



# CHOKSI IMAGING LIMITED

## **19th ANNUAL REPORT 2010-2011**



**Image & Vision**

**NINETEENTH ANNUAL REPORT 2010 - 2011**

<b>BOARD OF DIRECTORS</b>	:	<b>SHARADCHANDRA PENDSE</b> - Chairman
	:	<b>ANIL V. CHOKSI</b> - Managing Director
	:	<b>SURESH V. CHOKSI</b>
	:	<b>NAIMISH N. CHOKSI</b>
	:	<b>SAMIR K. CHOKSI</b>
	}	Whole Time Directors
	:	<b>VIKRAM V. MANIAR</b>
	:	<b>TUSHAR M. PARIKH</b>
	:	<b>HIMANSHU KISHNADWALA</b>
<b>COMPANY SECRETARY</b>	:	<b>MANDVI SHARMA</b>
<b>BANKERS</b>	:	<b>BANK OF BARODA</b>
<b>AUDITORS</b>	:	<b>PARIKH &amp; AMIN ASSOCIATES</b> Chartered Accountants Mumbai 400 057.
<b>SHARE TRANSFER AGENT</b>	:	<b>ADROIT CORPORATE SERVICES PVT. LTD.</b> 19, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri (East), Mumbai - 400 059. Tel. : 2859 6060 / 2859 4060 Fax : 2850 3748
<b>REGISTERED OFFICE</b>	:	4th Floor, C Wing, Classique Centre, Plot No. 26, Mahal Indl. Estate, Off. Mahakali Caves Road, Andheri (East), Mumbai - 400 093. Tel. : 022-4228 7555
<b>GRIEVANCE REDRESSAL DIVISION</b>	:	compliance.officer@choksiworld.com
<b>FACTORY</b>	:	Plot No. 10, Survey No. 121/P, Off. 66 K.V.A. Road, Amlī, Silvassa - 396 230 (U.T.)

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**FINANCIAL HIGHLIGHTS**

(Rs. In Lakhs.)

	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>	<b>2006-07</b>
Gross Turnover	16931.66	14741.70	11907.39	6177.47	4662.33
Profit before tax	535.02	752.89	423.53	300.88	247.50
Profit after tax (after extraordinary / prior period items)	355.06	495.21	270.31	190.81	156.68
Dividend (incl. Dividend tax and surcharge ,if any)	68.22	90.95	59.32	54.75	50.19
Net Worth	1833.31	1561.02	1173.10	964.53	804.26
Book value per share(Rs.)	47.01	40.03	30.08	24.73	20.62
Earnings per share(Rs.)	8.73	12.28	6.93	4.89	4.02
Dividend %	15%	20 % (15%+5%)	13%	12%	11%

**NOTICE**

THE NINETEENTH ANNUAL GENERAL MEETING of the MEMBERS OF CHOKSI IMAGING LIMITED will be held on Saturday, 24<sup>th</sup> September, 2011 at 10.00 a.m. at Ramee Guestline Hotel 462, A.B. Nair Road, Juhu, Mumbai -400 049 to transact the following business:

**ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as on 31st March 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Anil V. Choksi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Naimish N. Choksi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Vikram V. Maniar, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. Parikh & Amin Associates, Chartered Accountants, Mumbai as statutory Auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS**

Registered Office :  
4th Floor, C Wing, Classique Centre,  
Plot No. 26, Mahal Indl. Estate,  
Off. Mahakali Caves Road, Andheri (East),  
Mumbai - 400 093.

**Mandvi Sharma**  
Company Secretary

Date : 30th May, 2011

**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 AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Book shall remain closed from 17th September, 2011 to 24<sup>th</sup> September, 2011 (both days inclusive).
3. Members who have not claimed dividends declared by the Company for the year ended 31<sup>st</sup> March, 2005 onwards are requested to write to the Company for obtaining duplicate warrants or for revalidating warrants, before the balance in the respective account gets transferred to the 'Investor Education and Protection Fund', established by the Central Government under Section 205C of the Companies Act, 1956.
4. Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends. Shareholders who would like to avail of the ECS Mandate Facility (if not done earlier) are requested to write to Registrar & Share Transfer Agents of the Company for ECS Mandate Form.
5. The information as required in terms of Listing Agreement with the Stock Exchanges regarding the Directors who are proposed to be re-appointed is as under:
  - (a) Name: Mr. Anil V. Choksi, Age: 79, Qualification: Undergraduate. Expertise: He is one of the Promoter Director and is associated with Photosensitised Industry since last 57 years having in depth knowledge of Industry. He is one of the key decision makers of the Company. Other Directorship: He is director in one private limited company. Number of Shares held: 189927.
  - (b) Name: Mr. Naimish N. Choksi, Age: 57, Qualification: B.Com. Expertise: He is one of the Promoter Director and is associated with Photosensitised Industry since last 38 years having good experience in manufacturing of Company's products. Other Directorship: He is Director in one private limited company. Number of shares held 131599.
  - (c) Name: Mr. Vikram V. Maniar, Age: 67, Qualification: B.Com, LLB. Expertise: He is one of the senior member of Board having experience of about 46 years in various Companies. Other Directorship: He is Director in two private limited companies. Number of Shares held : 1900.

**BY ORDER OF THE BOARD OF DIRECTORS**

Registered Office :  
4th Floor, C Wing, Classique Centre,  
Plot No. 26, Mahal Indl. Estate,  
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Mumbai - 400 093.

**Mandvi Sharma**  
Company Secretary

Date : 30th May, 2011

**DIRECTOR'S REPORT TO THE MEMBERS**

Your Directors are pleased to present the 19<sup>th</sup> Annual Report of the Company along with the Audited Annual Accounts for the year ended 31<sup>st</sup> March 2011.

The Directors are pleased to report significant increase in the turnover of the Company as indicated by the key financials given below:

**FINANCIAL RESULTS**

	2010-2011 (Rs. in lakhs)	2009-2010 (Rs. in lakhs)
Gross Turnover	<b>18030.23</b>	15653.24
Gross Profit	<b>587.39</b>	799.78
Less: Depreciation	<b>51.68</b>	46.89
Less: Preliminary Expenses w/o	<b>0.7</b>	—
Profit before tax	<b>535.01</b>	752.89
Provision for tax (Including Deferred tax, Wealth Tax and FBT)	<b>179.96</b>	257.68
Net Profit	<b>355.05</b>	495.21
Add : Prior Period Adj. Net of Tax	—	—
Less: Short Provision of Tax	<b>14.55</b>	16.34
Add: Surplus brought forward	<b>1066.02</b>	728.11
Profit available for Appropriation	<b>1406.52</b>	1206.98

**APPROPRIATION**

Proposed Dividend	<b>58.50</b>	58.50
Special Dividend	—	19.50
Tax on proposed Dividend	<b>9.71</b>	12.95
General Reserve	<b>18.00</b>	50.00
Balance carried to balance sheet	<b>1320.31</b>	1066.03

**DIVIDEND**

Your Directors have pleasure in recommending a Dividend of Rs.1.5 per share on the equity share capital of the Company for the financial year 2010 – 2011. If approved the dividend will absorb an amount of Rs.68.22 Lakhs (including dividend distribution tax).The dividend payout for the year would be 19.21% of the Net Profits for the year.

**MANAGEMENT DISCUSSIONS AND ANALYSIS****Industry structure and developments:**

Your Company is in the business of manufacturing and trading of Photosensitised materials and other products for Healthcare Industry, especially supplies to Hospital and Diagnostic Centres all over India.

As has been seen in the last couple of years, Investments from the private sector has been increasing in the Hospital Segment in India. There has been a lot of additions of small and medium size Hospitals in the interiors in India over the last few years. However there is a lot that has to be done before one can say that India has the adequate infrastructure with regards to Healthcare delivery. However due to the lack of affordability among the majority of Indians and increase in cost structure for the segment, profitability has taken a hit. This has in turn led to continuous demands from the end users for reduction in cost of Medical equipments and consumables.

We still feel that this industry has tremendous potential due to the unmet demand in the country. Also the spread of Healthcare Insurance is a must for the further growth and development of the Industry as a whole. Currently hardly 5 % of India's population is covered under some kind of Healthcare Insurance and as such the scope is huge. As the coverage of Insurance increases the demand for Healthcare Services will increase in the country, leading to increase in demand for our products.

**Year at a Glance:**

The year gone by has been a year of consolidation for your Company. The focus had been on increasing our turnover in the various products and we are pleased to inform that the gross turnover of the Company has crossed Rs.180 crores i.e. Rs.180.3 crores. This is an increase of almost 15%. The net turnover has increased to Rs.169 crores i.e. Rs.169.3 crores (increase of almost 15%).

However the PBIDT of the Company has decreased by almost 12 % and the PBIDT margin has reduced from 6.90% to 5.30%. The drop in margins has been due to the increase in costing of some our products as they are based on certain commodities. However this will not be a long lasting effect, as eventually your company will pass on the cost increases to the end users. Also during the year your company as planned had incurred a lot of expenses on the systems and office infrastructures. This has led to increased used of funds and interest costs. Further due to the increase in interest cost the PBT has reduced. Your company has started taking steps to reduce the borrowings and the interest cost in the coming year.

**Product-wise Performance:**

Your Company primarily supplies to the Hospitals and Diagnostic Centres. Broadly we classify the Company's products in manufacturing and trading. During the year the manufacturing goods turnover increased from Rs.112 crores to Rs.117 crores at Gross level and Rs.103 crores to Rs.106 crores at Net level. The trading goods turnover has increased from Rs.44 crores to Rs.62 crores.

**Outlook:**

Going forward in FY 2011 – 2012 we expect moderate growth rates. Your Company has grown substantially over the last 5 years. Your company has invested heavily over the last year in systems, office infrastructure and investments in marketing. Going forward these expenses will reduce to some extent and the benefits of the same will accrue to the Company. Your Company has also currently postponed the plans for further capital raising and has decided to fund the further acquisition of offices and other expenses through internal accruals. Though this may lead to reduced profits in the short term, but will lead to improved shareholder wealth in the long term.

At the same time looking at the growth and opportunities in the Healthcare Industry, where in your Company is one of the few All India players supplying to most of the Hospitals and Diagnostic Centres, it is looking at adding more and more products in the Healthcare Industry. The new products may take a few years before they stabilize and start contributing to the Profitability of the Company. Also as a policy your Company, always first ties up the Sales and Marketing of the products before venturing into manufacturing. As such the trading turnover of the Company is likely to increase rather than manufacturing in the short term.

Also your Company has always been increasing its reach to every nook and corner of the country either through its own offices, field force or through increase in the Dealer Network. Your Company is as such able to service its customers throughout the country. As such your Company today is a preferred Company for many Multinational Companies with Hi-tech products wanting to enter into India.

**Opportunities and Threats :**

Currently approx 5 % of India population is covered under Health Insurance. With the entry of private Healthcare Insurance Companies, we expect a sizeable percent of the Indian Population which is currently not able to afford treatment would in time to come be able to avail of the same. This will lead to increased demand for your company's products. Further your Company being one of the few all India Players, it will be able to tie up with more Companies to sell and market their products.

The main threat for the Company is the low entry barrier in this field wherein a lot of new players are entering the Distribution of Healthcare products. However due to the All India infrastructure and base your Company is confident of growing in the increased competitive landscape. Another major threat that the Company faces is the direct entry of Multinational Companies in India. Even here we do not foresee much of a threat as they eventually need an All India player like your Company to enable them to be a have a proper Sales and Distribution Network.

**Risks and Concerns:**

One of the key risk and concern for your Company is the advent of Computer Radiology in India. Though not an immediate risk, this is a matter of concern in the long run. Your Company as a strategy has been adding more and more products in its portfolio to negate this risk in the long run. Infact, inspite of the advent of Computer Radiology your Company has been able to maintain and marginally increase the turnover.

Another key risk is the extreme volatility in the Foreign Exchange rates. This is something that is affecting majority of the Industries whether Import or Export based. However looking at the Global Scenario and higher growth rates in GDP in India, we feel in the medium and long range the INR to be range bound. Also your Company has been able to neutralize the effect of this volatility by passing on the benefits or losses to some extent down the chain i.e. Dealer Network.

**Internal Control systems and their adequacy:**

The company has instituted adequate internal control systems to commensurate with the nature of its business and the size of its operation. An Audit Committee consisting of four independent, non-executive directors is in place. Internal Audit is conducted on regular intervals at plant and covers key areas of operations. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

**Human Resources:**

Your Company has **210** Employees, who form the experienced, educated and hard working pool of Human resources. Your Company's industrial relations continued to be cordial during the year under review. Your Company conducts regular in-house training programs for employees at various levels. Employees are also sent for selected external training programs.

**DIRECTORS**

In accordance with the provisions of Articles of Association of the Company and The Companies Act, 1956 Mr. Anil V. Choksi, Mr. Naimish N. Choksi and Mr. Vikram V. Maniar retire by rotation and being eligible, offer themselves, for re-appointment.

**“DIRECTORS’ RESPONSIBILITY STATEMENT”:**

As stipulated in 217(2AA) of Companies Act, 1956, your Directors subscribe to the Directors Responsibility Statement and confirm as under:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors have 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 at the end of the financial year and of the profit or loss of the Company for that period;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

**CORPORATE GOVERNANCE**

The Corporate Governance Report is annexed herewith in Annexure III.

**AUDITORS**

The Auditors of the Company M/s. Parikh & Amin Associates, retire at this Annual General Meeting and are eligible for re-appointment. They have confirmed their willingness to accept the office, if re-appointed.

**DEMAT AND LISTING DETAILS**

The total number of Equity Shares held in dematerialised form as on 31<sup>st</sup> March, 2011 are **3466710** which represents **88.89** % of the total paid up Equity Shares of the Company.

The Equity Shares of the Company are listed on the Stock Exchange at Mumbai.

The Company has paid the annual listing fees to these exchanges till 31<sup>st</sup> March, 2012.

All those Shareholders holding shares in physical form are requested to please get their shareholding converted in Demat form through their Bankers/Depository Participants at the earliest. This is necessary as any trading in Equity Shares of the Company is only permitted in de-mat form as per SEBI Rules.

The Ministry of Corporate Affairs (MCA) has issued Circular Nos. 17/2011 and 18/2011, dated April 21 and 29, 2011, propagating “Green Initiative”, by allowing paperless compliances by serving documents through electronic mode (e-mail). With a view to lend a strong support to this environment friendly initiative of the Government of India, Annual Reports for Financial Year 2011 of your Company has been sent via Electronic Mode (Email) to the Members whose E-mail ID was made available to us by the Depositories Participants. We are sure that the Members would also like to support this excellent initiative of the Government of India. We request the Members to register/update their e-mail address with their Depository Participant, in case they have not already registered/updated the same.



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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988 pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in the Annexure "I" to this Report.

**PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of Directors Report for the year ended 31<sup>st</sup> March, 2011 has been provided in Annexure "II" to this Report.

**ACKNOWLEDGEMENT**

The Board of Directors would like to place on record their sincere thanks for the co-operation and support received from various agencies of the Central and State Governments, Administration of Dadra and Nagar Haveli and also Bank of Baroda, Suppliers, Customers for their patronage of the company's products and all the shareholders for their support. The Directors also take this opportunity to place on record their appreciation for the dedication and sense of commitment shown by all the employees of the company at all levels and their wholehearted efforts and impressive contribution towards the growth of the company.

**For and on behalf of the Board of Directors**

Place : MUMBAI  
Dated : 30th May, 2011.

**Sharadchandra Pendse**  
Chairman

**ANNEXURE "I" TO THE DIRECTORS' REPORT**

Information under Section 217(1)(e) of the Companies Act 1956 read with companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

- A. CONSERVATION OF ENERGY :** Not Applicable.  
**B. TECHNOLOGY ABSORPTION**

**FORM B****1. RESEARCH AND DEVELOPMENT**

1. **Special Areas :** Our Research and Development activities are concentrated mainly on improving quality of existing product.
2. **Benefits Derived :** The Company has established itself in the market.
3. **Plan of Action :** The Company is continuously making improvements in quality of its products.
4. **Expenditure on R & D:** Existing facilities being used.

**2. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

1. **Efforts Made:** Continuous efforts are being made in improving the quality of films, productivity and testing method.
2. **Benefits:** Company could make its impact in the items manufactured.
3. **Imported Technology:** The Company is presently using Indian Technology.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	<u>Current Year</u>	<u>Previous Year</u>
1. Foreign Exchange Earning (Rs.)	<b>33,212,709</b>	11,604,437
2. Foreign Exchange Outgo (Rs.)		
a) Travelling	<b>1,840,747</b>	1,212,844
b) Equipment, Spares & X-Ray Accessories & Other Finished Goods.	<b>1,146,704,094</b>	1,135,120,079

**For and on behalf of the Board of Directors**

Place : MUMBAI  
Dated : 30th May, 2011.

**Sharadchandra Pendse**  
Chairman

**ANNEXURE "II" TO THE DIRECTORS' REPORT**

Information as per Section 217(2A) of the Companies Act, 1956 as amended, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2011.

**EMPLOYED THROUGHOUT THE YEAR AND WERE IN RECEIPT OF REMUNERATION IN AGGREGATE EXCEEDING REMUNERATION DRAWN BY MANAGING DIRECTOR AND WHOLETIME DIRECTOR**

Name of the Employee	Designation/ Nature of Duties	Relation with Director/Manager	Remuneration Received(Rs.)	Qualification	Experience (years)	Date of Commencement Of Employment	Age (years)	Last Employment held before joining the Company
Mr. Tushar K. Choksi	President – Administration	Brother's son of Mr. Anil V. Choksi, Managing Director of the Company and brother of Mr. Samir K. Choksi, Whole-Time Director of the Company	19,54,000	B.Com.	28	01.04.2001	48	Choksi Brothers Private Limited
Mr. Sunil A. Choksi	President – Marketing	Son of Mr. Anil V. Choksi, Managing Director of the Company	19,54,000	B Engineering	22	01.04.2001	45	Choksi Brothers Private Limited
Mr. Gaurav S. Choksi	President – Finance	Son of Mr. Suresh V. Choksi, Whole-Time Director of the Company	19,54,000	B.Com.,FCA.	14	01.04.2001	36	Choksi Brothers Private Limited

**Notes :**

- Nature of Employment: As per special resolution passed by the Shareholders of the Company on 10.01.2011 through Postal Ballot, The Company is awaiting for Central Government approval for the re-appointment of the above mentioned officials for period of five years w.e.f 01.04.2011.
- Other terms and conditions: As per special resolution passed by the Shareholders of the Company on 10.01.2011 through Postal Ballot.
- Number and percentage of Equity shares held by the Employees and their spouses in the company within the meaning of sub-clause (iii) of clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956 :

Name of Employee	No. of Shares	Percentage (%)
(i) Mr. Tushar K. Choksi :	82133	2.10
(ii) Mr. Sunil A. Choksi :	81514	2.09
(iii) Mr. Gaurav S. Choksi :	279960	7.17

**ANNEXURE "III" TO THE DIRECTOR' S REPORT**

**Report of the Directors on Corporate Governance**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company believes that good Corporate Governance lead to enhancement of the value of the Company to the shareholders and other stakeholders such as customers, vendors, employees and financiers and to the society in general.

**2. BOARD OF DIRECTORS**

- (i) **Composition of Board of Directors:** The Board of Directors of the Company comprises of 8 Directors with optimum combination of executive and independent directors. The Board met 5 times during the year on various dates and the nature of the directorship of all the Directors are as follows:

## CHOKSI IMAGING LIMITED

Mr. Sharadchandra Pendse	Chairman
	Independent Non - Executive Director
Mr. Anil V. Choksi	Executive Director
Mr. Suresh V. Choksi	Executive Director
Mr. Naimish N. Choksi	Executive Director
Mr. Samir K. Choksi	Executive Director
Mr. Vikram V. Maniar	Independent Non-Executive Director
Mr. Tushar M. Parikh	Independent Non-Executive Director
Mr. Himanshu Kishnadwala	Independent Non-Executive Director

(ii) **Board Meetings** : The Board of Directors held 5 meetings during the year on 30<sup>th</sup> May 2010, 11<sup>th</sup> August 2010, 20<sup>th</sup> September 2010, 29<sup>th</sup> October 2010 and 7<sup>th</sup> February 2011.

(iii) **Attendance of Directors**

Name of Directors	Number of Board meetings attended	Attendance at Last AGM held on 20.09.2010
Mr. Sharadchandra Pendse	5	Yes
Mr. Anil V. Choksi	5	Yes
Mr. Suresh V. Choksi	4	No
Mr. Naimish N. Choksi	5	Yes
Mr. Samir K. Choksi	5	Yes
Mr. Vikram V. Maniar	5	Yes
Mr. Tushar M. Parikh	5	Yes
Mr. Himanshu Kishnadwala	5	Yes

The Directors of the Company also hold directorship in other bodies corporate details of which are given below:

Name of Directors	Number of Directorship held		Number of Committees of Board	
	Public	Private	Membership	Chairmanship
Mr. Sharadchandra Pendse	Nil	1	Nil	Nil
Mr. Anil V. Choksi	Nil	1	Nil	Nil
Mr. Suresh V. Choksi	Nil	1	Nil	Nil
Mr. Naimish N. Choksi	Nil	1	Nil	Nil
Mr. Samir K. Choksi	1	7	Nil	Nil
Mr. Vikram V. Maniar	Nil	2	Nil	Nil
Mr. Tushar M. Parikh	1	6	Nil	Nil
Mr. Himanshu Kishnadwala	Nil	Nil	Nil	Nil

(iv) **Audit Committee**

The Audit Committee comprises of 4 directors all being independent non-executive directors. The composition of Audit Committee is as follows:

**Mr. Himanshu Kishnadwala**

Chartered Accountant — Independent Non-Executive Director & Chairman

**Mr. Tushar Parikh**

Chartered Accountant — Independent Non-Executive Director

**Mr. Sharadchandra Pendse**

Ex-Banker — Independent Non-Executive Director

**Mr. Vikram V. Maniar**

— Independent Non-Executive Director

The Audit Committee met 4 times during the year on 25<sup>th</sup> May 2010, 11<sup>th</sup> August 2010, 29<sup>th</sup> October 2010 and 7<sup>th</sup> February 2011. All members of the Audit Committee attended all the meetings of the Committee.

The statutory Auditor was invited to attend Audit Committee meeting.

**(v) Remuneration Committee**

The Remuneration Committee comprises of 3 directors all being independent non-executive directors. The composition of Remuneration Committee is as follows:

**Mr. Tushar Parikh**

Chartered Accountant — Independent Non-Executive Director & Chairman

**Mr. Himanshu Kishnadwala**

Chartered Accountant — Independent Non-Executive Director

**Mr. Sharadchandra Pendse**

Ex-Banker — Independent Non-Executive Director

Remuneration Committee met 2 times during the year on 30<sup>th</sup> May 2010 and 29<sup>th</sup> October 2010 during the year. All members of the Remuneration Committee attended all the meetings of the Committee.

The details of Remuneration paid to Whole-time Directors for the year ended March 31, 2011 are as under:

Name of Directors	Salary (Rs.)	Perquisites (Rs.)	Contribution to P.F (Rs.)	Total (Rs.)
Mr. Anil V. Choksi	15,00,000	24,000	1,80,000	17,04,000
Mr. Suresh V. Choksi	15,00,000	24,000	1,80,000	17,04,000
Mr. Naimish N. Choksi	15,00,000	14,951	1,80,000	16,94,951
Mr. Samir K. Choksi	15,00,000	24,000	1,80,000	17,04,000

The details of Remuneration paid to Non-Executive Directors for the year ended March 31, 2011 are as under:

Name of Directors	Sitting fees paid for Board Meeting (Rs.)	Sitting fees paid for Committee Meetings (Rs.)
Mr. Sharadchandra Pendse	35,000	22,000
Mr. Vikram V. Maniar	35,000	18,000
Mr. Tushar M. Parikh	35,000	22,000
Mr. Himanshu Kishnadwala	35,000	22,000

\* Mr. Tushar Parikh is the proprietor of M/s. T.M Parikh and Company, Chartered accountants, who has professional relationship with the company. The Professional fees paid to the firm during the year Rs. 1,00,000/-.

\* Mr. Himanshu Kishnadwala is a partner of M/s. Contractor, Nayak and Kishnadwala, a Firm of Chartered Accountants, who has Professional relationship with the company. The Professional fees paid to the firm during the year Rs. 1,20,000/-.

The details of number of shares held by non-executive Directors as on 31<sup>st</sup> March, 2011 are as follows:

Name of Directors	Number of Shares Held
Mr. Sharadchandra Pendse	NIL
Mr. Tushar M. Parikh	5100
Mr. Himanshu Kishnadwala	5100
Mr. Vikram V. Maniar	1900

**(vi) Shareholders Grievance Committee**

The Shareholders Grievance Committee comprises of 3 directors. The composition of Committee is as follows:

<b>Mr. Tushar Parikh</b>	---	Independent Non-Executive Director & Chairman
<b>Mr. Himanshu Kishnadwala</b>	---	Independent Non-Executive Director
<b>Mr. Anil V. Choksi</b>	---	Executive Director

The Company had received 3 Grievances which were replied. No Shareholders Grievance Committee Meeting was held during the year.

Name & Designation of Compliance Officer: Ms. Mandvi Sharma, Company Secretary.

Details of Shareholders Complaints received from April - 2010 to March - 2011:

Total Number of Grievances received: 3 Total Number of Grievances redressed: 3

**3. GENERAL BODY MEETINGS**

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
2007-2008	Dara's Dhaba, Mira Road, Thane.	September 20, 2008	11.00 a.m
2008-2009	Dara's Dhaba, Mira Road, Thane.	September 11, 2009	11.00 a.m
2009-2010	Dara's Dhaba, Mira Road, Thane.	September 20, 2010	11.00 a.m

The shareholders passed all the resolutions set out in the respective notices.

Special Resolutions passed through postal ballot on 3<sup>rd</sup> August, 2010 are as follows:

Particulars of Resolutions	Results			
	Postal Ballot Forms received	Invalid Postal Ballot Forms	Postal Ballot Form with assent for the Resolution	Postal Ballot Form with dissent for the Resolution
Alteration of Clause 4 of Articles of Association for increase in Authorised share capital	61	2	59	0
Issue of further equity shares through Rights Issue.	61	2	59	0
Reappointment of Mr. Suresh V. Choksi as Whole Time Director	61	2	58	1
Extension of terms of remuneration to Mr. Naimish N. Choksi, Whole Time Director	61	2	58	1

Shri. Nilesh Shah, Practising Company Secretary was appointed as Scrutinizer.

Special Resolutions passed through postal ballot on 10<sup>th</sup> January, 2011 are as follows:

Particulars of Resolutions	Results			
	Postal Ballot Forms received	Invalid Postal Ballot Forms	Postal Ballot Form with assent for the Resolution	Postal Ballot Form with dissent for the Resolution
Change in Registered office from Dist. Thane to Mumbai	104	4	100	0
Reappointment of Mr. Naimish N. Choksi as WholeTime Director	104	4	100	0
Approval to Mr. Tushar K. Choksi to hold office or place of profit.	104	4	100	0
Approval to Mr. Sunil A. Choksi to hold office or place of profit.	104	4	100	0
Approval to Mr. Gaurav S. Choksi to hold office or place of profit.	104	4	100	0
Increase in remuneration to Mr. Anil V. Choksi, Managing Director	104	4	97	3
Increase in remuneration to Mr. Suresh V. Choksi, WholeTime Director	104	4	97	3
Increase in remuneration to Mr. Samir K. Choksi, WholeTime Director	104	4	97	3

Shri. Nilesh Shah, Practising Company Secretary was appointed as Scrutinizer.

#### 4. DISCLOSURE

There had been no materially significant related party transactions with the Directors or the Management, subsidiaries or relatives of Directors during the Financial Year 2010-2011 that have potential conflict with the interest of the Company at large. Details of related party transactions are given in Note 15(B) to the Notes to accounts.

There have neither been any instances of non-compliance nor any penalty has been imposed on the Company by Stock Exchanges or by Securities and Exchange Board of India or by any other statutory authority on any matter related to the capital markets during the last three years.

While the Company has not formally established a Whistle Blower Policy as a mechanism for its employees to report to the Management about any actual or suspected violation of the Company's code of conduct or the Business Principles or concerns about unethical behaviour, the employees are free to access the Management or the Audit Committee to report any such instances.

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as presently applicable. As regards the mandatory requirement, the Company has a remuneration committee as detailed in the earlier paragraph.

#### 5. CODE OF CONDUCT

The Board of Directors of the Company have laid down a Code of Conduct for all its Members and Senior Management Personnel of the Company, who have affirmed their compliance for the year ended 31<sup>st</sup> March, 2011. The declaration from Mr. Anil V. Choksi, the Managing Director, regarding the affirmation of the compliance for the year ended 31<sup>st</sup> March, 2011, is enclosed and forms part of this report.

The Company has also framed a Code of Conduct for prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all the Directors/ Officers and Designated Employees of the Company. The Code regulates dealing in shares by the persons having access to the unpublished price sensitive information.

**6. MEANS OF COMMUNICATION****Quarterly Results:**

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchange in terms of requirements of Clause 41 of the Listing Agreement. Quarterly results are normally published in Economic Times / Mumbai Lakshadweep / Free Press Journal and Navshakti.

**Half Yearly Results:**

Half yearly results are not sent to each household of shareholders.

Presentation to Institutional Investors or to analysts: No presentations have been made to institutional investors or to the analysts.

**Website:**

As per the requirement of Clause 54 of the Listing Agreement, the company maintains a functional website containing basic information about the company.

The Management Discussion and Analysis report forms part of this Annual Report.

**7. GENERAL SHAREHOLDER INFORMATION**

- |     |  |   |   |
|-----|--|---|---|
| (1) | <b>Annual General Meeting</b><br>Date and Time<br>Venue        | : | 24 <sup>th</sup> September, 2011 at 10.00 a.m<br>Ramee Guestline Hotel, 462, A. B. Nair Road,<br>Juhu, Mumbai - 400 049.  |
| (2) | <b>Financial Calendar</b>                                      | : | <ul style="list-style-type: none"> <li>• Publication of Unaudited Results for quarter ending June, 2011, second week of August, 2011.</li> <li>• Publication of Unaudited Results for quarter ending September, 2011, first/second week of November, 2011.</li> <li>• Publication of Unaudited Results for quarter ending December, 2011, second week of February, 2012.</li> <li>• Publication of Audited Results for year ending March, 2012, last week of May, 2012.</li> <li>• Annual General Meeting for the year ending March 2011, Third Week of September, 2011.</li> </ul> |
| (3) | <b>Book Closure Date</b>                                       | : | 17th September to 24th September, 2011 (both inclusive)   |
| (4) | <b>Dividend payment date</b>                                   | : | 1st week of October, 2011   |
| (5) | <b>Listing of equity shares on stock exchange at</b>           | : | The Bombay Stock Exchange   |
| (6) | <b>Scrip Code</b>  | : | 530427 at Bombay Stock Exchange   |
| (7) | <b>Demat ISIN Numbers in NSDL &amp; CDSL for equity shares</b> | : | ISIN No. <b>INE 865B01016</b>   |
| (8) | <b>Registrar &amp; Transfer Agent</b>                          | : | M/s. Adroit Corporate Services Pvt. Ltd<br>19, Jaferbhoy Industrial Estate, Makwana Road,<br>Marol Naka, Andheri (East), Mumbai-400 059.<br>Tel. : 2859 6060 • Fax : 28503748<br>Unit : Choksi Imaging Limited  |
| (9) | <b>Share Transfer System</b>                                   | : | The Company's shares are traded in the Stock Exchanges compulsorily in the Demat mode. Shares sent for physical transfer or dematerialisation request are registered within 15 days from the date of receipt of completed and valid executed documents.   |

- (10) **Dematerialisation of Shares** : 88.89% of the paid up shares have been dematerialised upto March, 2011. Trading in Equity shares of the Company is permitted only in dematerialised form w.e.f. November, 2002 as per notification issued by the Securities and Exchange Board of India.
- (11) **Detail Factory address** : Plot.No.10, Survey No.121/P, off. 66 KVA Road, Silvassa-396 230 (U.T)
- (12) **Address for Correspondence** : M/s.Adroit Corporate Services Pvt.Ltd  
19, Jaferbhoy Industrial Estate, Makwana Road,  
Marol Naka, Andheri (East), Mumbai-400 059.  
Tel. : 2859 6060 • Fax : 2850 3748

(13) **Distribution of shareholding as on March 31, 2011:**

No. of shares	No. of Shareholders	% of Shareholders	Shareholding	Amount Rs.	% Total
UPTO - 500	2046	78.33	337983	3379830	8.67
501-1000	222	8.50	186472	1864720	4.78
1001-2000	108	4.13	164524	1645240	4.22
2001-3000	93	3.56	236732	2367320	6.07
3001-4000	23	0.88	82014	820140	2.10
4001-5000	36	1.38	172267	1722670	4.42
5001-10000	34	1.30	257589	2575890	6.60
10001 & Above	50	1.91	2462419	24624190	63.14
<b>TOTAL</b>	<b>2612</b>	<b>100.00</b>	<b>3900000</b>	<b>39000000</b>	<b>100.00</b>

(14) **Categories of Shareholders as on March 31, 2011:**

Category	No. of Shares	% of Shareholding
Directors Relatives and Promoters	1725730	44.25
FIIS	Nil	Nil
NRI	134780	3.45
Companies/Body Corporate	123479	3.17
General Public	1916011	49.13

(15) **Market Price Data:** High Low during each month in last financial year:

Date	High (Rs.)	Low (Rs.)	No. of Shares
April 2010	67.45	44.80	300122
May 2010	63.00	46.30	135933
June 2010	73.60	58.10	305480
July 2010	65.50	60.20	78761
August 2010	63.00	51.00	140401
September 2010	62.00	52.50	91489
October 2010	60.80	52.75	144302
November 2010	55.00	40.00	112231
December 2010	48.00	40.00	60605
January 2011	48.00	39.15	109537
February 2011	42.80	32.35	38599
March 2011	35.45	31.00	91276



**(16) Reconciliation of Share Capital Audit**

A reconciliation of Share Capital Audit is done every quarter by a Practicing Company Secretary, to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The audit confirms that the total issued/ paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**8. COMPLIANCE CERTIFICATE:**

Compliance Certificate dated 30<sup>th</sup> May, 2011 from our Statutory Auditors, M/s. Parikh and Amin Associates is given at the end of this Corporate Governance Report.

**DECLARATION FROM THE MANAGING DIRECTOR**  
(Under clause 49(D)(ii) of the Listing Agreement)

To

The Members of Choksi Imaging Limited

As provided under clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's code of Conduct for the year ended 31<sup>st</sup> March, 2011.

**FOR CHOKSI IMAGING LIMITED**

**ANIL V. CHOKSI**  
Managing Director

Place : Mumbai  
Date : 30<sup>th</sup> May, 2011.

**AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**  
(Under clause 49 of the Listing Agreement)

To

The Members of Choksi Imaging Limited

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

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

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2011, no investor grievances are pending against the Company.

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 PARIKH AND AMIN ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 107520W

Place : Mumbai  
Date : 30<sup>th</sup> May, 2011.

**K. R. PARIKH**  
PARTNER  
Membership No. 36517

**AUDITOR'S REPORT****TO THE MEMBERS OF  
CHOKSI IMAGING LTD.,**

We have audited the attached balance sheet of **CHOKSI IMAGING LTD.**, as at 31<sup>st</sup> March 2011, the Profit and Loss account for the year ended on that date 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.

1. We conducted our audit in accordance with the 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, evidences 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment), Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of India (the 'Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations give to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (2) above we report that:
  - a) 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;
  - b) 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;
  - c) The Balance Sheet, the Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
    - ii) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**FOR PARIKH AND AMIN ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

Place : Mumbai  
Date : 30th May, 2011.

**K. R. PARIKH**  
PARTNER  
Membership No. 36517

**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in paragraph 2 of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its asset. No material discrepancies were noticed on such verification.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.
- (ii) (a) The inventory of the Company at work, godown and branches and with consignment agent has been physically verified during the year by the management.  
In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books record were reported to the management and we have been informed that there is burglary took place during the month of March,2011 and the stock stolen amounting to Rs.20,96,256/- has been adjusted in the closing stock of raw material.
- (iii) (a) The company has taken loans from the parties listed in the register maintained under section 301 of the Companies Act,1956. The maximum amount involved during the year was Rs.185,957,552/- and the year end balance of loan taken was Rs.137,966,853/-.
- (b) In our opinion the rate of interest and other terms and conditions on which loan have been taken from the parties listed in the register maintained under section 301 of the Companies Act,1956 are not prima facie prejudicial to the interest of the company.
- (c) There is no stipulation fixed regarding repayment of principal and interest.
- (d) There is no overdue amount of the loan taken from the parties listed in the register maintained u/s.301 of the companies act,1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets for sale goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements entered in the registered maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act,1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- (vi) In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 58(A) and 58 (AA) of the Companies Act,1956 and companies rules (Acceptance of deposit) Rule,1975 with regard to the deposit accepted from the public.
- (vii) In our Opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The provision of Cost Audit prescribed by the Central Government, u/s 209 (1)(d) of the Companies Act, 1956 are not applicable to the company.
- (ix) (a) The company is generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of

income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2011 for a period of more than six months from the date they became payable.

According to the information and explanation given to us, the disputed Income tax Rs.980,187/- related to Ass Year 2001-2002 & matter is pending before Bombay High Court, that have not been deposited on account of disputed matters pending.

- (x) The Company does not have any accumulated losses as at 31<sup>st</sup> March, 2011 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of its dues to any financial institution, bank during the year.
- (xii) According to the information and explanation 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. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi* mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Reports) Order,2003 are not applicable to the company.
- (xv) The company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment, and vice versa.
- (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) Company has not made any issue of debentures.
- (xx) During the period covered by our audit report, the company has not raised any money by public issues.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us by the management no material found on or by the company and causing material misstatement to financial statement have been noticed or reported during the course of our audit except there was burglary amounting to Rs.20,96,256/- during the year have been committed on the company and the Company has lodged police complaint and the matter is under investigation.

**FOR PARIKH AND AMIN ASSOCIATES**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 107520W

Place : Mumbai  
Date : 30th May, 2011.

**K. R. PARIKH**  
PARTNER  
Membership No. 36517

**CHOKSI IMAGING LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2011**

	SCHEDULE	Rupees	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
<b>I. SOURCES OF FUNDS:</b>				
<b>1. SHAREHOLDERS FUNDS :</b>				
a) Share Capital	1		39,000,000	39,000,000
b) Reserves & Surplus	2		144,330,881	117,102,357
<b>2. LOANS FUNDS :</b>				
Secured Loans	3		79,315,951	88,629,336
Unsecured Loans			196,788,852	165,551,884
<b>3. DEFERRED TAX LIABILITY</b>				
<b>Total</b>	4		<u>6,077,308</u>	<u>6,042,804</u>
			<u>465,512,992</u>	<u>416,326,381</u>
<b>II. APPLICATION OF FUNDS :</b>				
<b>1. FIXED ASSETS:</b>				
a) Gross Block	5	123,747,825		104,214,195
b) LESS: Depreciation		<u>36,102,034</u>		<u>30,996,297</u>
c) Net Block			87,645,791	73,217,898
<b>Capital Work in progress</b>			--	1,887,307
<b>2. CURRENT ASSETS, LOANS &amp; ADVANCES</b>				
a) Inventories		325,523,237		235,301,613
b) Sundry Debtors		297,088,364		240,907,074
c) Cash & Bank Balance		25,614,809		21,736,461
d) Loans & Advances		<u>128,895,487</u>		<u>91,483,308</u>
			<u>777,121,897</u>	<u>589,428,456</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS :</b>				
a) Liabilities	7		347,641,956	211,651,742
b) Provisions			<u>52,242,740</u>	<u>36,555,538</u>
			<u>399,884,696</u>	<u>248,207,280</u>
Net Current Assets			377,237,201	341,221,176
<b>MISCELLANEOUS EXPENDITURE</b>				
(To the extent not written off or adjusted)				
Preliminary expenses			630,000	--
<b>Total</b>			<u>465,512,992</u>	<u>416,326,381</u>

Notes Forming Part of the Accounts **14**

As per our Report of even date :

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR PARIKH AND AMIN ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 107520W

**ANIL V. CHOKSI** - Managing Director

**SURESH V. CHOKSI** - Whole-Time Director

**K. R. PARIKH**  
 PARTNER

**MANDVI H. SHARMA** - Company Secretary

Place : Mumbai

Date : 30th May, 2011.

**CHOKSI IMAGING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011**

	SCHEDULE	Rupees	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
<b>INCOME</b>				
Sales of Products		<b>1,169,605,411</b>		1,120,551,472
Less : Excise duty recovered on sales		<b>109,857,115</b>		91,153,819
Net Sales		<b>1,059,748,296</b>		1,029,397,653
Trading Sales		<b>622,118,300</b>		437,610,906
Other income	<b>8</b>	<b>11,299,688</b>		7,161,916
			<b>1,693,166,284</b>	1,474,170,475
<b>EXPENDITURE</b>				
Raw Material Consumed	<b>9</b>	<b>925,406,773</b>		893,230,638
Cost of Trading Goods	<b>10</b>	<b>536,621,549</b>		381,917,374
Manufacturing Expenses	<b>11</b>	<b>25,775,882</b>		26,438,447
Selling & Administrative Expenses	<b>12</b>	<b>130,699,771</b>		81,618,056
			<b>1,618,503,975</b>	1,383,204,515
Less : (Increase)/ Decrease in stock	<b>13</b>		<b>(15,187,341)</b>	(10,774,226)
			<b>1,603,316,634</b>	1,372,430,289
Profit Before Interest, Depreciation & Taxes			<b>89,849,650</b>	101,740,186
Less : Interest			<b>31,110,302</b>	21,761,497
Less : Depreciation			<b>5,167,823</b>	4,689,434
Less : Preliminary Expenses written off			<b>70,000</b>	-
Profit Before Taxation			<b>53,501,525</b>	75,289,255
Less : Provision for Current Tax			<b>17,950,000</b>	25,400,000
Less : Provision for Fringe Benefit Tax			-	-
Less : Provision for Wealth Tax			<b>11,000</b>	33,000
Add/(Less) : Provision for Deferred Tax			<b>34,504</b>	334,942
Profit after Tax			<b>35,506,021</b>	49,521,313
Less : Short Provision of Tax			<b>1,455,812</b>	1,634,159
Add : Balance Brought Forward from Previous Year			<b>106,602,357</b>	72,810,686
Amount available for appropriation			<b>140,652,566</b>	120,697,840
Less : Appropriation				
Proposed Dividend			<b>5,850,000</b>	5,850,000
For Special Dividend			-	1,950,000
Tax on Proposed Dividend			<b>971,685</b>	1,295,483
General Reserve			<b>1,800,000</b>	5,000,000
			<b>8,621,685</b>	14,095,483
Balance Carried to Balance Sheet			<b>132,030,881</b>	106,602,357
Basic & Diluted Earning Per Share of Face Value of Rs.10/- each			<b>8.73</b>	12.28
Notes Forming Part of the Accounts	<b>14</b>			

As per our Report of even date :

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR PARIKH AND AMIN ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 107520W

**ANIL V. CHOKSI** - Managing Director

**SURESH V. CHOKSI** - Whole-Time Director

**K. R. PARIKH**  
 PARTNER

**MANDVI H. SHARMA** - Company Secretary

Place : Mumbai  
 Date : 30th May, 2011.

**SCHEDULE FORMING PART OF THE ACCOUNT**

	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
<b>SCHEDULE: 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised :</b>		
50,00,000 Equity Shares of Rs.10/-each	50,000,000	50,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
<b>Issued,Subscribed &amp; Paid-up.</b>		
39,00,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 39,00,000 equity shares of Rs.10/- each)	39,000,000	39,000,000
	<u>39,000,000</u>	<u>39,000,000</u>
<b>SCHEDULE: 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>GENERAL RESERVE</b>		
Opening Balance	10,500,000	5,500,000
Add : Transferred from Profit & Loss Account	1,800,000	5,000,000
	<u>12,300,000</u>	<u>10,500,000</u>
Profit & Loss Account	132,030,881	106,602,357
<b>Total Rs.</b>	<u>144,330,881</u>	<u>117,102,357</u>
<b>SCHEDULE: 3</b>		
<b>i. SECURED LOANS :</b>		
<b>A. Working Capital Facilities</b>		
from Bank of Baroda Cash Credit	79,315,951	88,629,336
(The above Loan have been secured by :		
(1) Hypothecation of raw Material, Stock in Process, Finished goods , Packing Materials, Stores & Book Debts,		
(2) charge on fixed Assets and machineries of the Company		
(3) Personal guarantee of certain Directors)		
<b>Total Rs.</b>	<u>79,315,951</u>	<u>88,629,336</u>
<b>ii. UNSECURED LOAN</b>		
Directors	59,900,213	59,728,951
Others (I.C.D. & Fixed Dep)	136,888,639	105,822,933
<b>Total Rs.</b>	<u>196,788,852</u>	<u>165,551,884</u>
<b>SCHEDULE: 4</b>		
Deferred Tax Liability	6,042,804	5,707,862
Add/ (Less) : Deferred Tax	34,504	334,942
<b>Total Rs.</b>	<u>6,077,308</u>	<u>6,042,804</u>

**SCHEDULE FORMING PART OF THE ACCOUNT**

**SCHEDULE : 5  
FIXED ASSETS AS AT 31ST MARCH 2011**

NO.	PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION / AMORTISATION				NET BLOCK		
		AS AT 31.03.2010 Rupees	ADDITION Rupees	DEDUCTION Rupees	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees	FOR THE YEAR Rupees	ADJUSTMENT FOR THE YR. Rupees	AS AT 31.03.2011 Rupees	AS AT 31.03.2011 Rupees	AS AT 31.03.2010 Rupees
1	LAND	1,367,840	-	-	1,367,840	-	-	0.00	-	1,367,840	1,367,840
2	BUILDING	29,286,199	-	-	29,286,199	4,828,181	709,648	0.00	5,537,829	23,748,370	24,458,018
3	PLANT & MACHINERY	28,370,861	3,378,264	-	31,749,125	15,206,327	1,394,357	0.00	16,600,684	15,148,441	13,164,534
4	FURNITURE & FIXTURE	6,636,486	1,727,991	-	8,364,477	946,816	441,717	0.00	1,388,533	6,975,944	5,689,670
5	VEHICLES	7,513,161	-	-	7,513,161	2,733,107	713,539	0.00	3,446,646	4,066,515	4,780,054
6	GOODWILL	5,000,000	-	-	5,000,000	3,000,000	500,000	0.00	3,500,000	1,500,000	2,000,000
7	COMPUTER	7,014,074	1,083,331	107,980	7,989,425	3,171,590	962,622	62086.00	4,072,126	3,917,299	3,842,484
8	OFFICE EQUIPMENTS	1,711,759	855,715	-	2,567,474	677,431	138,000	0.00	815,431	1,752,043	1,034,328
9	OFFICE PREMISES	17,313,815	12,596,309	-	29,910,124	432,845	307,940	0.00	740,785	29,169,339	16,880,970
	<b>TOTAL</b>	<b>104,214,195</b>	<b>19,641,610</b>	<b>107,980</b>	<b>123,747,825</b>	<b>30,996,297</b>	<b>5,167,823</b>	<b>62,086</b>	<b>36,102,034</b>	<b>87,645,791</b>	<b>73,217,898</b>
	PREVIOUS YEAR	85,579,427	18,695,847	61,079	104,214,195	26,350,212	4,689,434	43,349	30,996,297	73,217,898	59,229,215

Notes : i) Land includes Rs.1000/-10 shares of Rs.100/-each of Silvassa Industrial Co-op.Society Ltd.,Silvassa.  
ii) Building includes Rs.500/-towards share capital in Silvassa Estates Pvt.Ltd.

As at  
**31st March 2011**  
Rupees

As at  
31st March 2010  
Rupees

**SCHEDULE : 6  
CURRENT ASSETS,LOANS & ADVANCES**

**(A) Current Assets**

**a) Inventories**

(as valued and certified by management)

Raw Materials & Packing Material (at cost)	<b>106,097,815</b>	56,500,192
Finished Products (at cost)	<b>61,260,554</b>	46,073,213
Trading Goods (at cost)	<b>158,116,368</b>	105,948,674
Goods in Transit (at cost)	<b>48,500</b>	26,779,534
	<b>325,523,237</b>	235,301,613

**b) Sundry Debtors**

(Unsecured, considered good)

Outstanding for a period exceeding six months	<b>20,374,223</b>	25,806,247
Others	<b>276,714,141</b>	215,100,827
	<b>297,088,364</b>	240,907,074

**c) Cash & Bank Balances**

Cash on Hand	<b>329,568</b>	309,639
Balances with scheduled banks in current Accounts	<b>12,228,684</b>	14,045,003
Unclaimed Dividend Account	<b>595,829</b>	543,886
Margin Money Account with scheduled bank	<b>12,460,728</b>	6,837,933
	<b>25,614,809</b>	21,736,461



**SCHEDULE FORMING PART OF THE ACCOUNT**

	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
<b>d) Loans &amp; Advances</b>		
(Unsecured Considered Good )		
Deposits	6,519,229	5,263,319
Loans & Advances to Staff	-	516,585
Balances with Central Excise A/c.	75,883,590	49,951,434
Taxes Paid in Advance	41,176,263	28,861,081
Advance Recoverable in Cash or in Kind or for Value to be Received	4,487,660	6,207,847
Prepaid Expenses	828,745	683,042
	<u>128,895,487</u>	<u>91,483,308</u>
<b>Total Rs.</b>	<u>777,121,897</u>	<u>589,428,456</u>

**SCHEDULE : 7**

**CURRENT LIABILITIES & PROVISIONS**

a) Current Liabilities		
Sundry Creditors	333,198,317	203,756,236
Advances from Customers	8,597,532	7,351,620
Deposit from Customers	5,250,278	-
Unclaimed Dividend	595,829	543,886
	<u>347,641,956</u>	<u>211,651,742</u>
b) Provisions		
For Taxation	45,330,055	27,380,055
For Dividend	5,850,000	5,850,000
For Special Dividend	-	1,950,000
For Dividend Tax on Proposed Dividend	971,685	1,295,483
For Wealth Tax	91,000	80,000
<b>Total Rs.</b>	<u>52,242,740</u>	<u>36,555,538</u>

**SCHEDULE : 8**

**OTHER INCOME**

a) Interest Received(Gross)	502,236	731,203
b) Sale of Scrap	308,739	324,297
c) Miscellaneous Income	854,852	858,927
d) Debit Credit Earlier written off	1,388,486	48,595
e) Service Charges	7,855,378	5,198,894
f) Commission	389,997	-
<b>Total Rs.</b>	<u>11,299,688</u>	<u>7,161,916</u>

**SCHEDULE : 9**

**RAW MATERIAL CONSUMED**

a) Opening Stock	56,500,192	44,577,344
Add:Purchased during the Year	975,004,396	905,153,486
Less : Closing Stock	106,097,815	56,500,192
Raw Material Consumed	<u>925,406,773</u>	<u>893,230,638</u>

**SCHEDULE :10**

**COST OF TRADING GOODS**

a) Opening Stock	105,948,674	66,692,131
Add:Purchased during the Year	588,789,243	421,173,917
Less :Closing Stock	158,116,368	105,948,674
Cost of Goods Sold	<u>536,621,549</u>	<u>381,917,374</u>

**SCHEDULE FORMING PART OF THE ACCOUNT**

	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
<b>SCHEDULE :11</b>		
<b>MANUFACTURING EXPENSES</b>		
Salaries including Allowances & Provident funds	9,134,093	8,045,261
Labour Charges	7,889,117	7,487,926
Freight & Transport - Inward	737,912	984,118
Stores & Spares Consumed	44,399	153,504
Power & Fuel	2,105,429	2,562,050
Insurance Charges	1,406,389	992,576
Repairs to Machineries	1,073,019	970,357
Repairs to Factory Building	610,183	1,492,990
Repairs to Others	375,909	306,532
Staff Welfare Expenses	577,000	319,095
Rent Rates & Taxes	357,800	1,427,744
Loss on Damage Goods	101,573	-
Excise Duty on Closing Stock	1,363,059	1,696,294
	<u>25,775,882</u>	<u>26,438,447</u>
<b>SCHEDULE :12</b>		
<b>SELLING &amp; ADMINISTRATIVE EXPENSES</b>		
Salaries Including Allowances & Provident Funds	32,246,596	24,485,568
Group Gratuity Premium	1,916,027	619,858
Printing & Stationery	1,647,546	1,542,835
Communication Expenses	2,521,120	2,336,609
Travelling & Conveyance	20,458,027	17,019,809
Legal & Professional Fees	18,481,362	11,546,271
Freight & Transport - Outward - Mfg.	14,382,655	9,309,925
Freight & Transport - Outward - Trg.	3,844,812	1,769,361
Freight & Transport - Courier	6,771,896	4,572,156
Transit Insurance	21,969	86,938
Indenting Commission on Sales	14,323,389	14,309,874
Motor car Expenses (Repairs/Petrol)	1,385,271	1,232,625
Advertisement & Sales Promotion Expenses	7,349,990	10,612,437
Auditors Remuneration	300,000	275,750
Bank Charges	1,416,467	1,298,664
Remuneration to Directors Including Provident Funds	6,806,951	5,207,816
Conference Expenses	909,412	4,284,459
Miscellaneous Expenses	13,316,407	9,436,876
Baddebts	917,738	2,119,502
Exchange Rate Difference	(18,346,756)	(40,476,754)
Loss on sale of Fixed Assets	26,016	3,335
Debit/Credit Balance Written Off	2,876	24,142
	<u>130,699,771</u>	<u>81,618,056</u>
<b>SCHEDULE :13</b>		
<b>INCREASE / DECREASE IN STOCK</b>		
Opening Stock of Finished Goods	46,073,213	35,298,987
Less : Closing Stock of Finished Goods	61,260,554	46,073,213
(Increase)/Decrease	<u>(15,187,341)</u>	<u>(10,774,226)</u>

**SCHEDULE : 14****NOTES FORMING PART OF ACCOUNTS****1. Significant Accounting Policies:****i) Accounting Convention :**

The Company maintains accounts on historical cost convention in accordance with applicable standards. The current assets, loans and advances and liabilities are approximately of the value stated, if realised in the ordinary course of business, otherwise those stated separately.

**ii) Recognition of Income and Expenditure:**

Revenues/Income and Costs/Expenditure are generally recognised on accrual as they are earned or incurred.

**iii) Valuation of Inventories:**

- (a) Inventories of raw materials, packing materials and spares are valued at cost.
- (b) The stock of scrap is valued at realisable value.
- (c) For valuation of finished goods the cost is determined by taking materials, labour and related factory overheads excluding depreciation.
- (d) The goods in transit are stated at actual cost upto the date of Balance Sheet.
- (e) Finished goods lying with the consignment agent is valued at cost.

**iv) Fixed Assets :**

- a) Fixed Assets are stated at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses related to acquisition. In respect of construction period, related pre-operational expenses form part of value of the assets capitalised. The purchase cost of Fixed Assets has been considered net of CENVAT credit availed on such purchases.
- b) Tangible Fixed Assets are stated at historical cost less depreciation.

**v) Depreciation :**

- a) Depreciation on fixed assets has been provided on a straight line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- b) In respect of assets acquired/sold/discarded during the financial period, depreciation is provided on Prorata basis with reference to the period each assets was put to use during the financial period.

**vi) Foreign Currency Transactions:**

Transactions in foreign currencies to the extent not covered by forward contracts, are accounted at the prevailing exchange rate on the date of the transaction. Gains and losses arising out of subsequent fluctuations in exchange rates are accounted for on realisation, conversion losses and gains at the year end in respect of current assets and current liabilities are dealt with in the Profit and Loss Account under appropriate head.

**vii) Taxation:**

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**viii) Retirement Benefits:**

Provident fund is accrued on monthly basis in accordance with the terms of contract with the employees and is deposited with the Statutory Provident Fund. The company has also set up an Employees Gratuity fund through Group Gratuity and Life Assurance scheme of the Life Insurance corporation of India. The contributions to the fund are charged to revenue every year. Leave encashment is being made on yearly basis as per rules.

**ix) Impairment of Assets:**

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

**x) Accounting for Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized in terms of Accounting Standard -29 on "Provisions, Contingent Liabilities and Contingent Assets" issued by the ICAI, when there is a present legal or statutory obligation as a result of past events leading to probable outflow of resources, where a reliable estimate can be made to settle the same.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Assets are not recognized in the financial statements.

**xi) Earning per share:**

Basic and diluted earnings per share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders are the weighted average number of shares outstanding during the year are adjusted for the effect of dilutive potential equity shares.

**2. Contingent Liabilities:**

Contingent Liability in respect of	<b>As on</b>	<b>As on</b>
	<b><u>31.03.11</u></b>	<b><u>31.03.10</u></b>
Guarantee Furnished including In respective of Letter of credit	<b>Rs. 19,148,607</b>	Rs. 1,283,623
Estimated amount of Contracts To be executed on capital account And not provided for	<b>Nil</b>	Rs. 8,112,800

3. The outstanding of Micro, Small and Medium scale industrial undertaking has been determined to the extent such parties have been identified on the basis of information available with the company, This has been relied upon by the Auditors.

There is no outstanding from supplier from Micro, Small & Medium undertaking more than 45 days as informed.

There are no claims from suppliers under the Interest on delayed payment to small scale Ancillary Industrial Undertaking. as informed by the Management.

4. Previous year figures have been regrouped or rearranged wherever necessary to make them comparable with current year.

**5. Auditors Fees:**

	<b><u>2010-2011</u></b>	<b><u>2009-2010</u></b>
	<b>Rupees</b>	<b>Rupees</b>
As Auditors	<b>2,50,000/-</b>	2,10,000/-
In other Capacities	<b>50,000/-</b>	40,000/-
	<b><u>3,00,000/-</u></b>	<b><u>2,50,000/-</u></b>

**6. Details of Production, Stock, Sales and Raw Material Consumed.**

Licenced capacity : N.A  
 Installed Capacity : 5 Million sq.mtr. (As certified by Management)

	Production		Sales		Closing Stock as on 31.03.2011		Raw Material Consumed	
	Qty.in Sq.mtr.	Qty.in Sq.mtr.	Value In Rs.	Qty.in Sq.mtr.	Value In Rs.	Qty.in Sq.mtr.	Value In Rs.	
X-ray Films	5,039,243 (4,740,787)	4,980,049 (4,683,229)	1,169,605,411 (1,120,551,472)	263,512 (204,318)	61,260,554 (46,073,213)	5,391,072 (5,116,745)	106,097,815 (56,500,192)	
Trading* Goods			622,118,300 (437,610,906)		158,116,368 (105,948,674)			

Note: \* Since there are numerous items, the quantitative details are not mentioned

**7. CIF Value of Imports.**

	<u>2010-2011</u>	<u>2009-2010</u>
Raw materials (Rs.)	<b>803,959,405</b>	749,033,279
Equipments, Spares X-Ray Accessories & other Finished goods (Rs)	<b>470,661,273</b>	352,641,997

**8. Expenditure in Foreign Currency:**

	<u>2010-2011</u>	<u>2009-2010</u>
Equipment, Spares & X-Ray Accessories & other Finished goods (Rs.)	<b>1,146,704,094</b>	1,135,120,079
Travelling (Rs.)	<b>1,840,747</b>	1,212,844

**9. Consumption of Raw Materials**

	<u>2010-2011</u>	<u>2009-2010</u>
Imported (Rs.)	<b>847,198,219</b> (91.54%)	893,230,638 (100%)
Indigenous (Rs.)	<b>78,208,554</b> (8.45%)	NIL

**10. Earning in Foreign Exchange (Rs.)**

<b>33,212,709</b>	11,604,437
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11. Consequent upon Amendment to Section 205A of the Companies Act 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of dividend remaining unclaimed for a period of Seven years from the date of transfer to unpaid divi-dend account in respective years in respect of Accounting year 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010 subsequent dividend payments, shall be transferred to the "Investors Education and Protection Fund" account.

**12. Segment Reporting:**

The Company is engaged only in one business segment viz. the business of manufacturing and dealing in Photosensitised materials and other products for Healthcare Industry. Hence the Segment wise information as required by AS 17 is not applicable.

**13. Deferred Tax:**

The break up of deferred tax assets and liabilities is as under :

Nature of timing difference	Deferred tax Asset / Liability as at 1.4.2010 Rs.	Credit for the Current Year charged to Profit and Loss Account Rs.	Deferred Tax Asset / Liability as at 31.3.2011 Rs.
A) Deferred Tax Liabilities			
Depreciation	6,117,533	396,926	6,514,459
<b>TOTAL</b>	<b>6,117,533</b>	<b>396,926</b>	<b>6,514,459</b>
B) Deferred Tax Assets			
Disallowable u/s 40 (a)(ia)			
Rent paid without TDS	Nil	Nil	Nil
Disallowable gratuity	(74,729)	74,729	Nil
Disallowable Gratuity	Nil	(437,151)	(437,151)
<b>Total</b>	<b>(74,729)</b>	<b>(362,422)</b>	<b>(437,151)</b>
Deferred Tax Liabilities (Net)	<b>6,042,804</b>	<b>34,504</b>	<b>6,077,308</b>

**14. Earnings per equity share as per Accounting Standard 20:**

“Earnings per share” (Basic and diluted):

	<u>2010-2011</u>	<u>2009-2010</u>
Profit after Tax (Rs.)	<b>35,506,021</b>	49,521,313
Add: Prior Period Adj. (Rs.)	-	-
Less: Short Provision of Tax	<b>1,455,812</b>	1,634,159
Profit after Tax (After Prior Period Adj). (Rs.)	<b>34,050,209</b>	47,887,154
Number of Equity Shares	<b>3,900,000</b>	3,900,000
Earnings per share (Before Prior Period Adj)	<b>Rs. 8.73</b>	Rs. 12.28
Earnings per share (After Prior Period Adj)	<b>Rs. 8.73</b>	Rs. 12.28

**15. Related Party Disclosures:**

Related party Disclosures as required by AS 18 of the Institute of Chartered Accountants of India is as follows:

**A) Related Parties and Relationship**

(a) Company and Firm in which Directors and their relatives are Directors or Partners.

Choksi Brothers Private Limited, Medical Solutions (India) Private Limited, Photo Marketing Services, Choksi Brothers, Unique Imaging, Innova Investment, Samir K Choksi - Huf.

(b) Directors of the Company : Mr. Sharadchandra Pendse, Mr. Anil V.Choksi, Mr. Suresh V.Choksi, Mr. Naimish N. Choksi, Mr. Samir K.Choksi, Mr. Tushar Parikh, Mr. Himanshu Kisanadwala, Mr. Vikram Maniar.

(c) Key Management Personnel : Mr. Tushar K. Choksi, Mr. Sunil A. Choksi, Mr. Gaurav S. Choksi

Details of Transaction with above parties

Particulars	Companies in which the company has substantial Interest Rs.	Directors of the Company & their relatives Rs.	Total Rs.
Purchase of Goods (Rs.)	1,083,216	Nil	1,083,216
	(4,020,304)	Nil	(4,020,304)
Purchase of Capital Goods (Rs.) from Innova Investment	Nil	Nil	Nil
	(12,360,000)	Nil	(12,360,000)
Sales of Goods (Rs)	29,705,770	Nil	29,705,770
	(15,792,762)	Nil	(15,792,762)
Expenses (Rent paid to Mr. S. V. Choksi @ 50000*10+25000 Feb	Nil	525,000	525,000
	(1,085,806)	(264,000)	(1,349,806)
(Rent paid to CBPL-DELHI)	840,420	Nil	840,420
	(649,833)	Nil	(649,833)
Deposit Taken (Rs.)	87,814,700	23,735,000	111,549,700
	(77,955,056)	(52,750,000)	(130,705,056)
Interest Expenses on deposit taken	9,541,118	6,884,736	16,425,854
	(5,859,547)	(5,068,059)	(10,927,606)
Interest Income on Deposit given and extended credit for equipment supply	Nil	Nil	Nil
Outstanding deposit Receivable	Nil	Nil	Nil
Outstanding deposit payable	68,966,639	69,000,213	137,966,852
	(76,737,933)	(68,828,951)	(145,566,884)

- d) Disclosure in respect of material related party transaction during the year:
- a) Purchase of Goods from Choksi Brothers Private Ltd. is Rs. 32,391/-
  - b) Sale of Goods to Medical Solutions (India) Private Ltd. is Rs. 29,705,770/-
  - c) Deposits taken from Choksi Brothers Private Ltd. is Rs. 87,814,700/- and Medical Solutions (India) Private Ltd. is Rs. Nil/-
  - d) Interest Expenses on deposits taken from Choksi Brothers Private Ltd. is Rs. 9,541,118/- and from Medical Solutions (India) Private Ltd. is Rs. Nil /-
  - e) Interest expenses on deposit taken from Directors is Rs. 6,884,736/-.
  - f) Outstanding deposits payable to Choksi Brothers Private Ltd. is Rs. 68,966,639 /- and to Medical Solutions (India) Private Ltd. is Rs. Nil/-.
  - g) Remuneration to Key management personnel - Mr. Tushar K. Choksi Rs. 1,954,000 /-, Mr. Sunil A. Choksi is Rs. 1,954,000/- and Mr. Gaurav S. Choksi is Rs. 1,954,000/-.
  - h) Rent paid to Director Mr. Suresh V. Choksi towards rent is Rs. 525,000/-.
  - i) Purchase of Goods from Unique Imaging Rs. 1,050,825/-.

**16. Directors Remuneration:**

- a) Computation of Net Profit in accordance with Section 309(5) read with Section 198, 349 and 350 of Companies Act, 1956:

	<u>2010-2011</u> (Amount in Rs.)	<u>2009-2010</u> (Amount in Rs.)
Profit before Tax as per Profit & Loss A/c	<b>53,501,525</b>	75,289,255
Add : Directors Remuneration	<b>6,806,951</b>	5,207,816
Directors Sitting Fees	<b>224,000</b>	184,000
Loss on Sale of Assets	<b>26,016</b>	-
Prior Period Adjustments	-	-
<b>Total</b>	<b>60,558,492</b>	80,681,071
Maximum Commission payable @1% of Net Profit to each of the Whole Time Directors.	-	-

- b) Remuneration paid to Directors

Particulars	<u>2010-2011</u> (Amount in Rs.)	<u>2009-2010</u> (Amount in Rs.)
Salary	<b>6,000,000</b>	4,560,000
Commission	-	-
Contribution to Provident Fund	<b>720,000</b>	547,200
Provision of Gratuity	-	-
Perquisites	<b>86,951</b>	100,616
<b>Total</b>	<b>6,806,951</b>	5,207,816

	<u>2010-2011</u> (Amount in Rs.)	<u>2009-2010</u> (Amount in Rs.)
Remuneration paid to Key Management Personnel	<b>5,862,000</b>	4,656,222
Meeting fees paid	<b>224,000</b>	184,000

17. The Company does not enter into any forward contract or derivatives to cover its expenses in foreign currency, As at the year end, the exposures in foreign currency for the company as under:-

Particulars	2010-2011		2009-2010	
	Foreign Currency	Amount In Rs.	Foreign Currency	Amount In Rs.
Accounts Receivable	NIL	NIL	Nil	Nil
Accounts Payable	USD 3,311,363.52	147,852,381	USD 1,753,640	79,205,843
	EURO 194,898.68	72,325,392.52	EURO 160,263	9,659,062
	YEN 2,254,625	1,217,948	Yen 1,803,750	873,737

18. During the year there was burglary of Jumbo roll, the amount is of Rs. 2,096,256/-. The Company has filed the police complaint and the case is under investigation. Company is hopeful of recovery of major amount.
19. Disclosures in accordance with Revised accounting Standard (AS) – 15 “Employee Benefits” :-

**(A) Defined Contribution Plans:**

Contribution to Provident Fund is in the nature of defined contribution plan and is made to a recognized fund. Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	<b>As at Year ended 31.03.2011</b>	<b>As at Year ended 31.03.2010</b>
Employer's Contribution to Provident Fund	Rs. 2,377,913/-	Rs. 2,334,358/-

**(B) Defined Benefit Plan**

**(I) Gratuity**

Retirement benefit in the form of Gratuity Liability (being administered by LIC) is a defined benefit obligation and is provided.

The following tables summarize the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the Gratuity.

	<b>As at Year ended 31.03.2011 (Rs. in Lakhs)</b>	<b>As at Year ended 31.03.2010 (Rs. in Lakhs)</b>
<b>Changes in Present value of obligations</b>		
Opening balance of Present value of Obligations	32.42	24.76
Interest Cost	2.86	2.17
Current Service Cost	4.58	3.46
Benefits Paid	(2.85)	(0.32)
Actuarial (gain) / loss on obligations	14.06	2.35
Present value of Obligations as at 31 - 3 - 2011	51.07	32.42
<b>Changes in Fair Value of plan assets</b>		
Opening Fair Value of Plan Assets	32.42	24.76
Expected return on Plan Assets	2.35	1.78
Actuarial gain / (losses) on Plan Assets		
Contributions by Employer	19.16	6.20
Benefits Paid	(2.85)	(0.32)
Fair Value of Plan Assets as at 31 - 3 - 2011	51.07	32.42
<b>Amount to be recognised in the Balance Sheet</b>		
Present Value of Funded Obligations as at 31 - 3 - 2011	51.07	32.42
Fair Value of Plan Assets as at 31 - 3 - 2011	51.07	32.42
<b>Expense recognised in the Profit &amp; Loss Account</b>		
Current Service Cost	4.58	3.46
Interest Cost	2.86	2.17
Expected return on Plan Assets	(2.35)	(1.18)
Net Actuarial Loss	14.06	2.35
Expense recognised in the Profit & Loss Account	19.16	6.20
<b>Description of Plan Assets</b>		
Insurer Managed Funds	100%	100%
<b>Assumptions</b>		
Mortality Rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
Withdrawal Rate	1 % to 3 % depending on age	1 % to 3 % depending on age
Discount Rate	8%	8%
Salary Escalation	5.5%	5.5%

This being the first year of implementation of AS-15 (Revised) Previous year figures have not been given.



**20. Sundry Debtors**

Sundry debtor includes amount due from the following companies under the same management

- |  |               |                                |
|--|---------------|--------------------------------|
| 1. Medical Solutions (I) Private Limited | Rs. 4,737,370 | (previous year Rs. 12,125,000) |
| 2. Choksi Brothers Private Limited       | Rs. 521,354   | (previous year Rs. 421,128)    |

**21. Additional information as required under Part IV of Schedule VI of the Companies Act,1956 Balance Sheet Abstract and Company's General Business Profile.**

**I. Registration Details :**

Registration No.	68852
State Code	11
Balance Sheet Date	31.03.2011

**II. Capital Raised during the Year (Amount Rs. in '000s)**

NIL

**III. Position of Mobilisation and Deployment of funds.**

**(Amount Rs. in '000s)**

Total Liabilities	465,513
Total Assets	465,513

**Sources of Funds**

Paid up Capital	39,000
Reserve & Surplus	144,331
Secured Loans	79,316
Unsecured Loans	196,789
Deferred Tax Liability	6,077

**Application of Funds**

Net Fixed Assets	87,646
Capital Work In Progress	-
Net Current Assets	377,237
Preliminary Expenses	630

**IV. Performance of Company**

**(Amount Rs. in '000s)**

Turnover (Gross Revenue)	1,803,023
Total Expenditure	1,749,522
Profit/ (Loss) before Tax	53,501
Profit/ (Loss) after Tax	35,506
Earning Per Share	8.73
Dividend Rate	15%

**V. Generic name of Three Principal Products/Services of Company (As per Monetary terms)**

Item code No. (ITC Code)	37011000
Product Description	X-Ray Film
Item code No. (ITC Code)	90183990
Product Description	Coronary Stent

Signatories to Schedules

As per our Report of even date attached thereto : FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR PARIKH AND AMIN ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 107520W

**ANIL V. CHOKSI** - Managing Director

**SURESH V. CHOKSI** - Whole-Time Director

**K. R. PARIKH**  
 PARTNER

**MANDVI H. SHARMA** - Company Secretary

Place : Mumbai  
 Date : 30th May, 2011.

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

	31st March 2011 (Rs. in Lacs)	31st March 2010 (Rs. in Lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	535.02	752.89
Adjustments for:		
Add : Prior Period Adj. Net of Tax		
Depreciation	51.68	46.89
Fixed Assets Written Off	--	0.18
Preliminary Expenses written off	0.70	--
Loss on sale of Fixed Assets	0.26	--
	<u>52.64</u>	<u>47.07</u>
Operating Profit / (Loss) before working capital changes	<u>587.66</u>	<u>799.96</u>
Adjustments for:		
Current assets	(1838.15)	(1358.53)
Current Liabilities	<u>(1516.77)</u>	<u>(138.12)</u>
Increase / (decrease) in Net current assets	<u>(321.38)</u>	<u>(1496.65)</u>
Taxation	<u>(194.17)</u>	<u>(270.67)</u>
	<u>(515.54)</u>	<u>(1767.32)</u>
Cash Generated from operations	<u>(72.12)</u>	<u>(967.36)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(177.54)	(186.95)
Sale of fixed assets		
Expenditure in capital work in progress	(0.20)	(0.50)
Preliminary Expenses	<u>(7.00)</u>	<u>-</u>
	<u>(184.34)</u>	<u>(187.45)</u>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Dividend including dividend tax	(68.22)	(90.95)
Secured borrowings	93.13	258.71
Unsecured borrowings	<u>312.37</u>	<u>775.32</u>
	151.02	943.08
Net increase / (Decrease) in Cash and Cash Equivalents	38.79	(211.73)
Cash and Cash Equivalents at the beginning of the year	217.36	429.09
Cash and Cash Equivalents at the close of the year	256.15	217.36

As per our Report of even date :

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **PARIKH AND AMIN ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 Firm Regn. No. 107520W

**ANIL V. CHOKSI** - Managing Director

**SURESH V. CHOKSI** - Whole-Time Director

**MANDVI H. SHARMA** - Company Secretary

**K. R. PARIKH**  
 PARTNER

Place : Mumbai  
 Date : 30th May, 2011.

**CHOKSI IMAGING LIMITED**

**Registered Office :**

4th Floor, C Wing, Classique Centre, Plot No. 26, Mahal Indl. Estate,  
Off. Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

**ATTENDANCE SLIP**

19TH ANNUAL GENERAL MEETING - ON 24TH SEPTEMBER, 2011 AT 10.00 A.M.

Reg. Folio No.: .....

I Certify that I am a registered Shareholder/Proxy for the registered Shareholder of the company.

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Ramee Guestline Hotel 462, A.B. Nair Road, Juhu, Mumbai -400 049 on Saturday, 24th September, 2011 at 10.00 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 HALL.

TEAR HERE

**CHOKSI IMAGING LIMITED**

**Registered Office :**

4th Floor, C Wing, Classique Centre, Plot No. 26, Mahal Indl. Estate,  
Off. Mahakali Caves Road, Andheri (East), Mumbai - 400 093.

**FORM OF PROXY**

I/We..... of  
..... in the district of ..... being a member/members of the  
above-named company hereby appoint ..... of .....  
in the district of ..... or failing him .....  
as my/our Proxy to vote for me/us on my/our behalf at the 19th ANNUAL GENERAL MEETING of the  
Company to be held on Saturday, 24th September, 2011 at 10.00 a.m. and at any adjournment thereof.

Signed this ..... day ..... 2011

Affix a  
15 Paise  
Revenue  
Stamp

Reg. Folio No. .... Signature .....

**NOTE :** This Proxy order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.

**Book-Post**

If Undelivered, Please return to :

**CHOKSI IMAGING LIMITED**

**REGISTERED OFFICE**

4th Floor, C Wing, Classique Centre, Plot No. 26,  
Mahal Indl. Estate, Off. Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.