

**18th
ANNUAL REPORT
2010 - 2011**



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

CHOKSI LABORATORIES LIMITED

BRANCHES

1. 829, GIDC Makarpura,
Vadodara – 390 010 (Gujrat)
2. Gokul Complex, IInd & IIrd Floor,
101/8 GIDC Char Rasta Vapi
(Gujrat) - 396 195
3. Plot No. 362, Industrial Area
Phase II, Panchkula
(Hariyana) - 134 113
4. Plot No. C-18 & 20, Phace 1-A,
Verna Industrial Estate.
Verna - 403 722 (GOA)

SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (W),
Mumbai -400 078
Tel. No. 25963838 Ext. : 2293
Fax : No. 25946969

BOARD OF DIRECTORS :

Mr. Sunil Choksi - Managing Director
Mrs.Himika Choksi Varma - Jt. Managing Director
Mrs.Stela Choksi - Wholetime Director
Mr.Vyangesh Choksi - Wholetime Director
Mr.Sudarshan Shastri - Director
Mr.Pradip Karmakar - Director
Mr. Satish Joshi - Director
Mr. N. K. Mani - Director

AUDITORS :

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

BANKERS :

UCO Bank, Jawahar Marg, Indore
HDFC Bank
Union Bank of India, Geeta Bhawan, Indore

REGISTERED OFFICE & LABORATORY :

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

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the members of the Company will be held on Saturday the 30th July 2011 at 11.00 a.m. at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet and the Profit & Loss account of the Company for the year ended on 31st March 2011 and the Reports of the Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Sudarshan Shastri who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Directors in place of Mr. Pradip Karmakar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit to pass with or without modification the following resolutions Ordinary Resolution.

INCREASE IN THE REMUNERATION OF MANAGING DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311, and other applicable provisions if any, and in terms of schedule XIII of the Companies Act 1956 as amended up to the date, the remuneration of Shri Sunil Choksi, Managing Director of the Company be and is hereby increased from Rs.1,00,000/- per month to Rs.1,60,000/- per month w.e.f. 1st April, 2011, with the Annual increment of Rs.15000/- per year for the remaining period, as set out hereunder:

Salary Rs.1,60,000/- (Rs. One Lac Sixty Thousand only) per month and other terms and conditions will remain same."

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Shri Sunil Choksi, the remuneration aforesaid shall be minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of appointment and remuneration of Shri Sunil Choksi subject to the requisite approvals, if any, being obtained."

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

6. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

INCREASE IN THE REMUNERATION OF WHOLE TIME DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311, and other applicable provisions if any, and in terms of schedule XIII of the Companies Act 1956 as amended up to the date, the remuneration of Smt. Stela Choksi, Whole Time Director of the Company be and is hereby increased from Rs.65,000/- per month to Rs.1,25,000/- per month w.e.f. 1st April, 2011, with the Annual increment of Rs.15000/- per year for the remaining period, as set out hereunder:

Salary Rs.1,25,000/- (Rs. One Lac Twenty Five Thousand only) per month and other terms and conditions will remain same."

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Smt. Stela Choksi, the remuneration aforesaid shall be minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of appointment and remuneration of Smt. Stela Choksi subject to the requisite approvals, if any, being obtained."

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

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

INCREASE IN THE REMUNERATION OF WHOLE TIME DIRECTOR:

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310, 311, and other applicable provisions if any, and in terms of schedule XIII of the Companies Act 1956 as amended up to the date, the remuneration of Shri Vyangesh Choksi, Whole Time Director of the Company be and is hereby increased from Rs.60,000/- per month to Rs.1,20,000/- per month w.e.f. 1st April, 2011, with the Annual increment of Rs.15000/- per year for the remaining period, as set out hereunder:

Salary Rs.1,20,000/- (Rs. One Lac Twenty Thousand only) per month and other terms and conditions will remain same."

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Shri Vyangesh Choksi, the remuneration aforesaid shall be minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of appointment and remuneration of Shri Vyangesh Choksi subject to the requisite approvals, if any, being obtained."

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

8. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

RESOLVED THAT in super session of the resolution passed by the Company in the Annual General Meeting of the Company in relation to the exercise of borrowing powers, consent of the Company be and is hereby accorded to the Board of Directors of the Company under Section 293 (1) (d) and other applicable provisions if any, of the Companies Act, 1956, including any statutory modification amendment or re-enactment thereof, borrowing from time to time for the purposes of the business of the Company such sums of money as they may deem fit even though the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that such borrowings (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed at any one time Rs.30.00 Crores (Rupees Thirty Crores only).

9. To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution:

"RESOLVED THAT in terms of provisions of Section 293(1)(a) of the Companies Act, 1956 approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to create such mortgages and charges in addition to the existing mortgages, charges and hypothecation, created by the Company, as the Board may decide, on the assets of the Company, whether movable or immovable, both present and future, in favor of financial institutions and banks etc, to secure various financial facilities extended or to be extended by them to the Company to the extent of Rs.30.00 Crores (Rupees Thirty Crores only).

RESOLVED FURTHER THAT all moneys borrowed, to be borrowed, charge created or to be created and other steps taken in respect thereof and the documents executed by the board of Directors of the Company in respect of the above financial facilities, in favor of Financial Institutions and banks etc. be and are hereby ratified and confirmed."

By order of the Board of Directors
For CHOKSI LABORATORIES LIMITED

Place : Indore
Dated : 30.06.2011

VYANGESH CHOKSI
WHOLE TIME DIRECTOR

**ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

FOR ITEM No 5 :

At the Board of Directors meeting, held on 7th May 2011, have approved the increase in the remuneration of Managing Director, Shri Sunil Choksi. Same has been also approved by Remuneration Committee.

Salary Rs.1,60,000/- per month for the remaining period, upto 31.08.2013. Other terms and conditions will remain unchanged. Except Shri Sunil Choksi, Smt. Stela Choksi, Smt. Himika Choksi Varma and Shri Vyangesh Choksi, none of the Directors of the Company is concerned or interested in the said resolution.

FOR ITEM No. 6 :

At the Board of Directors meeting, held on 7th May, 2011, have approved the increase in the remuneration of Whole Time Director, Smt. Stela Choksi. Same has been also approved by Remuneration Committee.

Salary Rs. 1,25,000/- per month for remaining period up to 31.08.2013. Other terms and conditions will remain unchanged. Except, Smt. Stela Choksi, Shri Sunil Choksi, Smt. Himika Choksi Varma and Shri Vyangesh Choksi, none of the Directors of the Company is concerned or interested in the said resolution.

FOR ITEM NO. 7 :

At the Board of Directors meeting, held on 7th May, 2011, have approved the increase in the remuneration of Whole Time Director, Shri Vyangesh Choksi. Same has been also approved by Remuneration Committee.

Salary Rs. 1,20,000/- per month for remaining period up to 31.07.2014. Other terms and conditions will remain unchanged. Except Shri Vyangesh Choksi, Shri Sunil Choksi, Smt. Himika Choksi Varma and Smt. Stela Choksi none of the Directors of the Company is concerned or interested in the said resolution.

FOR ITEM NO. 8 :

Pursuant to the provisions of Clause (d) of sub-section (1) of section 293 of the Companies Act, 1956 the Board of Directors cannot borrow more than the aggregated amount of the paid up Share Capital of the Company and its free reserves at any time except with the consent of shareholders of the Company in their General Meeting.

Your Company is expanding its business and for running the business smoothly and in full swing it is necessary to increase the borrowing powers of the Company, therefore your directors place before you the proposal to increase the borrowing powers of the Company upto Rs. 30.00 Crores irrespective of fact that such amount together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) exceeded the aggregate of the paid up capital and the free reserves of the Company as on date.

None of the directors of your Company is interested, either directly or indirectly in the said proposal and recommends your approval thereof in the interest of the Company.

FOR ITEM NO. 9 :

In respect of borrowings, Company is required to create mortgage/hypothecate its assets (including fixed assets) of the Company in favor of the bankers and other financial institutions for various financial facilities sanctioned to the Company.

In terms of provisions of Section 293 (1) (a) of the Companies Act, 1956 approval of the members of the Company is required to create mortgage/hypothecate in favour of the lenders of the Company, by way of passing the proposed resolution as an Ordinary Resolution.

The Board recommends passing of the resolution.

None of the Directors of the Company are interested in the resolution.

By order of the Board of Directors
For CHOKSI LABORATORIES LIMITED

Place : Indore
Date : 30.06.2011

VYANGESH CHOKSI
Whole time Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of item No. 5 to 9 in the above notice is annexed hereto.
3. The register of members and transfer books of the Company shall remain closed from 28/07/2011 to 30/07/2011 (both days inclusive) for the purpose of annual General Meeting.
4. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring copies to the meeting.
5. Members who are holding Company's shares in dematerialized form are required to bring details of their Depository Account Number for identification.
6. Members / Proxies should bring their attendance slip duly filled in for attending the meeting. Members are also requested to inform company of any change in their address immediately so as to enable the company to dispatch any further communication at their correct address.
7. Any query relating to accounts or any other items of business set out in the Agenda of the meeting must be sent to the Company's Registered Office at 6/3, Manorama Ganj, Indore-452001 (M.P.) at least seven days before the date of the Meeting.

By order of the Board of Directors
For CHOKSI LABORATORIES LIMITED

VYANGESH CHOKSI
Whole Time Director

Place : Indore
Date : 30.06.2011

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure presenting the 18th Annual Report alongwith Audited Accounts for the year ended 31st March, 2011.

Financial Results

	(31.03.2011)	(Rs. In lacs) (31.03.2010)
Operational Receipts	1302.11	1105
Other Income	18.86	12.05
Profit/(Loss) on Sale of Fixed Assets	(21.71)	(6.05)
Profit before Depreciation, Interest & Tax	352.02	303.57
Depreciation	110.72	107.30
Interest	65.14	48.18
Provision for tax	51.44	48.18
Income Tax Earlier year	0.00	0.93
Deferred Tax Liability for Current Year	6.76	3.70
Prior Period Adjustments	5.20	0.14
Net Profit	112.76	95.14
Balance brought forward	746.87	651.73
Balance carried to Balance Sheet	859.63	746.87

OPERATIONS :

During the fiscal year under review the Indian Economy started showing signs of growth, admits the global slowdown that is still prevailing, your Company took various strategic initiatives to improve its volumes, which helped the Company to post an impressive performance for the year and Company has started Goa Lab in full swing, and the Directors are hopeful to give better results in the current year.

ISSUE OF EQUITY WARRANTS ON PREFERENTIAL BASIS :

During the period under review Company has issued 12,35,663 Convertible Warrants pursuant to special resolution passed in the Extra Ordinary General Meeting held on 10.04.2010 including 301263 Warrants issued to relative of Directors. Out of 12,35,663 Warrants 9,34,400 Warrants already converted in Equity Shares of the Company. Company has issued another 8,00,00,000 Convertible Warrants pursuant to special resolution passed in the Extra Ordinary General Meeting held on 06.09.2010 and which were duly allotted on 20.09.2010 after obtaining principal approval of Bombay Stock Exchange. These warrants still to be converted into equity share of the Company.

No change in control, in the company will occur due to this preferential allotment.

CONVERSION OF EQUITY WARRANTS INTO EQUITY SHARES:

During the period under review, Company has converted 9,34,400 warrants in to Equity Shares of Rs.10/- each after obtaining principal approval from Bombay Stock Exchange.

DIVIDEND:

The Board of Directors, in order to conserve the resources of the Company and to maintain the liquidity have decided not to declare any dividend for the year ended 31st March, 2011.

PUBLIC DEPOSITS:

The Company has not invited/accepted public deposit within the meaning of section 58A of the Companies Act, 1956 and rules made thereunder, during the year under review.

DIRECTORS

Shri Sudarshan Shastri and Shri Pradip Karmakar Independent, Non-executive Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. Board recommends their reappointment as directors of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :-

- (i) In the preparation of the annual accounts, the applicable accounting standard have been followed and that there are no material departures.
- (ii) They have, in the selection of the accounting policies, consulted the statutory auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- (iii) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS :

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

DEMAT STATUS

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

PARTICULARS OF EMPLOYEES

There was no employee in the Company who was employed throughout the financial year or for part of the financial year was in receipt of remuneration whose particulars, if so employed, are required to be included in the report of Directors in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

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

The requisite particulars required to be furnished under Section 217(a) (e) of the Companies Act, 1956 regarding energy conservation technology absorption and R & D are not applicable, since the Company is not engaged in any manufacturing or processing activities.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange out go : a. Imports Rs. 23000050/- b. Travelling Rs.204628/-
Foreign Exchange Earnings : Rs. 163397/-

AUDITORS:

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

ACKNOWLEDGEMENT:

The Directors acknowledge with gratitude the co-operation and confidence reposed by the Company's Bankers, Shareholders, Customers and Suppliers. Your Directors also wish to place on record their sincere appreciation of devoted services rendered by the employees of the Company for its success.

On behalf of the Board

Place : Indore
Date : 30.06.2011

SUNIL CHOKSI
Managing Director

VYANGESH CHOKSI
Whole time Director

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

All Industry segments Pharmaceutical, Agro and Agro Chemicals, Packed Food Industry as well as the realty segment has grown in the last financial year. The overall growth of the Indian Economy has been around 11 percent. The turnover of Company is continuously increasing, during 2010-11 Company has achieved total turnover of Rs. 1302 lakhs.

Company has started its operation in Goa from March 2011. The facility is one of the best facilities in terms of design and instrumentation. The facility is intended primarily for export market.

B. OPPORTUNITIES AND THREATS

The export market for agro commodities as well as pharmaceutical has grown appreciably for countries like India and export and import of items have increased significantly over the past several years.

Over a period, the Company has developed a strong and impeccable reputation in industry, and its name is now an acronym to *Quality*. With presence in over five cities, Company has become one of the leading laboratories in India. The multi city location presence gives it an edge over the competition.

The global pharmaceutical and food industry are extremely competitive, hygienic and health conscious and Indian manufacturers and exporters in some of the cases develop in-house facility for the quality checks. At the domestic front, Company has to compete with low profit margin and relatively smaller set-ups in India.

C. OUTLOOK

The outlook for the Company sounds promising. With the foray into southern market from the Goa facility, the Company is poised to continue an upward trend.

D. SEGEMENT- WISE PERFORMACE:

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

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

The Company has an internal audit system, which ensures that the Company's control mechanism is properly followed and all statutory requirements are duly complied with. Two of the laboratories are accredited on the Management System of ISO 17025 and similar practices are followed on other sites as well.

Moreover, an audit committee of the Board of Directors comprising of non-executive directors regularly reviews the audit plans, adequacy of internal control as well as compliance of accounting standards.

F. FINANCIAL AND OPERATIONAL PERFORMANCE:

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

G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:

We have ensured safe and healthy working conditions in all of the Laboratory Set-ups and have continued with our policy to ensure safe and healthy working conditions taking into account of health and safety of all concerned, besides conservation of natural resources and protection of the environment.

A major factor the continued growth of your organization is the constructive support of Banks, Institutions, Suppliers, Executives, employees, creditors and the confidence shown by them in the Company. Employer-Employee relations in all the offices of the Company were cordial throughout the year under review.

As at March 31, 2011, the Company had a total workforce of approximately 200 persons, including managers, scientist and other staff members.

H. CAUTIONARY STATEMENT :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations are "Forward Looking Statements". Actual results may differ materially from those expressed or implies. Important factors that could make a difference to the Company's operations include among others, economic conditions affecting demand / supply, effect of political situations, change in the Government regulations, tax laws and other statutes and incidental factors over which the Company does not have any control.

On behalf of the Board

Place : Indore
Date : 30.06.2011

SUNIL CHOKSI
Managing Director

VYANGESH CHOKSI
Managing Director

CORPORATE GOVERNANCE REPORT

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

Board of Directors

Composition of the Board

Board comprises of 4 independent and 4 Executive Promoter Director (including Executive Chairman)

Director	Executive/Non-executive/Independent	No. of outside Directorship(s) held		
		Public Companies	Pvt. Companies	Section 25 Companies
Mr. Sunil Choksi	Executive/Promoter	---	1	---
Mrs. Stela Choksi	Executive/Promoter	---	---	---
Mr. Sudarshan Shastri	Independent	2	3	---
Mrs. Himika Choksi Varma	Executive/Promoter	---	---	---
Mr. Vyangesh Choksi	Executive/Promoter	---	4	---
Mr. Pradip Karmakar	Independent	---	---	---
Mr. Satish Joshi	Independent	---	---	---
Mr. N. K. Mani	Independent	---	---	---

Director's Interests in the Company and Attendance Record

Particulars of relationship between Directors inter-se, sitting fees paid to them and details of meetings attended by them are as under :

Director	Category	Sitting Fees paid during the year	No. of Board Meeting during the year		Attended Last AGM held on 06-09-2010
			Held	Attended	
1. Mr. Sunil Choksi	Promoter	NIL	8	5	Yes
2. Mrs. Stela Choksi	Promoter	NIL	8	5	Yes
3. Mr. Sudarshan Shastri	Independent	NIL	8	8	Yes
4. Mrs. Himika Choksi Varma	Promoter	NIL	8	-	No
5. Mr. Vyangesh Choksi	Promoter	NIL	8	8	Yes
6. Mr. Pradip Karmakar	Independent	NIL	8	4	No
7. Mr. Satish Joshi	Independent	NIL	8	4	No
8. Mr. N. K. Mani	Independent	5000	8	4	No

During the financial year 2010-11 Eight (8) Board Meeting were held on the following dates:

- | | | | |
|---------------|---------------|---------------|---------------|
| 1) 24.04.2010 | 2) 29.05.2010 | 3) 31.07.2010 | 4) 07.08.2010 |
| 5) 20.09.2010 | 6) 30.10.2010 | 7) 29.01.2011 | 8) 29.01.2011 |

Note on Directors re-appointment

Mr. Sudarshan Shastri and Mr. Pradeep Karmakar, the Directors of the Company is retiring at the forthcoming annual general meeting by rotation and they are eligible for re-appointment.

Information placed before the Board

Information placed before the Board of Directors broadly covers the items specified in clause 49 of the Listing Agreement and such other items which are necessary to facilitate meaningful and focused deliberations on issues concerning the Company and taking decision in an informed and efficient manner. Besides, the Directors on the Board have complete access to all information of the Company, as and when necessary.

Code of Conduct

The Board of Directors has laid down a code of conduct for all Board members and senior management personnel of the Company. A Certificate from the Compliance Officer for the same has been placed before the Board.

Audit Committee

The composition of the Committee is as follows :

- Shri Sudarshan Shastri - Chairman
- Shri Satish Joshi - Member
- Shri N. K. Mani - Member

The Audit Committee is under the Chairmanship of Shri Sudarshan Shastri. During the financial year 2010-2011 Four (4) meetings were held on the following dates:

- 1) 29.05.2010
- 2) 31.07.2010
- 3) 30.10.2010
- 4) 29.01.2011

The constitution of the Committee and the attendance of each member is given below:

Name	Designation	Committee Meetings Attended
Mr. Sudashan Shastri	Chairman	4
Mr. Satish Joshi	Member	4
Mr. N.K. Mani	Member	4

The terms of reference of the Audit Committee inter-alia include the following:

- a) To overview the Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) To hold periodic discussions with the Statutory auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/ Internal Auditors;
- c) To recommend the re-appointment of statutory auditors and fixation of audit fees.
- d) To review performance of statutory and internal auditors and adequacy of internal control systems;
- e) To review quarterly, half yearly and annual financial results of the Company before submission to the Board;
- f) To discuss any significant findings made by internal auditors and follow-up thereon;
- g) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting matter to the Board;
- h) To look into substantial defaults, if any in payments to depositors, debenture-holders, creditors & shareholders.
- i) Any related party transactions that may have the potential conflict with the interest of the Company.

In addition to the above, the committee shall have such functions / role / powers as may be specified in the Companies Act, 1956, Listing Agreement with Stock exchanges or any other applicable law.

Remuneration Committee

The Remuneration Committee has been formed to review and make recommendations on annual salaries, performance commission, perquisites and other employment conditions of the Executive Directors. The remuneration committee consists of non executive and independent Directors.

During the financial year 2010-2011 one (1) meeting were held on 29.05.2010 to review remuneration of Promoter Executive Directors of the Company.

The constitution of the Committee and the attendance of each member is given below:

Name	Designation	Committee Meetings Attended
Mr. Sudarshan Shastri	Chairman	1
Mr. Pradip Karmakar	Member	1
Mr. N.K. Mani	Member	1

Details of remuneration paid/payable to directors for the year ended March, 2011 are as follows:
(Amount in Rupees)

Name of the Director	Designation	Business relationship with Company	Sitting Fees	Salary and Perquisites	Commis-sion	Total
Mr. Sunil Choksi	Chairman-cum- Managing Director	Promoter	-	11,62,500	-	11,62,500
Mrs.Stela Choksi	Whole time Director	Promoter	-	7,55,000	-	7,55,000
Mrs.Himika Choksi Varma	Joint Managing Director	Promoter	-	1,42,788	-	1,42,788
Mr. Vyangesh choksi	Whole time Director	Promoter	-	7,00,000	-	7,00,000
Mr. N.K. Mani	Non Executive / Independent	Independent	5,000	-	-	5,000

The remuneration to the executive directors is being paid as per the recommendation of Remuneration Committee and approval of the shareholders at the general body meeting.

Salary and perquisites includes provident Fund and Gratuity etc.

Shareholders Grievance Committee

The Company has set up a "Shareholders Grievance Committee" to look into various issues relating to investors Grievances.

During the financial year 2010-2011 Four (4) meetings were held on the following dates:

- 1) 29.05.2010
- 2) 31.07.2010
- 3) 30.10.2010
- 4) 29.01.2011

The constitution of the Committee and the attendance of each member is given below:

Name	Designation	Committee Meetings Attended
Mr. Sudashan Shastri	Chairman	4
Mr. Satish Joshi	Member	4
Mr. N.K. Mani	Member	4

Name, Designation & Address of Compliance Office:

Mr. Kishore Bhawsar, Dy. General Manager
6/3, Manoramaganj, Indore - 452 001
Email at compliance_officer@choksilab.com

During the year the Company received 03 (Three) complaints from its shareholders and resolved all of them within 30 days and as on 31.03.2011 no complaint is pending beyond 30 days.

GENERAL SHAREHOLDERS INFORMATION

(1) Address for Investor's Correspondence :

Mr. Kishore Bhavsar, Compliance Officer, 6/3, Manoramaganj, Indore - 452 001 Email at compliance_officer@choksilab.com
 Or
 Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (W), Mumbai -400 078
 Email at chanda.valeja@linkintime.co.in Tel. No. 25963838 Ext. : 2293 Fax : No. 25946969

(2) Listing on Stock Exchanges

The Equity Shares of the Company are presently listed with
 The Bombay Stock Exchange Ltd., Mumbai
 M. P. Stock Exchange, Indore

(3) Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.
 C-13, Pannalal Silk Mill Compound,
 L.B.S. Marg, Bhandup (W), Mumbai -400 078
 Tel. No. 25963838 Ext. : 2293 Fax : No. 25946969

(4) Share Transfer System

The shares are held both in Physical & demat Form :
 The share transfers in physical form are processed and the Demat option letter is dispatched to shareholders. If the Demat option letter is not received form DP for dematerialization the share certificates are returned within stipulated time. Demat requests are normally confirmed within 15 days from date of receipt.

(5) Share price at BSE for the FY 2010-11:-

Month	Year	High (Rs.)	Low (Rs.)
April	2010	24.00	16.30
May	2010	24.60	16.55
June	2010	22.60	15.30
July	2010	32.75	20.30
August	2010	24.70	19.55
September	2010	21.90	18.75
October	2010	26.00	17.00
November	2010	30.70	19.20
December	2010	23.20	17.50
January	2011	22.50	15.40
February	2011	16.95	11.90
March	2011	16.50	13.00

(6) Distribution of shareholding as on 31.03.2011

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Share Holding
1 to 500	3411	76.5313	818347	13.9554
501 – 1000	573	12.8562	505219	8.6156
1001 – 2000	235	5.2726	377912	6.4446
2001 – 3000	78	1.7501	200249	3.4149
3001 – 4000	34	0.7628	121466	2.0714
4001 – 5000	36	0.8077	172192	2.9364
5001 – 10000	47	1.0545	365327	6.2300
10001 – 999999	43	0.9648	3303288	56.3317
Total	4457	100.0000	5864000	100.0000

• **Dematerialization of shares** : As on 31st March, 2011 all the shares of the company are in dematerialized form except 1969215 shares.

(7) Categories of Shareholding as on 31.03.2011

S.No.	Category	No. of Shares	%
1.	Promoters & Directors	1579550	26.9364%
2.	Individuals / Others	3077314	52.4781%
3.	Body Corporate	1185054	20.2090%
4.	Mutual Funds & Nationalized Banks	---	--
5.	NRI's, OCB's	22082	0.3765%
	TOTAL	5864000	100.0000%

(8) Annual General Meetings

The Annual General Meetings of the Company for the last three years were held at Registered Office. On the following dates :

Year	Date	No. of Special Resolutions
31.03.2010	06.09.2010	YES*
33.03.2009	01.08.2009	NIL
31.03.2008	19.09.2008	NIL

In the above meetings, no postal ballots were used/invited.

*Special resolution passed for issue of convertible warrants on preferential basis.

(9) Financial Calendar F.Y. 2011-12 (Tentative)

Board meeting for first three quarters ending on 30 th June'11, 30 th Sept.'2011 and 31 st Dec.'2011	On or before 45 th day from the end of Quarter
Board Meeting for Last quarter ending on 31 st March 2012	On or before 30 th May'2012
Annual General Meeting for FY 2011-12	On or before 30 th Sept.'2012
Book Closure dates	28.07.2011 to 30.07.2011 (both day inclusive)
Date time & Venue of the Annual General Meeting for the Company for FY 2010-11 At the Registered office on 30th July 2011 at 11:00 a.m.	

(10) Outstanding GDRs/ADRs/Warrants or any convertible instruments

The Company does not have any outstanding instruments GDRs/ADRs or any convertible instruments as on 31.03.2011, except convertible 11,01,263 warrants issued and allotted on preferential basis which are due for conversion as per terms of issue. If these warrants will get converted into equity shares of the Company then total paid capital of the Company will get increased to Rs. 6,96,52,630/-.

(11) Means of Communication

- The Company publishes quarterly unaudited and annual audited results in two news papers i.e. (1) Free Press (2) Choutha Sansar and same has been intimated to both Stock Exchanges immediately after approval of the Board.
- The Company also informs by way of a press release, all matters, which in its opinion are material and of relevance, to the shareholders of the Company.
- The quarterly and half yearly results of the Company are made available at the web site of the Company at www.choksilab.com
- Management discussion and analysis report is forming part of this report.

(12) Secretarial Audit

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total numbers of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

(13) Project Locations

Registered Corporate Office & Central Laboratory

at 6/3 Manoramaganj, Indore M.P. – 452 001 - India

Branch at Vadodare

At 829, GIDC, Makarpura Vadodara (GUJ.) – 390 010 – India

Branch at Vapi

At IIInd & IIIrd Floor, Gokul Complex, 101/8 GIDC – Char Rasta Vapi (GUJ.) – 396 195 – India

Branch at Panchkula

At Plot No. 362, Industrial Area, Phase – II Panchkula (HARYANA) – 734 112 - India

Branch at Goa

C-18 & 20, Verna Industrial Estate Phase – 1A, Verna (GOA) – 403 722 - India

(14) Compliance

Mandatory Requirements:

The Company is fully complied with the applicable mandatory requirements of clause 49 of the Listing Agreement.

Adoption of Non-Mandatory Requirements:

A Remuneration committee has been constituted in accordance with the requirements of the Listing Agreement. The committee decided/recommend to the Board the amount of salary, perquisites and commission to be paid to the Directors (within the overall ceiling fixed by the shareholders)

The Chairman and Managing Director of the Company give annual certification on the financial reporting and internal controls to the Board of Directors in terms of Clause 49 of the Listing Agreement. The Chairman and Managing Director also give quarterly certification on the financial results while placing the financial results before the Board of Directors in terms of Clause 41 of the Listing Agreement

(15) Disclosures

- Details of transactions of a material nature of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in note 10 of Schedule "17" attached to the accounts. There is no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on any matter related to capital markets or imposition of penalties or strictures by SEBI or the Stock Exchanges or any other Statutory Authority during last three years.
- None of the employee of the Company was denied access to the Audit Committee during the year.
- Company has complied with all mandatory requirements of the Listing Agreement and also adopted the non-mandatory requirements wherever required.

Declaration

As provided under clause 49 of the Listing Agreement with the stock exchanges, it is hereby declared that all board members and senior management personnel of the Company have affirmed the compliance of Code of Conduct for the year ended 31st March'2011.

SUNIL CHOKSI

Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Choksi Laboratories Limited.

We have examined the compliance of the conditions of Corporate Governance by Choksi Laboratories Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management.

Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements.

In our opinion and according to the explanations given to us, we state that to the best of our knowledge, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

Prateek Jain
Proprietor
M. No. 79214

Place : Indore
Date : 30-06-2011

**AUDITORS' REPORT
TO THE MEMBERS OF CHOKSI LABORATORIES LIMITED**

1. We have audited the attached Balance Sheet of **Choksi Laboratories Limited**, as at **31st March 2011**, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - (iii) The Balance Sheet , Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts ;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account, and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 ;
 - (v) On the basis of written representations received from the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of Profit and Loss Account, of the "Profit" of the Company for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Indore
Date : 07-05-2011

Prateek Jain
Proprietor
M.No. 79214

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification have been properly dealt with in the books of accounts.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. This being a service rendering Company, there are no Manufacturing Activities in the Company, the only inventory for the Company is Chemicals which are used & consumed for testing purposes. Since its inception, the Company follows the practice of charging to revenue, the purchases of chemicals in the year of purchase itself. Due to this reason, and considering the nature of volatility of the item, as per the explanations given to us, no inventory register is maintained for the same. Hence we are unable to express our opinion on Clause 2 of the CARO, 2003.
3. The Company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, but during the year, the Company has taken loan from 2 such parties. The maximum amount involved during the year was Rs.9.00Lacs and the year end balance of loans taken from such party was Rs.Nil. The rate of interest and other terms and conditions of the above loans taken by the Company are not prima facie prejudicial to the interest of the Company. However, the Company has given a deposit of Rs.20 Lacs to a party listed in the register maintained under Section 301 of the Companies Act as deposit for office building on rent, which is interest free.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that Section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements aggregating during the year to Rs. 5 Lacs or more in respect of each party during the year have been made at prices which appear reasonable as per the information available with the Company.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
7. The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, for this Company.
9. a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, service tax, cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, there are no arrears of outstanding statutory dues as mentioned above as at 31st March, 2011 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

10. The company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or to debenture holders during the year.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute as specified under paragraph 13 of the Order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities .
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us , the term loans were applied for the purpose for which the loans were obtained.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us , there are no funds raised on a short-term basis which have been used for long term investment, and vice-versa.
18. As per the information placed before us, the Company has allotted partly paid Convertible Warrants (25% Paid-up) to one party covered in the register maintained u/s 301 of the Companies Act, 1956 through preferential allotment, these warrants are yet to be converted into Equity Share of the Company as per terms of issue. In our opinion, the price at which warrants has been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.
21. Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Prateek Jain
Proprietor
M.No. 79214

Place : Indore
Date : 07.05.2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	SCH. NO.	AS AT 31.03.2011		AS AT 31.03.2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	58,640,000		49,296,000	
Share Application Money(Pending Allotment)		9,105,052		4,573,852	
Reserves & Surplus	2	92,159,030	159,904,082	75,276,523	129,146,375
LOAN FUNDS					
Secured Loans	3	85,675,724		35,615,114	
Unsecured Loans	4	2,165,000	87,840,724	2,880,000	38,495,114
DEFERRED TAX LIABILITY (NET)			17,546,019		16,869,900
TOTAL			265,290,825		184,511,389
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	260,126,571		196,881,991	
Less:- Depreciation		66,626,261		64,248,833	
Net Block		193,500,311		132,633,158	
Capital Work in Progress	6	65,175	193,565,486	17,968,309	150,601,467
Current Assets, Loans & Advances					
Sundry Debtors	7	48,889,002		33,125,505	
Cash & Bank Balances	8	12,794,699		12,973,297	
Loans & Advances	9	48,437,154		18,082,096	
		110,120,856		64,180,898	
Less:- Current Liabilities & Provision					
Current Liabilities	10	38,395,517		30,270,976	
		38,395,517		30,270,976	
Net Current Assets			71,725,339		33,909,922
TOTAL			265,290,825		184,511,389
Accounting Policies & Notes	16 & 17				

Schedules 1 to 17 form an integral part of these accounts

As per our report of even date

For PRATEEK JAIN & CO.
Chartered Accountants

Prateek Jain
Proprietor

For and on behalf of the Board

Sunil Choksi
Managing Director

Vyangesh Choksi
Whole - Time Director

Place : Indore
Date : 07.05.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCH. No.	For the year ended 31.03.2011 Rupees	For the year ended 31.03.2010 Rupees
INCOME			
Income from Testing Services		143,269,846	121,702,640
Less : Service Tax		13,058,928	11,205,440
Net Income		130,210,918	110,497,200
Other Income	11	1,885,843	1,204,978
TOTAL		132,096,761	111,702,178
EXPENDITURE			
Testing Expenses	12	31,414,492	27,803,092
Payments & Benefits to Employees	13	37,173,868	29,236,889
Administrative & Other Expenses	14	26,135,948	23,331,792
Interest & Finance Charges	15	6,513,671	5,186,654
Loss on Sale of Fixed Assets		2,171,440	604,951
Depreciation		11,071,868	10,729,604
TOTAL		114,481,287	96,892,983
PROFIT BEFORE TAX		17,615,474	14,809,195
Provision for Taxation			
- Income Tax Earlier Years		---	93,320
- Current Tax		5,143,656	4,818,000
- Deferred Tax		676,119	370,238
Profit After Tax		11,795,699	9,527,637
Less : Prior Period Adjustments		519,592	14,000
Net Profit		11,276,107	9,513,637
Previous Year Balance Brought Forward		74,687,023	65,173,386
Balance Carried to Balance Sheet		85,963,130	74,687,023
Significant Accounting Policies	16		
Notes on Accounts	17		
Earnings Per Share-basic	} (Note 18)	2.22	1.93
Earnings Per Share-diluted		2.04	1.82

Schedules 1 to 17 form an integral part of these accounts

As per our report of even date

For PRATEEK JAIN & CO.
Chartered Accountants

Prateek Jain
Proprietor

For and on behalf of the Board

Place : Indore
Date : 07.05.2011

Sunil Choksi
Managing Director

Vyangesh Choksi
Whole - Time Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

(Figures in '000)

A. CASH FLOW FROM OPERATING ACTIVITIES	This Year	Previous Year
Profit / (Loss) before Income Tax & Extraordinary Items	17615	14809
Add : Adjustment for		
a) Depreciation	11072	10730
b) Interest Paid	6514	4818
c) Loss on Sale of Fixed assets	2171	605
Operational Profit before working capital changes	37372	30962
Adjustments for :		
a) Trade and other receivables	(15763)	3384
b) Trade and other payables	7799	7124
c) Other current assets	(29579)	(1393)
Cash generated from Operations	(171)	40077
Direct Taxes Paid (Net)	(5594)	(5642)
Prior Period Adjustment	(520)	(14)
Net Cash from Operating Activities	(6285)	34421
B. CASH FLOW FROM INVESTING ACTIVITIES		
a) Acquisition of Fixed Assets	(58243)	(10601)
b) Sale of Fixed Assets	2101	646
c) Capital Work in Progress	(65)	(17909)
Net cash used in investing activities	(56207)	(27864)
C. CASH FLOW FROM FINANCING ACTIVITIES		
a) Proceeds from Re-issue of Forfeited Equity Shares	0	983
b) Proceeds from Shares Application Money Pending Allotment	7900	4573
c) Proceeds from Share Application Money	11582	0
d) Proceeds from Borrowing (Net)	49346	(6599)
e) Interest Paid	(6514)	(4818)
Net cash (Used in)/generated from financing activities	62314	(5861)
Net Increase (Decrease) in cash and cash equivalents (A+B+C)	(178)	696
Cash and cash equivalents at the commencement of the year	12973	12277
Cash and cash equivalents at the close of the year	12795	12973

Note : (1) Figure in brackets represent outflows
(2) Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

As per our report of even date

For PRATEEK JAIN & CO.
Chartered Accountants

Prateek Jain
Proprietor

For and on behalf of the Board

Place : Indore
Date : 07.05.2011

Sunil Choksi
Managing Director

Vyangesh Choksi
Whole Time Director

**SCHEDULES 1 TO 17 FORMING PART OF THE ACCOUNTS AS AT AND FOR THE YEAR ENDED
31ST MARCH 2011**

PARTICULARS	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
-------------	-------------------------------	-------------------------------

SCHEDULE 1 : SHARE CAPITAL

AUTHORISED

100 Lacs Equity Share of Rs. 10/- each	100,000,000	100,000,000
--	-------------	-------------

ISSUED

5933500 Equity share of Rs. 10/- Each (Previous Year 4999100 Equity Shares)	59,335,000	49,991,000
--	------------	------------

SUBSCRIBED, CALLED UP AND PAID UP

5864000 Equity Shares of Rs.10/- each including 934400 warrants converted into Equity Shares (Previous year 4929600 Equity Shares of Rs. 10/- each)	58,640,000	49,296,000
	58,640,000	49,296,000

SCHEDULE 2 : RESERVE & SURPLUS

Profit & Loss Account	85,963,130	74,687,023
Capital Reserve	393,000	393,000
Securities Premium	5,802,900	196,500
	92,159,030	75,276,523

SCHEDULE 3 : SECURED LOANS

* Term Loan From UCO Bank	49,636,395	20,273,949
* Cash Credit From UCO Bank	34,527,953	14,958,854
** Others	1,511,376	382,311
	85,675,724	35,615,114

* The Term Loan from UCO Bank is secured by hypothecation of all fixed assets and movables, Both present and future. Cash Credit from UCO Bank is secured by joint hypothecation of running stocks of Consumables and all Book debts, both present and future.

The above loans are also personally guaranteed by the directors Mr. Sunil Choksi, Mr. Vyangesh Choksi, Mrs. Stela Choksi & Mrs. Himika Choksi Varma.

** These loans have been obtained from Financial Institutions for purchase of vehicles.

SCHEDULE 4 : UNSECURED LOANS

Deposit from Franchisees	665,000	580,000
Unsecured loan from Directors	---	300,000
Unsecured loan from other Corporates	1,500,000	2,000,000
	2,165,000	2,880,000

SCHEDULE 5: FIXED ASSETS

Name of the Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Total As on 01.04.2010	Additions during the Year	Deductions during the Year	Total As on 31.03.2011	Up to 31.03.2010	For the Year	Deductions during the Year	Total As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Land (Freehold) Indore	3318989	4133700	---	7452689	---	---	---	---	7452689	3318989
Land (Leasehold) Goa	5330200	---	---	5330200	---	---	---	---	5330200	5330200
Instruments	122214979	29403066	7198484	144419561	36087816	6049484	3821098	38316202	106103359	86127163
Computers	14452100	5069418	4150359	15371159	10740469	1836382	4150359	8426492	6944668	3711631
Air Conditioners	1526394	610355	55143	2081606	375515	102416	12212	465719	1615887	1150879
Electrical Installation	6939619	1287915	91500	8136034	2277914	492097	22633	2747379	5388655	4661705
Furniture & Fixtures	17023167	7199451	251314	23971304	5067405	1100688	55657	6112436	17858868	11955762
Buildings	16135357	23493013	---	39628370	5854321	582714	---	6437035	33191335	10281036
Office at Vapi	1949479	---	---	1949479	480858	65113	---	545971	1403508	1468621
Office Equipment	2413762	802530	127356	3088936	685104	120959	22371	783692	2305244	1728658
Motor Car	4876549	4212113	1092824	7995838	2408418	655383	610110	2453691	5542147	2468131
Motor Cycle	701397	---	---	701397	271015	66633	---	337648	363749	430382
Total	196881990	76211561	12966980	260126571	64248835	11071868	8694440	66626261	193500310	132633156
Previous Year	186466056	11950533	1534598	196881991	53802815	10729604	283584	64248835	132633157	132663244

PARTICULARS	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
<u>SCHEDULE 6 : CAPITAL WORK IN PROGRESS (AT COST)</u>		
Building	---	12,887,999
Furniture & Fixtures	---	261,870
Instruments	---	4,818,440
Computer Software	65,175	---
	<u>65,175</u>	<u>17,968,309</u>
<u>SECHDULE 7 : SUNDRY DEBTORS</u>		
(Unsecured Considered good)		
Debts Outstanding for a period exceeding six months	12,353,810	9,937,652
Other Debts	36,535,192	23,187,854
	<u>48,889,002</u>	<u>33,125,505</u>
<u>SECHDULE 8 : CASH & BANK BALANCES</u>		
Cash in Hand	493,299	475,236
Balance with Scheduled Banks :		
In Current Accounts	879,031	1,626,230
In Deposit Accounts	11,422,369	10,871,831
	<u>12,794,699</u>	<u>12,973,297</u>
<u>SECHDULE 9 : LOANS AND ADVANCES</u>		
(Unsecured considered good)		
Recoverable in cash or in kind or for value to be received		
Deposits	5,110,904	4,165,598
Loans & Advances	30,176,949	2,061,044
Tax Deducted at Source	7,382,150	6,761,136
Income Tax Refundable	4,114,444	3,959,463
Prepaid Expenses	1,652,707	1,134,854
	<u>48,437,154</u>	<u>18,082,096</u>
<u>SCHEDULE 10 : CURRENT LIABILITIES</u>		
Sundry Creditors	17,978,612	15,461,857
Advance payments from Customers	4,190,603	3,234,050
Provision for Income Tax	5,143,656	4,818,000
Others Liabilities & Provision for Expenses	11,082,646	6,757,069
	<u>38,395,517</u>	<u>30,270,976</u>
<u>SCHEDULE 11 : OTHER INCOME</u>		
Interest from Bank	701,037	661,537
Interest from Parties	656,992	12,648
Interest on Income Tax Refund	323,491	192,073
Gain on Foreign Exchange	4,884	---
Sample Collection & Forwarding Charges	181,342	128,526
Miscellaneous Income	18,097	210,194
	<u>1,885,843</u>	<u>1,204,978</u>

PARTICULARS	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
<u>SCHEDULE 12 : TESTING EXPENSES</u>		
Purchases :-		
Glassware	721,383	598,639
Chemicals	9,381,224	8,979,061
Consumable	5,944,408	4,414,890
Total Purchases	16,047,015	13,992,590
Direct Expenses:-		
Laboratory Expenses	3,758,959	3,023,700
Power & Fuel Charges	3,958,521	3,606,414
Insurance: Instruments & Building	118,760	134,586
Freight / Transportation Charges	204,336	171,500
Testing Charges	901,056	628,411
NABL/BIS/NPL - Asstt. Charges	417,561	453,402
Repair & Maintenance – Instruments & Buildings	5,422,703	5,570,084
Training & Certification Charges	585,582	222,405
Total	15,367,477	13,810,502
Grand Total	31,414,492	27,803,092
<u>SCHEDULE 13 : Payments & Benefits to Employees</u>		
Salaries and Allowances to Staff	31,673,906	24,745,683
Bonus to Staff	1,410,185	1,191,500
Exgratia	--	283,500
Group Gratuity Payment of LIC	1,142,976	270,000
Staff Welfare	329,301	208,706
Directors Remuneration	2,617,500	2,537,500
Total	37,173,868	29,236,889
<u>SCHEDULE 14 : Administrative And Other Expenses</u>		
Security Service Charges	506,260	325,455
Housekeeping Charges	231,373	154,093
Telephone & Mobile Expenses	673,937	772,392
Internet Expenses	890,795	729,322
Postage & Courier Charges	693,218	508,414
Conveyance Expenses	329,219	287,711
Vehicle Running & Maintenance	775,149	554,262
Computer Expenses	1,916,107	973,107
Guest House Expenses	80,967	91,656
Printing & Stationery Expenses	1,815,755	1,127,326
Books & Periodicals	120,146	98,825
Directors' Sittings Fees	5,000	9,000
Rent	4,101,202	3,781,425
Insurance on Vehicle	77,066	49,843
Insurance on Others	292,697	414,602
Garden Maintenance Charges	114,690	42,990
Office Expenses / Maintenance Charges	427,974	348,488
Repairs & Maintenance	165,470	90,534

PARTICULARS	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
Membership Fees & Subscriptions	87,859	20,000
Placement Expenses	114,200	476,550
Legal Expenses	466,236	118,230
Professional Expenses	1,556,536	707,671
Auditor's Remuneration	150,000	100,000
Tender Expenses	5,000	15,600
Rates & Taxes	296,681	290,974
Registration/Filing/Licence Renewal Fees	101,982	433,527
Listing Fees	166,525	22,500
Advertisement Expenses	224,121	160,671
Business Promotion Expenses	2,227,266	1,038,184
Commission & Brokerages	2,090,823	2,008,267
Discount Allowed	681,023	1,504,360
Penalty Charges	500	3,147
Donation	15,000	13,000
Bad Debts Written Off	814,112	2,576,905
Travelling Expenses	3,921,060	3,482,761
Total	<u>26,135,948</u>	<u>23,331,792</u>
<u>SCHEDULE 15 : Interest & Finance Charges</u>		
Interest to Banks		
- on Term Loans	3,198,591	2,904,329
- on Working Capital Loans	2,471,146	1,689,089
Interest to Others	375,275	224,437
Bank Charges	468,659	368,799
Total	<u>6,513,671</u>	<u>5,186,654</u>

SCHEDULE 16 : SIGNIFICANT ACCOUNTING POLICIES :

- A) Basis of Preparation of Financial Statements:
- i) The financial statements have been prepared in compliance with all material aspects with the notified Accounting Standards by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.
 - ii) Financial statements are based on historical cost and are prepared on accrual basis.
 - iii) Accounting policies have been consistently applied by the Company and are in consistent with those used in the previous year.
 - iv) The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.
- B) Fixed Assets :
- i) Fixed assets are stated at historical cost of acquisition / construction, net of cenvat less accumulated depreciation and impairment loss, if any. All costs including financial costs and revenue expenditure till commencement of services, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.
Grants/ subsidies received, if any, from Government and others towards cost/ part of the cost fixed asset(s) are reduced from the cost of the respective asset(s) and the net cost incurred by the Company only is carried to the fixed assets block.
 - ii) Capital Work-in-Progress: Amounts spent on expansion project are carried at cost under the head Capital Works in Progress. As and when the assets are put to commercial use, cost of the respective asset is capitalized. Besides the direct cost, indirect costs relating to the acquisition and installation of assets incurred till the assets are put to use are capitalized in the proportionate value of assets.
 - iii) Depreciation on fixed assets is provided under straight line method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions / deletions to assets during the year is provided on pro-rata basis.
 - iv) Impairment of Assets : An asset is treated as impaired when the carrying cost exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in a prior accounting period is reversed if there has been a change in the estimate of recoverable amount.
- C) Revenue Recognition:
- Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
- i) Revenue from Testing and Analysis Services is recognized as the service is performed in accordance with the methods prescribed in AS - 9, Revenue Recognition.
 - ii) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- D) Retirement Benefits :
- Provident fund cost is accounted as per provisions of the said Act. Provision for value of unutilised leave due to employees is made on accrual basis. For provision of gratuity liability, the Company has adopted Actuarial Valuation.
- E) Prior Period Expenses/ Income:
- The Company follows the practice of making adjustments through "expenses/income under/over provided" in previous years in respect of material transactions pertaining to that period prior to the current accounting year.
- F) Foreign Currency Transactions:
- Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expense in the year in which they arise.
- G) Borrowing Costs:
- Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

- H) Earnings per Share :
The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduce earnings per share or increase loss per share are included.
- I) Provision for Current and Deferred Tax :
Provision for Current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing difference" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will be realized in future.
- J) Provisions, Contingent Liabilities and Contingent Assets :
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.
- K) General :
Accounting policies not specifically referred to above are consistent with the generally accepted accounting principles followed in India.

Schedule 17 : NOTES ON ACCOUNTS

01. Contingent liability for Bank Guarantee issued by Bank on behalf of the Company Rs.8433912/-, Contingent liability for service tax Rs. 708349/- (Previous year - 8433912/-),
02. In the opinion of the Board of Directors of the Company, the Current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and the provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
03. The balances appearing under the heads Debtors, Loans and Advances and Current Liabilities are subject to confirmation from respective parties and reconciliation, if any.
04. The Company has purchased Land for its building which is yet to be registered in the name of the Company.
05. The Company has issued and allotted 12,35,663 Convertible warrants during the year on preferential basis after obtaining approval of shareholders of the Company vide EGM dated 10/04/2010 and obtained in-principal approval of BSE in terms of "SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009". Out of which 9,34,400 Warrants has been converted in equal number of Equity Shares of the Company in terms of issue during the year. Further, The Company has issued and allotted another 8,00,000 convertible Warrants during the year on preferential basis after obtaining approval of shareholder of the Company vide AGM dated 06.09.2010 and obtained in-principal approval of BSE in terms of "SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009". These warrants were allotted as partly paid (25% paid-up of issue price). These warrants are yet to be converted into the Equity Share of the Company as per terms of issue.
06. Since its inception, the Company follows the practice of charging to revenue the purchase of chemicals and glassware during the year of purchase itself.
07. As per the accounting standard 22 issued by the ICAI, the Deferred Tax Liability is accounted for in respect of timing differences. The accumulated Deferred Tax Liability comprise of the following:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Timing difference in Tax effect of depreciation on fixed assets as per Income Tax & Financial books	17,888,272	16,869,900
Expenditures on amounts not allowable this year but allowable in the year of payment	(342,253)	NIL
Net Deferred Tax Liability	17,546,018	16,869,900

08. Disclosure in terms of Accounting Standard 15 "Employee benefits"
- | | As on 31/3/2011 | As on 31/3/2010 |
|---|-----------------|-----------------|
| 1) Defined Contribution Plan | | |
| Contribution to Provident & Other Funds | Rs. 2,426,342 | Rs. 2,159,809 |

2) Defined Benefit Plans

The employees' gratuity Fund Scheme managed by a Trust (Life Insurance Corporation of India) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

1. Assumption As on 31/03/2011
Discount Rate 8.00%

2. Table Showing changes in present value of Obligation As on 31/03/2011
(Amount in Rs.)

Present value of obligations as at beginning of year	1850616.00
Interest cost	148049.00
Current Service Cost	333323.00
Benefits Paid	(430823.00)
Actuarial (gain)/ loss on obligations	692377.00
Present value of obligations as at end of year	2593542.00

3. Table showing changes in the fair value of plan assets

Fair value of plan assets at beginning of year	1108626.00
Expected return on plan assets	85727.00
Contributions	222398.00
Benefits Paid	(430823.00)
Actuarial gain/(loss) on Plan assets	NIL
Fair value of plan assets at the end of year	985928.00

4. Table showing fair value of plan assets

Fair value of plan assets at beginning of year	1108626.00
Actual return on plan assets	85727.00
Contributions	222398.00
Benefits Paid	(430823.00)
Fair value of plan assets at the end of year	985928.00
Funded status	(1607614.00)
Excess of Actual over estimated return on plan assets	NIL
(Actual rate of return = Estimated rate of return as ARD falls on 31st March)	

5. Actuarial Gain/Loss recognized

Actuarial (gain)/ loss on obligations	(692377.00)
Actuarial (gain)/ loss for the year - plan assets	NIL
Actuarial (gain)/ loss on obligations	692377.00
Actuarial (gain)/ loss recognized in the year	692377.00

6. The amounts to be recognized in the balance sheet and statements of profit and loss

Present value of obligations as at the end of year	2593542.00
Fair value of plan assets as at the end of the year	985928.00
Funded status	(1607614.00)
Net asset/(liability) recognized in balance sheet	1607614.00

7. Expenses Recognised in statement of Profit and loss

Current Service cost	333323.00
Interest Cost	148049.00
Expected return on plan assets	(85727.00)
Net Actuarial (gain)/ loss recognized in the year	692377.00
Expenses recognised in statement of Profit and loss	1088022.00

Note: Employees include Managing & Whole time Directors and other managerial personnel.

09. Segmental Reporting : The Company treats Analytical Charges & Consultancy Receipts as a single segment and therefore details of segments are not separately shown. The Company is a Commercial Testing House engaged in testing of various products and also offers services in the field of pollution control as allied activity. The company is managed organisationally as a unified entity with various functional heads reporting to the top management and is not organised along segments. There are, therefore, no separate segments within the Company as defined by AS-17 (Segmental Reporting) issued by the ICAI.

10. Related Party Disclosures :
Relationships (Related party relationships are as identified by the Company and relied upon by the Auditors)

1. Related Parties

(a) Individual having control & Key Management Personnel

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

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 on March 31, 2011:

Nature of Transactions	Individual having Control and KMP	Relatives of KMP	Outstanding balance as on 31-03-2011
Remuneration	2760288	Nil	212650
Commission	---	672699	174067
Salary	---	398263	33856
Rent	300000	1136820	---
Deposit Given	---	Op.Bal. 20 Lacs	2000000
Warrant Application Money Received	-----	600000	1805052
Loan Taken	950000	-----	-----
Loan Repaid	1250000	-----	----
Interest Paid	15388	----	----

11. Operating Leases :

i)	Obligation on Non-cancelable operating leases :	
	a) not later than one year	8,94,662
	b) later than one year and not later than five years	1,44,408
	c) later than five years	8,66,448
ii)	Total of minimum sub-lease payments expected	NIL
iii)	Lease payments recognized in the statement of Profit & Loss for the Period	41,01,202
iv)	Sub lease payments received or receivable recognized in P&L A/c during the period	NIL
v)	General description of significant leasing arrangements	Various Properties for Commercial use
	a) Description of the assets taken on operating lease	Basis taken as per the lease agreements with the lessor
	b) Basis on which contingent rent payments are determined	All lease agreements are general and can be renewed after expiry of the lease period. No purchase options specifically mentioned in the agreement.
	c) Terms of renewal or purchase options and escalation clauses of lease arrangements	Not to sub-lease
	d) Restrictions imposed by lease agreements, if any	

12. There are no amounts payable to any Small Scale Industrial Undertaking in excess of Rs. One Lakh which is outstanding for more than thirty days.

13. Details of Statutory Liabilities in Schedule 10 :

Particulars	31/3/2011	31/3/2010
Service Tax	37,98,620	761,394
Tax Deducted at Source	342,979	573,778
Provident Fund	308,499	248,623
Employees State Insurance	62,447	54,858
Labour Welfare	1,800	1,905
Professional Tax	18,184	15,071
Total	4,532,529	1,655,629

14. Information to be furnished under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006. in relation to dues and interest payable on the dues to micro, small and medium enterprises is NIL.

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

	31-3-2011	31-3-2010
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

16. Details of Prior Period Expenses:

	31/3/2011	31/3/2010
Gratuity	519592	Nil
Rent	Nil	4000
Membership & Subscription Fees	Nil	10000

17. Remuneration to Auditors

(Amount in Rs.)

	31/3/2011	31/3/2010
As Audit Fees	150000	100000
For Certification & other Services	25000	14500

18. Earnings Per Share:

(Amount in Rs.)

	31-3-2011	31-3-2010
A Net Profit for the year attributable to equity shareholders	11276108	9513637
B Weighted average Number of Equity Shares for Basic EPS	5085333	4929600
C Weighted average number of Equity Shares for Diluted EPS	5537686	5215464
D Nominal Value of Equity Shares	10	10
E Earnings Per Share (Basic)	2.22	1.93
F Earnings Per Share (Diluted)	2.04	1.82

19. Capacities and Production

- a. Licensed Capacity : Not Applicable
 b. Installed Capacity : Not Applicable
 c. Actual Production : Not Applicable

20. The Company is not carrying out any manufacturing activities but engaged in the business of testing of various products. The Company's business requires variety of chemicals and consumables in small quantities and does not require any raw materials. It is not practicable to furnish the quantitative details of these chemicals & consumables as number of small quantities are consumed. Hence, aggregate value of all imported & indigenous chemicals & consumables and spares & components consumed and the percentage of each to total consumption are furnished below:

(Rs.in Lakhs)

	Current Year		Previous Year	
	Consumption	% to total	Consumption	% to total
a) Chemicals & consumables				
- Indegenous	160.47	100.00	139.93	100.00
- Imported	0.00	0.00	0.00	0.00
Total	160.47	100.00	139.93	100.00
b) Spares & Components				
- Indegenous	19.25	100.00	15.33	78.21
- Imported	0.00	0.00	04.27	21.79
Total	19.25	100.00	19.60	100.00

21. Expenditure in foreign Currency Rs. 204628/-

(includes Travelling Expenses Rs. 204628/- Previous Year Rs. 1398909/-)

Income in foreign Currency Rs. 163397/- (Previous Year Rs.175650/-)

C.I.F Value of Imports Rs. 23000050/- (Previous Year Rs.14211531/-)

22. Computation of net profit in accordance with section 349 of the Companies Act, 1956 has not been given, as commission by way of percentage of profit is not payable for the year to any of the director of the Company.

23. Figures have been rounded off to the nearest Rupee.

24. Figures of previous year have been regrouped / rearranged / recast wherever necessary to confirm to this year's classification.

Choksi Laboratories Limited

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

ATTENDANCE SLIP

18th ANNUAL GENERAL MEETING, 30th July, 2011

*DPID _____

Reg. Folio No. _____

No. of Shares Held _____

I Certify that I am a registered shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 18th, Annual General Meeting of the Company at 6/3, Manoramaganj, INDORE (M.P.) on Saturday, the 30th July, 2011 at 11.00 A. M.

Member's/Proxy's Name in Block Letters

Member's/Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

—Tear Here—

Choksi Laboratories Limited

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

PROXY FORM

*DPID _____

Folio No _____

No. of Shares Held _____

I/We _____

of _____

Being a member(s) **CHOKSI LABORATORIES LIMITED** hereby appoint _____

_____ of

_____ of failing him _____

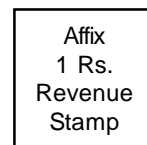
of _____

as my/our proxy to vote for me/us on my/our behalf at the 18th, Annual General Meeting of the Company to be held on 30th July, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011

Note : The proxy from should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The proxy need not be a member of the Company :

*Applicable to the members whose shares are held in Demat form.



Signature _____

Book - Post

To,

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

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