Defined Benefit Obligation - Discount Rate - 100 basis points	522,946
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	499,180
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(426,082)

Summary of Plan Provisions

The following is a summary of benefits provided by the plan sponsor.

Eligibility & Applicability

Plan Coverage	All employees
Plan Salary	Monthly Basic
Plan Service	Completed year of service, service of six months and above is rounded off as one year
Normal Retirement Age	70 years
Vesting Period	5 years on Retirement & Withdrawal.

Benefits Payable

Retirement Benefit	15/26* Plan Salary * Plan Service
Withdrawal Benefit	Same as Retirement Benefit
Death Benefit	Same as Retirement Benefit
Maximum Ceiling	INR 20,00,000

Breakdown of Actuarial (Gains)/Losses

Note : The information contained in the following pages do not form a part of the Ind AS 19 disclosure requirements. However, the same have been produced to aid better understanding of results of the actuarial valuations.

Breakup of Actuarial (Gains)/Losses

Change in Defined Benefit Obligation	31-Mar-17	31-Mar-18
Defined Benefit Obligation, Beginning of Period	8,176,730	8,985,547
Service Cost	1,341,592	1,605,008
Interest Cost	654,139	695,638
Actual Plan Participants' Contributions	-	-
Total Actuarial (Gains)/Losses	95,172	1,085,825
a. Effect of Change in Financial Assumptions	-	205,581
b. Effect of Change in Demographic Assumptions	-	-
c. Experience (Gains)/ Losses	95,172	880,244
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	(1,282,086)	(897,077)
Past Service Cost	-	1,250,928
Losses / (Gains) on Curtailments/Settlements	-	-
Defined Benefit Obligation, End of Period	8,985,547	12,725,869

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

NOTE "24"

Finance Cost

	2017-18	2016-17
Interest on Term Loans & Working Capital Loans	13,270,471	15,686,271
Interest and finance charges on financial liabilities not at fair value through profit or loss	2,502,653	2,038,998
Bank Charges	167,543	190,964
Loan Processing Charges	280,877	460,134
TOTAL	16,221,544	18,376,367
Less: Amount capitalised	318,338	3,695,369
Finance costs expensed in profit or loss	15,903,206	14,680,998

NOTE "25"

Other Expenses

	2017-18	2016-17
Laboratory Expenses	9,810,305	8,867,930
Power & Fuel Charges	7,275,909	7,390,554
Insurance: Instruments & Building	210,312	220,583
Freight / Transportation Charges	267,244	93,068
Testing Charges	2,514,250	1,822,537
NABL/BIS/NPL - Asstt. Charges	431,588	562,649
Repair & Maintenance – Instruments	12,957,949	10,071,666
Repair & Maintenance – Building	2,694,942	2,146,507
Training & Certification Charges	239,539	313,406
Business Promotion & Advertisement Expenses	1,428,476	2,952,236
Commission & Brokerages	8,675,565	4,986,633
Discount Allowed	178,243	1,264,437
Bad Debts Written Off	3,069,583	4,709,822
Office Maintenance Expenses	3,279,013	2,592,571
Telephone, Internet & Mobile Expenses	1,463,230	1,840,532
Postage & Courier Charges	1,187,173	1,058,033
Vehicle Running & Maintenance	3,271,862	2,727,884
Computer Expenses	4,199,305	3,504,642
Printing & Stationery Expenses	3,469,310	2,866,984
Books & Periodicals	175,190	187,523
Directors' Sitting Fees	78,000	44,000
Rent Charges	8,443,644	6,440,270
Insurance on Vehicle	122,734	126,407
Insurance on Others	445,116	338,611
Office General Expenses	607,567	634,990
Repair & Maintenance Charges	301,261	412,049
Membership Fees & Subscriptions	15,458	16,250
Placement Expenses	564,055	364,768
Legal Expenses	240,209	174,346
Professional Charges	5,517,286	4,070,003
Payments to auditors (refer note 29 below)	175,000	175,000
Rates & Taxes	860,277	677,841
Registration / Filing / Licence Renewal Fees	501,349	146,124
Listing Fees	295,000	263,000
Penalty Charges	1,735,718	93,947
Provision for Doubtful Debts	606,321	-
Donation	30,500	305,000
Travelling Expenses	4,764,990	5,423,478
Total Other Expenses (A+B+C)	92,103,473	79,886,281

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

NOTE "26"		
Taxation	2017-18	2016-17
Income tax recognised in Statement of Profit and Loss		
Current tax on profits for the year	6,043,749	5,074,000
Adjustments for current tax of prior periods	125,251	915,447
Excess Provision written back of previous year	-857,739	-
Total Current Tax	5,311,261	5,989,447
Deferred tax	845,381	-1,793,379
Total income tax expenses recognised in the current year	6,156,642	4,196,068
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Profit before tax	19,329,145	13,095,480
At India Statutory Income Tax rate(27.553%) (Previous year 33.063%)	5,325,759	4,329,759
Adjustments in respect of current income tax of previous years	-732,488	915,447
Effect of non-deductible expenses for tax purposes	717,990	744,241
Total Current Tax reported in the statement of Profit and Loss	5,311,261	5,989,447
NOTE "27"		
Earning Per Share		
	2017-18	2016-17
i) Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	13,470,914	8,925,634
ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS	6965263	6965263
iii) Weighted Average Potential Equity Shares	-	-
iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	6965263	6965263
v) Basic Earnings per Share (Rs.)	1.93	1.28
vi) Diluted Earnings per Share (Rs.)	1.93	1.28
vii) Face Value per Equity Share (Rs.)	10.00	10.00
28. Value of Imports on CIF basis in respect of :		
	2017-18	2016-17
Capital Goods	28112391	5802057
Spare Parts/ Books & Periodicals	184805	Nil
29. Payment to Auditors as :		
	2017-18	2016-17
Statutory Audit Fees	125000	125000
Tax Audit Fees	50000	50000
Certification & other matters	50000	50000
30. Expenditure in Foreign Currency:		
	2017-18	2016-17
Travelling Expenses	75971	Nil
31. Earnings in Foreign Exchange		
	2017-18	2016-17
FOB value of Exports	8071679	3408651

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

33. Related Party Disclosures :

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

1. Related Parties

(a) Individual having control & Key Management Personnel

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

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

(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, 2018;

Nature of Transactions	Individual having Control and KMP	Relatives of KMP	Outstanding balance as on 31-03-2018
Remuneration	8900000	-	2005239
Commission	-	642327	47756
Salary	-	480000	Nil
Rent	300000	1136820	1665653
Deposit Given	-	Op.Bal. 20 Lacs	Nil
Loan Taken	6200000	-	21600000
Loan Repaid	1800000	-	21600000
Interest Paid / (Received)	25,02,653/ (2502653)	-	-

34. Operating Leases :

i)	Obligation on Non-cancelable operating leases :	
	a) not later than one year	1030229
	b) later than one year and not later than five years	174840
	c) later than five years	655650
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	8443644
iv)	Sub lease payments received or receivable recognized in P&L A/c during the period	NIL
v)	General description of significant leasing arrangements	Various Properties for Commercial use Basis taken as per the lease agreements with the lessor All lease agreements are general and can be renewed after expiry of the lease period. No purchase options specifically mentioned in the agreement. Not to sub-lease
	a) Description of the assets taken on operating lease	
	b) Basis on which contingent rent payments are determined	
	c) Terms of renewal or purchase options and escalation clauses of lease arrangements	
	d) Restrictions imposed by lease agreements, if any	

35 CONTINGENT LIABILITIES AND COMMITMENTS :

S.No	Particulars	2017-18	2016-17
1)	Contingent Liabilities		
	Claims against the Company /disputed liabilities not acknowledged as debts	NIL	NIL
	Guarantees issued by Bank on behalf of the Company.	663064	453064
	Performance Guarantees/ Other money for which the company is contingently liable	NIL	NIL
2)	Commitments :		
	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances).	4200000	4200000
	Other Commitments	NIL	NIL

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

36. In previous financial statement, an amount of Rs.32,04,212/- 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 even though the Company has timely fulfilled all export obligations. During the year under audit, the Company has duly received a refund of the said amount of Rs.32,04,212/- from the said authority.
37. On 1.9.2016, the Service Tax Department has conducted a Service Tax inspection on the Company, wherein a Service tax demand was determined to be paid for Rs.2,65,95,454/-(before claiming of the CENVAT) for the period from January 2016 to August 2016. The said amount is already paid by the Company during the period 2016-17. However, a Show Cause Notice dated 19.5.2017 was issued by the Principal Commissioner, Customs, Central Excise & Service Tax for which the Company has filed a Settlement Application with the Customs, Central Excise & Service Tax, Principal Bench, Settlement Commission. As per the Final order dt. 26.10.2017 of the Customs, Central Excise & Service Tax, Settlement Commission, Principal Bench, New Delhi, the Company is levied a Penalty of Rs.17,00,000/- for the same. It has been duly paid on 15.11.2017
38. During the year, Borrowing Costs amounting of Rs.3,18,338/- has been Capitalized to Fixed assets.
39. Disclosure in terms of Accounting Standard "Impairment Losses":

PARTICULARS		31.3.2018	31.3.2017
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

40. Remuneration to Directors

Sr. No.	Name of the Director	Relation	Year ended 31.03.2018		Year ended 31.03.2017	
			Remuneration	Sitting Fees	Remuneration	Sitting Fees
1	Shri Sunil Choksi	Managing Directors	27,00,000	-	27,00,000	-
2	Smt. Stela Choksi	Whole Time Directors	21,00,000	-	21,00,000	-
3	Shri Vyangesh Choksi	Whole Time Directors	21,00,000	-	21,00,000	-
4	Ms. Himika Choksi	Director	20,00,000	-	-	-
5	Shri Sudarshan Shastri	Director	-	34,000	-	19,000
6	Shri Pradip Karmakar	Director	-	6,000	-	3,000
7	Shri N. K. Mani	Director	-	30,000	-	19,000
8	Shri Satish Joshi	Director	-	8,000	-	3,000

41. The Balance Confirmation from the suppliers, customers as well as to various loans or advances given have been called for but the same are awaited till the date of Audit. Thus the balances of receivable, Trade Payable as well as Loan & Advances have been taken as per Books of Accounts submitted by the Company and are subject to confirmation from the respective Parties.
42. The Company has no subsidiary. Hence requirement of Consolidated Financial Statement is not applicable to the Company. TDS Default on Traces for the Previous period of Rs. 5245/- However the company is under the process to rectify the same.
43. In the opinion of the Board Current Assets, Loans & Advances are approximately of the value stated if released in the ordinary course of Business. The provision for Depreciation and all known liability are adequate. There is no Contingent Liability other than stated.
44. The previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year presentation.

As per our report of even date

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

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

Place : Indore
Date : 30th May, 2018

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

Sunil Choksi
Managing Director
DIN-00155078

Mrs. Stela Choksi
Director
DIN-00155043

Vyangesh Choksi
Chief Finance Officer
DIN-00154926

Abhishek Sharma
Company Secretary
M. No. 37215

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

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

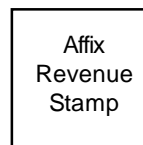
1. Name :	
Address :	
Email ID :	
Signature :	
2. Name :	
Address :	
Email ID :	
Signature :	
3. Name :	
Address :	
Email ID :	
Signature :	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Friday, 28th day of September, 2018 at 11.30 A.M. at 6/3, Manoramaganj, Indore, M.P. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March, 2018 and the Reports of the Directors and Auditors thereon.
2. Re-appointment of Mr.Sunil Choksi (DIN:0015078), who retires by rotation and being eligible offer himself for re-appointment.
3. Appointment of Mr. Ratnesh Sadoriya (DIN:08146570) as Independent Director of the Company
4. Appointment of Mr. Mayank Pandey (DIN:0039170), as Independent Director of the Company.
5. Re-ppointment of Mr. Sudarshan Shastri (DIN:00155105), as Independent Director of the Company.
6. Re-Appointment of Mr. N. K. Mani (DIN:02783996), as Independent Director of the Company.

Affix Revenue Stamp Signed this.....day of2018.



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.

To,

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

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