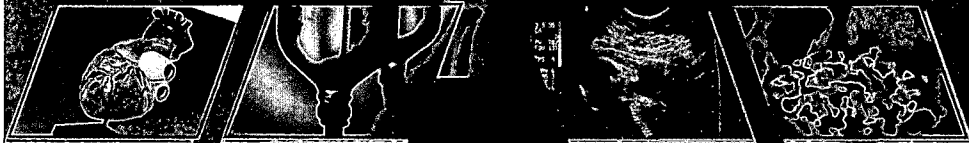




CHOKSI IMAGING LIMITED



17th ANNUAL REPORT
2008 - 2009

IMAGE & VISION

SEVENTEENTH ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS : **SHARADCHANDRA PENDSE** - Chairman
: **ANIL V. CHOKSI** - Managing Director
: **SURESH V. CHOKSI**
: **NAIMISH N. CHOKSI** } Whole Time Directors
: **SAMIR K. CHOKSI**
: **VIKRAM V. MANIAR**
: **TUSHAR M. PARIKH**
: **HIMANSHU KISHNADWALA**

COMPANY SECRETARY : **MANDVI H. SHARMA**

BANKERS : **Bank of Baroda**

AUDITORS : **PARIKH & AMIN ASSOCIATES**
Chartered Accountants
Mumbai 400 057.
Fax : 2617 4646

SHARE TRANSFER AGENTS : **ADROIT CORPORATE SERVICES PVT. LTD.**
19, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Mumbai - 400 059.
Tel. : 2859 6060 / 2859 4060
Fax : 2850 3748

REGISTERED OFFICE : Gala No. D-10, Prasad Indl. Estate,
Survey No. 2 & 66, Sativali, Vasai Kaman Road,
Vasai Road (East), Dist. Thane - 401 208.
Tel. : 2481200 / 2480941

GRIEVANCE REDRESSAL DIVISION : compliance.officer@choksiworld.com

FACTORY : Plot No. 10, Survey No. 121/P,
Off. 66 K.V.A. Road,
Amlī, Silvassa - 396 230 (U.T.)

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NOTICE

THE SEVENTEENTH ANNUAL GENERAL MEETING of the MEMBERS OF CHOKSI IMAGING LIMITED will be held on Friday, 11th September, 2009 at 11.00 a.m. at Daras Dhaba, Western Express Highway, Near Laxmi Baugh, Post Mira, Dist. Thane - 401104 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as on 31st March 2009, 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. Sharadchandra Pendse, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Himanshu Kishnadwala, 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.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 198,269,309,310,311 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the reappointment of Mr. Anil V. Choksi as Managing Director of the Company, who has been reappointed by the Board of Directors of the Company for the further period of three years with effect from 1st September, 2009, upon terms and conditions as set out in the Explanatory Statement appended herein under, with liberty to the Board of Directors to alter and vary the terms and conditions in such manner as may be agreed to by and between the Board of Directors and Mr. Anil V. Choksi.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, during the tenure of office of Mr. Anil V. Choksi, Managing Director, the remuneration perquisites etc. as set out in the explanatory statement be paid or granted to Mr. Anil V. Choksi as minimum remuneration."

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

"RESOLVED THAT pursuant to the provisions of sections 198,269,309,310,311 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the reappointment of Mr. Samir K. Choksi as Whole Time Director of the Company by the Board of Directors of the Company for the further period of three years with effect from 1st September, 2009, upon terms and conditions as set out in the Explanatory Statement appended herein under, with liberty to the Board of Directors to alter and vary the terms and conditions in such manner as may be agreed to by and between the Board of Directors and Mr. Samir K. Choksi.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company, during the tenure of office of Mr. Samir K. Choksi, Whole Time Director, the remuneration perquisites etc. as set out in the explanatory statement be paid or granted to Mr. Samir K. Choksi as minimum remuneration."

BY ORDER OF THE BOARD OF DIRECTORS

Registered Office:-
Gala No.D-10, Prasad Indl.Estate,
Survey No.2 & 66, Sativali,
Vasai Kaman Road, Vasai Road (E),
Dist.Thane-401 208.

Mandvi Sharma
Company Secretary

Date: 20th June, 2009.

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 4th September, 2009 to 11th September, 2009 (both days inclusive).
3. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred dividend for the financial year ended 2000, which remained unclaimed for a period of 7 years to the 'Investor Education and Protection Fund', established by the Central Government under Section 205C of the Companies Act, 1956. Members who have not claimed dividends declared by the Company for the year ended 31st March, 2001 and for the year ended 31st 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 said Fund.
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. Sharadchandra Pendse Age: 63, Qualification: B.A., CAIIB. Expertise: Mr. Sharadchandra Pendse was a Banker and associated with State Bank of India from 1967 to 1997 in various capacities. He has a vast experience in the field of finance and management. Other Directorship: He is Director in two private limited companies. Number of shares held: Nil.
 - (b) Name: Mr. Himanshu Kishnadwala, Age: 44, Qualification: BCom., CA. Expertise: Mr. Himanshu Kishnadwala is a Practicing Chartered Accountant with more than 18 years of experience in the field of Accounting, Taxation and Corporate Affairs. Other Directorship: Nil. Number of shares held 5,100.
 - (c) Name: Mr. Vikram V. Maniar, Age: 65, Qualification: B.Com, LLB. Expertise: He is one of the senior member of Board having experience of about 44 years in various Companies. Other Directorship: Nil. Number of Shares held : 1800.
 - (d) Name: Mr. Anil V. Choksi, Age: 77, Qualification: Undergraduate. Expertise: He is one of the Promoter Director and is associated with Photosensitised Industry since last .55 years having indepth knowledge of Industry. Other Directorship: He is director in one private limited company. Number of Shares held: 189927.
 - (e) Name: Mr. Samir K. Choksi, Age: 45, Qualification: Diploma in Automobile. Expertise: Mr. Samir K. Choksi is one of the Promoter Director and is associated with Photosensitised Industry since last 22 years having good experience in manufacturing and marketing of Companies product. Other Directorship: He is Director in 7 companies. Number of shares held : 77932.

BY ORDER OF THE BOARD OF DIRECTORS

Mandvi Sharma
Company Secretary

Registered Office:-
Gala No.D-10, Prasad Indl.Estate,
Survey No.2 & 66, Sativai,
Vasai Kaman Road, Vasai Road (E),
Dist.Thane-401 208.

Date: 20th June, 2009.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO 7:

Mr. Anil V. Choksi was re-appointed as a Managing Director of the Company for a period of 5 years with effect from 1st September, 2004 upon terms and conditions and remuneration approved by the Shareholders at the Annual General Meeting of the Company held on 28th August, 2004. The Board of Directors at its meeting held on 20th June, 2009 has re-appointed Mr. Anil V. Choksi, the Managing Director, for a further period of 3 years w.e.f 1st September, 2009 to 31st August, 2012 on the terms and conditions as set out below:

1. **Duties and Powers:** To manage the business and affairs of the Company subject to the superintendence, control and directions of the Board of Directors of the Company.
2. **Tenure:** 3 years from 1st September, 2009 to 31st August, 2012.
3. **Remuneration:** Mr. Anil V. Choksi will be entitled to the following emoluments, benefits and perquisites subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 or any amendment thereto:
 - a) **Salary:** Rs. 1,00,000/- p.m. up to a ceiling of Rs.2,00,000/- p.m. with liberty to the Board of Directors to grant such increase as it may in its absolute discretion determine provided that the salary does not exceed the ceiling stipulated under the provisions of the Companies Act, 1956.
 - b) **Commission:** At the rate 1% of the Net profit of the company for each financial year, subject to the approval of the Board of Directors.
 - c) **Perquisites:** Mr. Anil V. Choksi shall be entitled to the following perquisites, restricted to an amount equal to the annual salary i.e.
 1. **House Rent Allowance:** Not to Exceed 10% of the Salary
 2. **Medical Reimbursement:** Expenses incurred for the self and family to the ceiling of one Month's salary in a year or three months' salary over a period of three years.
 3. **Leave Travel Concession:** For himself and his family, once in a year incurred in accordance with the rules of the Company.
 4. **Club Fees:** Subject to a maximum of two clubs excluding admission and life membership fees.
 5. **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- per annum.

Explanation: "Family" means spouse, dependent children and dependent parent.

6. Contribution to Provident Fund, Superannuation Fund or annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
7. **Gratuity:** Gratuity payable shall not exceed half a Month's salary for each completed year of service.
8. Provision for use of Company's Car and telephone at residence will not be considered as perquisites. However personal long distance calls on telephone and use of car for private purpose shall be billed by the company to him.
9. Leave and leave encashment: Privilege leave of one month for every 11 months of service. Encashment of accumulated leave at the end of the tenure or earlier termination.

Minimum Remuneration :

Notwithstanding absence or inadequacy of profits in any year during the tenure, the appointee shall be entitled to the above salary, perquisites, benefits and allowance as minimum remuneration subject to the limits laid down in schedule XIII of the Companies Act. 1956 from time to time.

The appointment of Mr. Anil V. Choksi is in accordance with the conditions specified in Part I and Part II of Schedule XIII, as provided in Section 269 of the Companies Act, 1956. Pursuant to Sub clause (B) of Section II of Part II of Schedule XIII and as required therein, information is given hereunder:

CHOKSI IMAGING LIMITED

I. GENERAL INFORMATION :

- 1) Nature of Industry: Company is engaged in manufacturing and dealing in Photosensitised materials and other products for the Healthcare Industry.
- 2) Date or expected date of Commencement of commercial production: Company is in this line of business since its incorporation.
- 3) In case of new company, expected date of commencement of activities : Not applicable.
- 4) Financial performance: As given elsewhere in the Annual Report.
- 5) Export performance and net foreign exchange earnings: Export turnover for the financial year ended 31st March, 2009 is Rs. 26,874,598/-, foreign exchange earnings Rs. 33,912,606/-.

II. INFORMATION ABOUT THE APPOINTEE :

- 1) Background details: Mr. Anil V. Choksi is an Undergraduate. Mr. Anil V. Choksi is one of the Promoter Director and is associated with Photosensitised Industry since last 55 years having indepth knowledge of industry. He is one of the Key decision makers of the Company.
- 2) Past Remuneration: Salary of Rs. 80,000/- p.m and other terms of remuneration is as stated in the resolution passed by the Shareholders in their meeting held on 18th December, 2007.

3) Recognition and awards : NIL.

- 4) Job profile and his suitability : Mr. Anil V. Choksi is holding the office of Managing Director and h is responsible for the overall management of the business and affairs of the Company.

Mr. Anil V. Choksi has very good contacts in the Industry and abroad. In view of the growth of the Company, Board of Directors are of the view that he is the suitable person to hold the office of Managing Director of the Company.

- 5) Remuneration proposed: As stated in the explanatory statement to the Resolution proposed in the notice at Item No: 7.

- 6) Comparative remuneration with respect to industry, size of Company, profile of the position and person.

Considering the experience and expertise of Mr. Anil V. Choksi, the proposed remuneration is in line with the Industry standards. However it may be noted that considering nature of activities being carried on by the Company and duty performed by candidate comparative remuneration can not be quantified in terms of measurable value.

- 7) Pecuniary Relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any.

Mr. Anil V. Choksi is himself the Managing Director of the Company and has no pecuniary relationship with the company other than being an Managing Director.

III. OTHER INFORMATION:

- 1) Reasons of loss or inadequacy profits: Due to Intense competition in the Photosensitised materials and other products in the Healthcare Industry coupled with increasing raw material costs and interests has had a beating on the Profits of the Company. However, the Company has attained growth year after year and with the foresight of existing management including Mr. Anil V. Choksi, the Company is optimistic to achieve further growth in coming years.

- 2) Steps taken or proposed to be taken for improvement: The Company has initiated several trading products & process quality initiatives and cost controlling exercise for improvement of Company's performance.

- 3) Expected increase in productivity and profits in measurable terms : The Company expects growth in trading products and its productivity and profits in coming years. However considering nature of activities and the market move, it is not possible to quantify the growth in measurable terms.

IV. DISCLOSURES:

- 1) Proposed Remuneration as mentioned in resolution at item No. 7 shall be considered as the remuneration package of Mr. Anil V. Choksi.

- 2) Disclosures to be made in Board of Directors Report : Necessary Disclosures shall be made in the annual report.

Pursuant to Schedule XIII of the Companies Act, 1956, the approval of the shareholders is sought by way of special resolution.

The Board of Directors recommend the Resolutions for approval of Shareholders.

None of the Directors except Mr. Anil V. Choksi, Mr. Suresh V. Choksi, Mr. Naimish N. Choksi and Mr. Samir K. Choksi may be deemed to be interested in this Resolution. This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

ITEM NO 8:

Mr. Samir K. Choksi was re-appointed as a WholeTime Director of the Company for a period of 5 years with effect from 1st September, 2004 upon terms and conditions and remuneration approved by the Shareholders at the Annual General Meeting of the Company held on 28th August, 2004. The Board of Directors at its meeting held on 20th June, 2009 has re-appointed Mr. Samir K. Choksi, WholeTime Director, for a further period of 3 years w.e.f 1st September, 2009 to 31st August, 2012 on the terms and conditions as set out below:

1. **Duties and Powers:** To manage the business and affairs of the Company subject to the superintendence, control and directions of the Board of Directors of the Company.
2. **Tenure:** 3 years from 1st September, 2009 to 31st August, 2012.
3. **Remuneration:** Mr. Samir K. Choksi will be entitled to the following emoluments, benefits and perquisites subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 or any amendment thereto:
 - a) **Salary:** Rs.1,00,000/- p.m. up to a ceiling of Rs. 2,00,000/- p.m. with liberty to the Board of Directors to grant such increase as it may in its absolute discretion determine provided that the salary does not exceed the ceiling stipulated under the provisions of the Companies Act, 1956.
 - b) **Commission:** At the rate 1% of the Net profit of the company for each financial year, subject to the approval of the Board of Directors,
 - c) **Perquisites:** Mr. Samir K. Choksi shall be entitled to the following perquisites, restricted to an amount equal to the annual salary i.e.
 1. **House Rent Allowance:** Not to Exceed 10% of the Salary
 2. **Medical Reimbursement:** Expenses incurred for the self and family to the ceiling of one Month's salary in a year or three months' salary over a period of three years.
 3. **Leave Travel Concession:** For himself and his family, once in a year incurred in accordance with the rules of the Company.
 4. **Club Fees:** Subject to a maximum of two clubs excluding admission and life membership fees.
 5. **Personal Accident Insurance:** Premium not to exceed Rs. 4, 000/- per annum.
Explanation: "Family" means spouse, dependent children and dependent parent.
6. Contribution to Provident Fund, Superannuation Fund or annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
7. **Gratuity:** Gratuity payable shall not exceed half a Month's salary for each completed year of service.
8. Provision for use of Company's Car and telephone at residence will not be considered as perquisites. However personal long distance calls on telephone and distance calls on telephone and use of car for private purpose shall be billed by the company to him.
9. Leave and leave encashment: Privilege leave of one month for every 11 months of service. Encashment of accumulated leave at the end of the tenure or earlier termination.

Minimum Remuneration:

Notwithstanding absence or inadequacy of profits in any year during the tenure, the appointee shall be entitled to the above salary, perquisites, benefits and allowance as minimum remuneration subject to the limits laid down in schedule XIII of the Companies Act, 1956 from time to time.

The appointment of Mr. Samir K. Choksi is in accordance with the conditions specified in Part I and Part II of Schedule XIII, as provided in Section 269 of the Companies Act, 1956.

Pursuant to Sub clause (B) of Section II of Part II of Schedule XIII and as required therein, information is given hereunder:

CHOKSI IMAGING LIMITED

I. GENERAL INFORMATION :

- 1) Nature of Industry: Company is engaged in manufacturing and dealing in Photosensitised materials and other products for the Healthcare Industry.
- 2) Date or expected date of Commencement of commercial production: Company is in this line of business since its incorporation.
- 3) In case of new company, expected date of commencement of activities: Not applicable.
- 4) Financial performance: As stated in the 17th Annual Report.
- 5) Export performance and net foreign exchange earnings: Export turnover for the financial year ended 31st March, 2009 is Rs. 26,874,598/-, foreign exchange earnings Rs. 33,912,606/-.

II. INFORMATION ABOUT THE APPOINTEE:

- 1) Background details : Mr. Samir K. Choksi holds a diploma in Automobile. Mr. Samir K. Choksi is one of the Promoter Director and is associated with Photosensitised Industry since last 24 years having indepth knowledge of industry. He is one of the Key decision makers of the Company.
- 2) Past Remuneration: Salary of Rs. 80,000/- p.m and other terms of remuneration is as stated in the resolution passed by the Shareholders in their meeting held on 18th December, 2007.
- 3) Recognition and awards : NIL.
- 4) Job profile and his suitability : Mr. Samir K. Choksi is holding the office of Whole Time Director and he is responsible for the general conduct and management of the business and affairs of the Company.

Mr. Samir K. Choksi has the required qualification and has very good contacts in the Industry and abroad. In view of the growth of the Company, Board of Directors are of the view that he is the suitable person to hold the office of Whole-time Director of the Company.

- 5) Remuneration proposed : As stated in the explanatory statement to the Resolution proposed in the notice at Item No. 8.
- 6) Comparative remuneration with respect to industry, size of Company, profile of the position and person. Considering the experience and expertise of Mr. Samir K. Choksi, the proposed remuneration is in line with the Industry standards. However it may be noted that considering nature of activities being carried on by the Company and duty performed by candidate comparative remuneration can not be quantified in terms of measurable value.
- 7) Pecuniary Relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any.

Mr. Samir K. Choksi is himself the WholeTime Director of the Company and has no pecuniary relationship with the company other than being an Whole Time Director.

III. OTHER INFORMATION:

- 1) Reasons of loss or inadequacy profits: Due to intense competition in the Photosensitised materials and other products in the Healthcare Industry coupled with increasing raw material costs and interests has had a beating on the Profits of the Company. However the Company has attained growth year after year and under the able guidance of existing management including Mr. Samir K. Choksi, the Company is optimistic to achieve further growth in coming years.
- 2) Steps taken or proposed to be taken for improvement: The Company has initiated several trading products & process quality initiatives and cost controlling exercise for improvement of Company's performance.
- 3) Expected increase in productivity and profits in measurable terms: The Company expects marginal growth in trading products and its productivity and profits in coming years. However, considering the nature of activities and the market move, it is not possible to quantify the growth in measurable terms.

IV. DISCLOSURES:

- 1) Proposed remuneration as mentioned in resolution at item no. 8 to the notice shall be considered as the remuneration package of Mr. Samir K. Choksi.
- 2) Disclosures to be made in Board of Directors Report: Necessary Disclosures shall be made in the annual report.

Pursuant to Schedule XIII of the Companies Act, 1956, the approval of the shareholders is sought by way of special resolution.

The Board of Directors recommend the Resolutions for approval of Shareholders.

None of the Directors except Mr. Anil V. Choksi, Mr. Suresh V. Choksi, Mr. Naimish N. Choksi and Mr. Samir K. Choksi may be deemed to be interested in this Resolution.

This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

DIRECTOR'S REPORT TO THE MEMBERS

Your Directors are pleased to present the 17th Annual Report of the Company along with the Audited Annual Accounts for the year ended 31st March 2009.

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

FINANCIAL RESULTS

	2008-2009 (Rs. in lakhs)	2007-2008 (Rs. in lakhs)
Gross Profit	460.69	333.66
Less: Depreciation	37.16	32.78
Profit before tax	423.53	300.88
Provision for tax (Including Deferred tax, Wealth Tax and FBT)	153.21	110.07
Net Profit	270.32	190.81
Add : Prior Period Adj. Net of Tax	----	25.92
Less: Short Provision of Tax	2.42	1.71
Add: Surplus brought forward	534.52	384.26
	802.42	599.28
Profit available for Appropriation	802.42	599.28

APPROPRIATION

Proposed Dividend	50.70	46.80
Tax on proposed Dividend	8.61	7.95
General Reserve	15.00	10.00
	728.11	534.53
Balance carried to balance sheet	728.11	534.53

DIVIDEND

Your Directors recommend dividend of Rs. 1.30 per share on the equity shares capital of the Company for the financial year 2008-2009. If approved, the dividend will absorb Rs. 59.31 Lakhs (including dividend distribution tax) which is 22 % of the 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 the Hospitals and Diagnostic Centres.

Fortunately, your Company is in an Industry which is not much affected by the economic downturn. None the less a sustained and prolonged downturn in the economy may hurt the prospects of the Industry and your Company.

Historically, investments in Hospitals was done primarily by the government and the Charitable Trusts. However lately we are seeing a trend wherein the Private sector is setting up Hospitals, Nursing Homes, Diagnostic Centres across India with a profit motive. Also with the increase in penetration of Health Insurance, we expect more and more hospitals and medical centres being set up all over India. As such we feel that we are in an Industry, which has immense scope for growth. We see a lot of scope for your Company to grow with the Industry in the coming years.

Year at a Glance:

With the opening up of the Indian Economy and the increased attention the world has been giving to India, the Healthcare Industry has also seen the entry of several Multinationals directly into the Indian

CHOKSI IMAGING LIMITED

Marketplace. However the pace of increase in Demand has not been as much as anticipated by all. This has led to a drastic reduction in Margins for most of the players in the Industry due to intense competition.

However we are pleased to inform that due to addition of more and more products over the last couple of years and sustained efforts in increasing the sales of the existing products of the Company, we have been able to almost double our Turnover and increase Profits by over 40 %.

The Turnover of the company for the year under review has increased to Rs. 13098.02 Lakhs (Previous year Rs. 6764.77 Lakhs). Also the Company's profitability increased to Rs. 423.53 Lakhs as compared to Profit of Rs. 300.88 Lakhs in previous year. Besides the intense competition, another major reason for the reduction in margins is due to the immense volatility in foreign exchange rates.

Product-wise performance:

Your Company primarily supplies products to the Hospitals and Diagnostic Centres. Broadly we can classify the Company's Products in Manufacturing and Trading. During the year manufactured goods turnover increased from Rs. 4567.82 Lakhs to Rs. 10207.53 an increase of 123%. The Trading products turnover increased from Rs. 2113.24 to Rs. 2782.34 an increase of 32%.

Outlook:

During the year, your Company chose to grow the business aggressively, which has led to sizeable jump in the sales and profits of the Company. We must however note that going forward the rate of growth in Sales and Profits will come down. Further since most of the products of the company are imported, the current volatility in the foreign exchange impacts the company adversely. As such it is necessary that the Company now looks at consolidating the operations, rather than go for aggressive growth.

The Company still expects to add on some more products in the Current year, which can be sold through the same marketing and distribution set up that the Company has in the Healthcare Industry.

Risks and Concerns:

Updating of technology in general and increase in use of Computer Radiology (CR) in particular is a matter of concern in the long run.

Direct entry of International players in Healthcare Products Industry may lead to increase in competition and reduction in margins for the Company.

Internal Control systems and their adequacy:

The company has instituted adequate internal control systems 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 158 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 Companies Act, 1956 Mr. Shardchandra Pendse, Mr. Himanshu Kishnadwala 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 at 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 dematerialized form as on 31st March, 2009 are 33,93,810 which represents 87.02 % 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 31st March, 2009.

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.

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 31st March, 2009 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 Nager 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

Sharadchandra Pendse
Chairman

Place : MUMBAI
Dated : 20th June, 2009.

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

	Current Year	Previous Year
1. Foreign Exchange Earning (Rs.)	33,912,606	23,873,837
2. Foreign Exchange Outgo (Rs.)		
a) Travelling	519,843	240,015
b) Equipment, Spares & X-Ray Accessories & Other Finished Goods.	736,670,119	86,459,860

For and on behalf of the Board of Directors

Sharadchandra Pendse
Chairman

Place : MUMBAI
Date : 20th June, 2009

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 31st March, 2009.

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	Date of Commencement Of Employment	Age	Last Employment held joining before the Company
Mr. Tushar K. Choksi	President Administration	Brothers son of Mr. Anil V. Choksi, Managing Director of the Company	13,59,970	B.Com.	26	01.04.2001	46	Choksi Brothers Private Limited
Mr. Sunil A. Choksi	President Marketing	Son of Anil V. Choksi, Managing Director of the Company	13,59,970	B Engineering	20	01.04.2001	43	Choksi Brothers Private Limited
Mr. Gaurav S. Choksi	President Finance	Son of Mr. Suresh V. Choksi, Director of the Company	13,59,970	B.Com.,FCA	12	01.04.2001	34	Choksi Brothers Private Limited

Notes :

1. Nature of Employment : As per special resolution passed by the Shareholders in 14th Annual General Meeting held on 26.08.2006 and at Extraordinary General Meeting held on 18.12.2007.
2. Other terms and conditions : As per special resolution passed by the Shareholders in 14th Annual General Meeting held on 26.08.2006 and at Extraordinary General Meeting held on 18.12.2007
3. Percentage of Equity shares held by the Employee 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 :

(i) Mr. Tushar K. Choksi	:	82,133
(ii) Mr. Sunil A. Choksi	:	81,514
(iii) Mr. Gaurav S. Choksi	:	1,75,261

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:

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 30th June 2008, 30th July 2008, 20th September 2008, 25th October 2008, 30th January 2009.

(iii) Attendance of Directors

	Number of meeting attended Board Meeting	Attendance at Last AGM held on 20.09.2008
Mr. Sharadchandra Pendse	5	Yes
Mr. Anil V.Choksi	4	Yes
Mr. Suresh V. Choksi	4	Yes
Mr. Naimish N. Choksi	3	No
Mr. Samir K. Choksi	3	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 Board	Number of Directorship held		Number of Committees of	
	Public	Private	Membership	Chairmanship
Mr. Sharadchandra Pendse	Nil	2	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	6	Nil	Nil
Mr. Vikram V. Maniar	Nil	Nil	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-	----	Independent Non-Executive Director & Chairman Chartered Accountant
Mr.Tushar Parikh	----	Independent Non-Executive Director Chartered Accountant
Mr.Sharadchandra Pendse	----	Independent Non-Executive Director Ex-Banker
Mr.Vikram V. Maniar	----	Independent Non-Executive Director

The Audit Committee met 5 times during the year on 30th May 2008, 30th June 2008, 30th July 2008, 25th October, 2008 and 30th January, 2009. All members of the Audit Committee had 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	----	Independent Non-Executive Director & Chairman Chartered Accountant
Mr.Himanshu Kishnadwala	----	Independent Non-Executive Director Chartered Accountant
Mr.Sharadchandra Pendse	----	Independent Non-Executive Director Ex-Banker

No Remuneration Committee was held during the year.

The details of Remuneration paid to Whole-time Directors for the year ended March 31, 2009 are as under:

Name of Directors	Salary (Rs.)	Perquisites (Rs.)	Contribution to P.F (Rs.)	Total (Rs.)
Mr. Anil.V.Choksi	9,60,000	34,770	1,15,200	11,09,970
Mr. Suresh V.Choksi	9,60,000	34,770	1,15,200	11,09,970
Mr.Naimish N. Choksi	9,60,000	25,770	1,15,200	11,00,970
Mr. Samir K Choksi	9,60,000	34,163	1,15,200	11,09,363

The details of Remuneration paid to Non-Executive Directors for the year ended March 31, 2009 are as under

Name of Directors	Sitting fees paid for Board Meeting (Rs.)	Sitting fees paid for Committee Meetings (Rs.)
Mr.Sharadchandra Pendse	25,000	15,000
Mr. Vikram V Maniar	25,000	15,000
Mr. Tushar M Parikh	25,000	15,000
Mr.Himanshu Kishnadwala	25,000	15,000

* Mr.Tushar Parikh is a proprietor of M/s.T.M Parikh and Company, Chartered accountants, who has professional relationship with the company. The Professional fees paid to the Company during the year Rs. 60,000/-.

* 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. 1,00,000/-.

CHOKSI IMAGING LIMITED

The details of number of shares held by non-executive Directors as on 31st March, 2009 are as follows:

Name of Directors	Number of Shares Held
Mr. Sharad Chandra Pendse	NIL
Mr. Tushar M. Parikh	5100
Mr. Himanshu Kishnadwala	5100
Mr. Vikram V. Maniar	1800

(vi) Shareholders Grievance Committee

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

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

As Company had received 3 Grievance which was 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 - 2008 to March - 2009:

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
2005-2006	Dara's Dhaba, Mira Road, Thane.	August 26, 2006	10.00 a.m
2006-2007	Dara's Dhaba, Mira Road, Thane.	September 01, 2007	10.00 a.m
2007-2008	Dara's Dhaba, Mira Road, Thane.	September 20, 2008	11.00 a.m

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

No resolution was proposed to be passed through postal ballot last year. There is no business at the ensuing AGM requiring implementation of the postal ballot under applicable rules.

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 2008-2009 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 have 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 31st March, 2009. The declaration from Mr. Anil V. Choksi, the Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2009, 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 Exchanges in terms of requirements of Clause 41 of the Listing Agreement. Quarterly results are normally published in 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.

EDIFAR Filing:

As per the requirement of Clause 51 of the Listing Agreement, all the data relating to quarterly Financial results, shareholding pattern etc. are being electronically filed on the EDIFAR website www.sebiedifar.nic.in within the time frame prescribed in this regard.

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

7. GENERAL SHAREHOLDER INFORMATION**(1) Annual General Meeting**

Date and Time : 11th September, 2009 at 11:00 a.m
Venue : Daras Dhaba, Western Express Highway, Near Laxmi Baugh, Post. Mira, Dist. Thane - 401104

(2) Financial Calendar

- Publication of Unaudited Results for quarter ending June, 2009, last week of July, 2009
- Publication of Unaudited Results for quarter ending September, 2009, last week of October 2009
- Publication of Unaudited Results for quarter ending December, 2009, last week of January 2010
- Publication of audited Results for year ending March, 2010, last week of June 2010
- Annual General Meeting for the year ending March 2009, Third Week of September, 2010

(3) Book Closure Date

: September 4 to September 11, 2009 (both inclusive)

(4) Dividend payment date

: 3rd week of September, 2009

(5) Listing of equity shares on stock exchanges at

: The Mumbai Stock Exchange

(6) Stock Code

: 530427 at Mumbai Stock Exchange

(7) Demat ISIN Numbers in NSDL & CDSL for equity shares

: ISIN No. **INE 865B01016**

(8) Registrar & Transfer Agent

: M/s. Adroit Corporate Services Pvt. Ltd
19/20, Jaferbhoy Industrial Estate, Makwana Road,
Marol Naka, Mumbai-400 059. Tel. No. 2859 6060
Fax No. 28503748
Unit : Choksi Imaging Limited

- (9) **Share Transfer System** : The Company's shares are traded in the Stock Exchanges compulsorily in the Demat mode. Shares sent for physical transfer or dematerialization request are registered within 15 days from the date of receipt of completed and valid executed documents.
- (10) **Dematerialisation of Shares** : 87.02% of the paid up shares have been dematerialised upto March, 2009. 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 Estae, Makwana Road, Marol Naka, Mumbai-400 059. Tel.No.2859 6060
Fax No.2850 3748

(13) Distribution of shareholding as on March 31, 2009:

No. Of Shares	No. of Shareholders	% of Shareholders	Shareholding	Amount Rs	% Total
UPTO-500	1800	75.47	307954	3079540	7.89
501-1000	227	9.52	190946	190946	4.90
1001-2000	98	4.11	144314	144314	3.70
2001-3000	108	4.53	275963	275963	7.08
3001-4000	30	1.26	109944	109944	2.82
4001-5000	32	1.34	154519	154519	3.96
5001-10000	38	1.59	288951	288951	7.41
10001 & Above	52	2.18	2427409	2427409	62.24
TOTAL	2385	100.00	3900000	3,90,00,000	100.00

(14) Categories of Shareholders as on March 31, 2009:

Category	No. of Shares	% of Shareholding
Directors Relatives and Promoters	17,22,451	44.17
FIIS	Nil	Nil
NRI	1,17,192	3
Companies/Body Corporate	1,64,638	4.22
General Public	18,95,719	48.61

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

Date	High (Rs.)	Low (Rs.)	No. of Shares
April 2008	30.40	18.60	65386
May 2008	30.15	23.35	98005
June 2008	28.25	21.70	24894
July 2008	27.85	20.20	4284
August 2008	26.95	21.35	12484
September 2008	24.45	16.55	21976
October 2008	17.40	10.30	64085
November 2008	12.84	10.95	21537
December 2008	15.00	10.75	7090
January 2009	15.49	10.83	13193
February 2009	13.90	11.48	21808
March 2009	13.50	10.71	27835

(16) Secretarial Audit :

A secretarial Audit is done every quarter by the 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 dematerialized shares held with NSDL and CDSL.

8. COMPLIANCE CERTIFICATE:

Compliance Certificate dated 20th June, 2009 from our Siatutory 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 Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's code of Conduct for the year ended 31st March, 2009.

FOR CHOKSI IMAGING LIMITED

ANIL V. CHO KSI
Managing Director

Place : Mumbai
Date : 20th June, 2009

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 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 no investor grievance(s) is/ are pending for the period exceeding one month against the company as per the records maintained by the shareholders committee.

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**

Place : Mumbai
Date : 20th June, 2009.

**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 31st March 2009, 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 31st March 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2009 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 31st March 2009;
 - 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

K. R. PARIKH
(PARTNER)

Membership No.36517

Place : Mumbai
Date: 20.06.2009

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 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 not 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.9,16,89,944/- and the year end balance of loan taken was Rs.8,75,50,124/-.
- (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.

During the year, there was no internal Auditor. However, we have been informed that company is trying to appoint suitable person for internal audit. However, Management feels that internal control system is proper commensurate with size and nature of the business of the company.

- (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 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, the disputed Income tax Rs.38,570/- related to Ass Year 2001-2002 & matter is pending before Bombay High Court, that have been deposited on account of disputed matters pending.
- (x) The Company does not have any accumulated losses as at 31st March,2009 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, no fraud on or by the Company has been noticed or reported during the course of our audit.

For PARIKH AND AMIN ASSOCIATES
CHARTERED ACCOUNTANTS

K. R. PARIKH
(PARTNER)

Membership No.36517

Place : Mumbai
Date: 20.06.2009

CHOKSI IMAGING LIMITED**BALANCE SHEET AS AT 31ST MARCH 2009**

SCHEDULE	Rupees	As at	As at
		31st March 2009 Rupees	31st March 2008 Rupees
I. SOURCES OF FUNDS:			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	39,000,000	39,000,000
b) Reserves & Surplus	2	78,310,686	57,452,896
2. LOANS FUNDS:			
Secured Loans	3	62,757,966	60,736,143
Unsecured Loans		88,020,124	29,480,152
3. DEFERRED TAX LIABILITY			
	4	5,707,862	5,683,501
	Total	273,796,638	192,352,692
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS:			
a) Gross Block	5	85,579,427	58,425,700
b) LESS: Depreciation		26,350,212	22,634,690
c) Net Block		59,229,215	35,791,010
Capital Work in progress		1,837,743	16,114,565
2. CURRENT ASSETS, LOANS & ADVANCES :			
a) Inventories	6	194,250,653	110,752,161
b) Sundry Debtors		169,404,130	127,805,433
c) Cash & Bank Balance		42,909,956	19,229,735
d) Loans & Advances		68,184,518	45,758,787
		474,749,257	303,546,116
LESS: CURRENT LIABILITIES & PROVISIONS :			
a) Liabilities	7	227,976,763	123,868,638
b) Provisions		34,042,814	39,230,361
		262,019,577	163,098,999
Net Current Assets		212,729,680	140,447,117
	Total	273,796,638	192,352,692
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**

**K. R. PARIKH
PARTNER**

**ANIL V. CHOKSI - Managing Director
SAMIR K. CHOKSI - Whole Time Director
MANDVI H. SHARMA - Company Secretary**

Place : Mumbai
Date : 20th June, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

SCHEDULE	Rupees	As at	As at
		31st March 2009	31st March 2008
		Rupees	Rupees
INCOME :			
Sales of Products	1,020,753,650		456,782,429
Less :- Excise duty recovered on sales	119,062,989		58,730,066
Net Sales	901,690,661		398,052,363
Trading Sales	278,233,619		211,324,362
Other income	8 10,814,756		8,370,046
		1,190,739,036	617,746,771
EXPENDITURE :			
Raw Material Consumed	9 783,631,437		305,161,637
Cost of Trading Goods	10 220,526,658		188,469,612
Manufacturing Expenses	11 22,642,972		11,739,735
Selling & Administrative Expenses	12 128,948,540		65,441,603
		1,155,749,607	570,812,587
Less : (Increase) / Decrease in stock	13 (25,966,076)		1,935,441
		1,129,783,531	572,748,028
Profit Before Interest, Depreciation & Taxes		60,955,505	44,998,743
Less : Interest		14,886,700	11,633,491
Less : Depreciation		3,715,531	3,277,638
Profit Before Taxation		42,353,274	30,087,614
Less : Provision for Current Tax		14,450,000	10,310,000
Less : Provision for Fringe Benefit Tax		800,000	658,000
Less : Provision for Wealth Tax		47,000	31,000
Less : Provision for Deferred Tax		24,361	8,012
Profit after Tax		27,031,913	19,080,602
Add : Prior Period Adj. Net Of Tax		-	2,591,923
Less : Short Provision of Tax		242,476	170,612
Add : Balance Brought Forward from Previous Year		53,452,896	38,426,350
Amount available for appropriation		80,242,333	59,928,263
Less : Appropriation			
Proposed Dividend		5,070,000	4,680,000
Tax on Proposed Dividend		861,647	795,367
General Reserves		1,500,000	1,000,000
		7,431,647	6,475,367
Balance Carried to Balance Sheet		72,810,686	53,452,896
Basic & Diluted Earning Per Share of Face Value of Rs.10/- each		6.93	4.89
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**

**K. R. PARIKH
PARTNER**

ANIL V. CHOKSI - Managing Director
SAMIR K. CHOKSI - Whole Time Director
MANDVI H.SHARMA - Company Secretary

Place : Mumbai
Date : 20th June, 2009

SCHEDULE FORMING PART OF THE ACCOUNT

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE: 1		
SHARE CAPITAL		
Authorised :		
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>
Issued,Subscribed & Paid-up.		
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>
SCHEDULE: 2		
RESERVES & SURPLUS		
GENERAL RESERVE		
Opening Balance	4,000,000	3,000,000
Add : Transferred from Profit & Loss Account	1,500,000	1,000,000
	<u>5,500,000</u>	<u>4,000,000</u>
Profit & Loss Account	72,810,686	53,452,896
Total Rs.	<u>78,310,686</u>	<u>57,452,896</u>
SCHEDULE: 3		
i. SECURED LOANS		
A. Working Capital Facilities from Bank of Baroda Cash Credit	62,566,312	59,058,477
(The above Loan have been secured by :		
(1) Hypothecation of Raw Materials, 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. VEHICLE LOAN	191,654	1,677,666
(The Loan have been secured by hypothecation of Vehicles) (Payable within one Year Rs. 1,91,654)		
Total Rs.	<u>62,757,966</u>	<u>60,736,143</u>
ii. UNSECURED LOAN		
Factoring	-	988,469
Directors	45,549,385	10,059,040
Others (I.C.D. & Fixed Dep)	42,470,739	18,432,643
Total Rs.	<u>88,020,124</u>	<u>29,480,152</u>
SCHEDULE: 4		
Deferred Tax Liability	5,683,501	5,675,489
Add/ (Less) : Deferred Tax	24,361	8,012
Total Rs.	<u>5,707,862</u>	<u>5,683,501</u>

SCHEDULE FORMING PART OF THE ACCOUNT

**SCHEDULE : 5
FIXED ASSETS AS AT 31ST MARCH, 2009**

NO.	PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTISATION				NET BLOCK	
		AS AT 31.03.2008 Rupees	ADDITION Rupees	DEDUCTION Rupees	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees	FOR THE YEAR Rupees	ADJUSTMENT FOR THE YR. Rupees	AS AT 31.03.2009 Rupees	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
1	LAND	1,367,840			1,367,840					1,367,840	1,367,840
2	BUILDING	11,753,695	2,122,650	-	13,876,345	3,965,595	343,633	-	4,309,219	9,567,126	7,788,100
3	PLANT & MACHINERY	23,303,598	4,978,663	-	28,282,261	12,604,831	1,255,162	-	13,860,093	14,422,168	10,698,667
4	FURNITURE, FITTING & OFFICE EQUIP.	4,479,768	1,259,019	-	5,738,787	302,584	306,595	-	609,179	5,129,608	4,177,184
5	VEHICLE	7,513,161	-	-	7,513,161	1,305,657	713,700	-	2,019,357	5,493,804	6,207,504
6	GOODWILL	5,000,000	-	-	5,000,000	2,000,000	500,000	-	2,500,000	2,500,000	3,000,000
7	COMPUTER	3,951,357	1,423,391	-	5,374,748	1,920,357	525,894	-	2,446,251	2,928,497	2,031,000
8	OFFICE EQUIP.	1,056,281	56,189	-	1,112,470	535,566	70,547	-	606,113	506,357	520,715
9	OFFICE PREMISES		17,313,815		17,313,815					17,313,815	
	TOTAL	58,425,700	27,153,727		85,579,427	22,634,690	3,715,531		26,350,212	59,229,215	35,791,010
	Previous Year	54,191,299	5,073,128	838,727	58,425,700	19,861,559	3,277,638	- 504,505	22,634,690	35,791,010	34,329,740

Notes: i) Land includes Rs. 1,000/- 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.
iii) Depreciation has not been provided in the office premises was not used as on 31.03.09

As at	As at
31st March 2009	31st March 2008
Rupees	Rupees

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

(A) Current Assets

a) Inventories (as valued and certified by management)

Raw Materials & Packing Material (at cost)	44,577,344	17,573,164
Finished Products (at cost)	35,298,987	9,332,911
Trading Goods (at cost)	66,692,131	83,838,883
Goods in Transit (at cost)	47,682,191	7,203
	194,250,653	110,752,161

b) Sundry Debtors (Unsecured, considered good)

Outstanding for a period exceeding six months	12,496,698	18,065,589
Others	156,907,432	109,739,844
	169,404,130	127,805,433

c) Cash & Bank Balances

Cash on Hand	372,732	202,259
Balances with scheduled banks in Current Accounts	32,256,932	4,762,489
Unclaimed Dividend Account	452,721	355,994
Margin Money Account with scheduled bank	9,827,571	13,908,993
	42,909,956	19,229,735

d) Loans & Advances (Unsecured Considered Good)

Deposits	4,587,982	2,959,739
Loans & Advances to Staff	92,596	81,927
Insurance Claim Receivable	-	298,574
Balances with Central Excise A/c.	30,559,037	4,130,382
Balances with Central Excise A/c. (Piparia)	388,151	-
Taxes Paid in Advance	29,244,384	35,556,361
Advance Recoverable in Cash or in Kind or for Value to be Received	2,604,487	2,539,323
Accrued Interest	330,950	-
Prepaid Expenses	376,931	192,481

Total Rs.	474,749,257	303,546,116
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SCHEDULE FORMING PART OF THE ACCOUNT

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE : 7		
CURRENT LIABILITIES & PROVISIONS		
a) Current Liabilities		
Sundry Creditors	215,724,003	111,576,146
Advances from Customers	11,800,039	11,936,498
Unclaimed Dividend	452,721	355,994
	<u>227,976,763</u>	<u>123,868,638</u>
b) Provisions		
For Taxation	28,064,167	33,754,995
For Proposed Dividend on Equity Shares	5,070,000	4,680,000
For Dividend Tax on Proposed Dividend	861,647	795,366
For Wealth Tax	47,000	
Total Rs.	<u>34,042,814</u>	<u>39,230,361</u>

SCHEDULE : 8		
OTHER INCOME		
a) Interest Received (Gross)	794,600	536,265
b) Sale of Scrap	232,546	104,737
c) Insurance Claim	-	298,574
d) Miscellaneous Income	153,994	152,079
e) Service Charges Received	9,633,616	7,278,391
Total Rs.	<u>10,814,756</u>	<u>8,370,046</u>

SCHEDULE : 9		
RAW MATERIAL CONSUMED		
a) Opening Stock	17,573,164	27,531,697
Add: Purchased during the Year	810,635,617	295,203,104
Less : Closing Stock	44,577,344	17,573,164
Raw Material Consumed	<u>783,631,437</u>	<u>305,161,637</u>

SCHEDULE : 10		
COST OF TRADING GOODS		
a) Opening Stock	83,838,883	86,007,420
Add: Purchased during the Year	203,379,906	186,301,075
Less : Closing Stock	66,692,131	83,838,883
Cost of Goods Sold	<u>220,526,658</u>	<u>188,469,612</u>

SCHEDULE FORMING PART OF THE ACCOUNT

	As at 31st March 2009 Rupees	As at 31st March 2008 Rupees
SCHEDULE :11		
MANUFACTURING EXPENSES		
Salaries including Allowances & Provident funds	6,134,494	3,856,880
Labour Charges	6,232,553	1,530,954
Freight & Transport - Inward	922,346	564,034
Stores & Spares Consumed	120,941	344,608
Power & Fuel	2,855,453	1,693,683
Insurance Charges	1,182,538	887,188
Repairs to Machineries	1,817,380	1,341,778
Repairs to Factory Building	502,220	1,258,228
Repairs to Others	292,388	208,714
Staff Welfare Expenses	235,490	221,217
Rent Rates & Taxes	823,144	202,734
Excise Duty on Closing Stock	1,524,025	(370,283)
	22,642,972	11,739,735
SCHEDULE :12		
SELLING & ADMINISTRATIVE EXPENSES		
Salaries Including Allowances & Provident Funds	17,964,162	13,362,927
Group Gratuity Premium	350,551	417,306
Printing & Stationery	1,347,135	769,899
Communication Expenses	2,007,071	1,698,291
Travelling & Conveyance	10,128,372	10,826,189
Legal & Professional Fees	8,656,741	3,925,006
Freight & Transport - Outward	11,243,595	3,776,032
Freight & Transport - Courier Charges	4,211,732	3,969,671
Transit Insurance	122,119	187,102
Indenting Commission on Sales	10,152,854	7,846,447
Discount on Sales	-	347,044
Motor car Expenses	1,172,815	741,947
Advertisement & Sales Promotion Expenses	8,573,792	3,717,106
Auditors Remuneration	210,000	140,450
Bank Charges	2,200,355	1,280,009
Remuneration to Directors Including Provident Funds	4,430,273	3,819,689
Conference Expenses	2,813,913	758,008
Miscellaneous Expenses	9,247,432	6,725,208
Baddebts	1,658,523	
Exchange Rate Difference	32,397,254	
Donation	5,000	905,000
Loss on sale of Fixed Assets	-	193,222
Debit/Credit Balance Written Off	54,851	35,050
	128,948,540	65,441,603
SCHEDULE :13		
INCREASE / DECREASE IN STOCK		
Opening Stock of Finished Goods	9,332,911	11,268,352
Less :		
Closing Stock of Finished Goods	35,298,987	9,332,911
(Increase) / Decrease	(25,966,076)	1,935,441

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) The goods in Godowns / branches are stated at cost plus excise duty

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.

2. Contingent Liabilities:

Contingent Liability in respect of	As on	As on
	31.03.09	31.03.08
Guarantee Furnished including in respect of Letter of credit	Rs. 1,187,710	Rs. 33,857,992
Estimated amount of Contracts To be executed on capital account and not provided for	Rs. 241,710	Rs. 1,950,000

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:

	<u>2008-2009</u>	<u>2007-2008</u>
	Rupees	Rupees
As Auditors	200,000/-	50,000/-
In other Capacities	10,000/-	75,000/-
	<u>2,10,000/-</u>	<u>1,25,000/-</u>

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

Licensed capacity : N.A

Installed Capacity : 5 Million sq.mtr. (As certified by Management)

	Production		Sales		Closing Stock as on 31.03.2008		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	4,516,923 2,227,939	4,426,318 2,248,173	1,020,753,650 (456,782,429)	146,760 (56,153)	35,298,987 (9,323,911)	4,841,196 (2,356,340)	723,969,815 (277,435,470)	
Trading* Goods			278,233,619 (211,324,362)		66,692,131 (83,838,883)			

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

CHOKSI IMAGING LIMITED

7. CIF Value of Imports.

	<u>2008-2009</u>	<u>2007-2008</u>
Raw materials (Rs.)	574,517,795	173,799,652
Equipments, Spares X-Ray Accessories & other Finished goods (Rs)	232,875,220	65,675,425

8. Expenditure in Foreign Currency :

	<u>2008-2009</u>	<u>2007-2008</u>
Raw Material & Equipment, Spares & X-Ray Accessories & other Finished goods (Rs.)	736,670,119	86,459,860
Travelling (Rs.)	519,843	240,015

9. Consumption of Raw Materials

	<u>2008-2009</u>	<u>2007-2008</u>
Imported(Rs.)	744,419,540 (100%)	274,567,608 (98.96%)
Indigenous(Rs.)		2,867,863 (1.04%)

10. Earning in Foreign Exchange (Rs.)

33,912,606	23,873.837
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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 dividend account in respective years in respect of Accounting year 2004-2005, 2005-2006, 2006-2007, 2007-2008 and 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 01.04.2008 Rs.	Credit for the Current Year charged to Profit and Loss Account Rs.	Deferred Tax As set / Liability as at 31.03.2009 Rs.
A) Deferred Tax Liabilities			
Depreciation	5,728,368	166,674	5,895,042
Total	5,728,368	166,674	5,895,042
B) Deferred Tax Assets	44,867	(44,867)	Nil
1. Disallowable u/s 40 TDS			
2. Disallowable u/s 40 (a) Rent paid without on contract payment	0	68,028	68,028
3. Disallowable gratuity	0	119,152	119,152
Total	44,867	142,313	187,180
Deferred Tax Liabilities (Net)	5,683,501	24,361	5,707,862

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

"Earnings per share" (Basic and diluted):

	2008-2009	2007-2008
Profit after Tax (Rs.)	27,031,914	19,080,601
Add : Prior Period Adj(Rs.)	-	2,591,923
Less : Short Provision of Tax (Rs.)	242,476	170,612
	<hr/>	<hr/>
Profit after Tax (After Prior Period Adj) (Rs.)	26,789,438	21,501,912
	<hr/>	<hr/>
Number of Equity Shares	3,900,000	3,900,000
Earnings per share (Before Prior Period Adj)	Rs. 6.93	Rs. 4.89
Earnings per share (After Prior Period Adj)	Rs. 6.86	Rs. 5.51

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, M/s. Choksi Brothers, M/s. Unique Imaging, M/s. Innova Investment, Samir K. Choksi, HUF.
- (b) Directors of the Company
Mr. Sharadchandra Pendse, Mr. Anil V.Choksi, Mr. SureshV.Choksi, Mr. Naimish N. Choksi, Mr. Samir K.Choksi, Mr.Tushar Parikh, Mr.Himanshu Kisnadwala, Mr.Vikram Maniar.
- (c) Key Management Personnel:
Mr. Sunil A. Choksi, Mr. Tushar K. 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.)	877,740 (365,843)	-	877,740 (365,843)
Purchase of Capital Goods	140,250 (Nil)	-	140,250 (Nil)
Sales of Goods (Rs.)	13,831 (75,789)	Nil (Nil)	13,831 (75,789)
Expenses (Rent paid to Mr. Samir K.Choksi, HUF, & Partnership Firm Innova Investment) (Rs.)	2,20,000 (Nil)	114,000 (114,000)	334,000 (114,000)
Deposit Taken (Rs.)	41,198,240 (53,578,000)	49,109,000 (39,975,000)	90,307,240 (93,553,000)
Interest Expenses on deposit taken	3,055,575 (2,857,052)	3,942,619 (1,208,516)	6,998,194 (4,065,028)
Interest Income on Deposit given and extended credit for equipment supply	Nil	Nil	Nil
Outstanding deposit Receivable	Nil	Nil	Nil
Outstanding deposit payable	42,000,739 (17,082,643)	45,549,385 (10,059,040)	87,550,124 (27,141,693)

CHOKSI IMAGING LIMITED

- d) Disclosure in respect of material related party transaction during the year:
- Purchase of Goods from Choksi Brothers Private Ltd. is Rs. 224,910/- Machinery Rs.140,250/- & from Unique Imaging is Rs. 652,830/-
 - Sales of Goods to Choksi Brothers Private Ltd. is Rs. 13,831/-.
 - Deposits taken from Choksi Brothers Pvt. Ltd. is Rs. 40,160,500/- and Medical Solutions (India) Private Ltd is Rs. 1,037,740/-.
 - Interest Expenses on deposits taken from Choksi Brothers Private Ltd. is Rs. 2,939,989/- and from Medical Solutions (India) Private Ltd is Rs. 115,586/-.
 - Interest expenses on deposit taken from Directors is Rs. 3,831,345/-.
 - Outstanding deposits payable to Choksi Brothers Private Ltd is Rs. 42,000,739/- and to Medical Solutions (India) Private Limited is Rs. NIL/-.
 - Remuneration to Key management personal Mr. Tushar K. Choksi Rs.1,359,970/- Mr. Gaurav S Choksi is Rs.1,359,970/- and Mr. Sunil A. Choksi is Rs.1,359,970/-.
 - Rent paid to Director Mr. Samir K. Choksi, (HUF) towards rent is Rs. 114,000/-.
 - Rent paid to Partnership Firm Innova Investment towards rent is Rs. 220,000/-.
 - Interest paid on Fixed Deposit to Shri Sunil Choksi Rs. 11,000/- & Ms Yamini B. Choksi Rs 100,274/-

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>2008-2009</u> (Amount in Rs.)	<u>2007-2008</u> (Amount. in Rs.)
Profit before Tax as per Profit & Loss A/c	42,353,275	30,087,613
Add : Directors Remuneration	4,430,273	3,819,689
Directors Sitting Fees	160,000	91,000
Loss on Sale of Assets	-	193,222
Prior Period Adjustments	-	251,923
Total	46,943,548	36,783,447

Maximum Commission payable @1% of Net Profit to each of the Whole Time Directors. ---

- b) Remuneration paid to Directors

Particulars	<u>2008-2009</u> (Amount in Rs.)	<u>2007-2008</u> (Amount. in Rs.)
Salary	3,840,000	3,340,909
Commission	-	-
Contribution to Provident Fund	460,800	400,908
Provision of Gratuity	-	-
Perquisites	129,473	77,872
Total	4,430,273	3,819,689

	<u>2008-2009</u> (Amount in Rs.)	<u>2007-2008</u> (Amount. in Rs.)
Remuneration paid to Key Management Personnel	4,079,910	2,857,086
Meeting fees paid	1,60,000	91,000

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	2008-2009		2007-2008	
	Foreign Currency	Amount In Rs	Foreign Currency	Amount In Rs.
Accounts Receivable	Nil	Nil	USD 175,550	7,038,008
Accounts Payable	USD 1,447,985	73,774,816	USD 941,037	37,726,193
	EURO 14,265	962,618	Euro 168,770	10,743,924

18. 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 are made to a recognized fund.

Contribution to Defined Contribution Plan, recognized as expense for the year are as under :

	As At Year ended 31.03.2009	As a Year ended 31.03.2008
Employer's Contribution to Provident Fund	Rs. 1,449,736/-	Rs.1,226,228/-

(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 summarise 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.

	As At Year end 31.03.2009 (Rs.in Lakhs)	As at Year ended 1.03.2008 (Rs.in Lakhs)
Changes in Present value of obligations		
Opening balance of Present value of Obligations	19.93	16.05
Interest Cost	1.78	1.40
Current Service Cost	2.71	1.92
Benefits Paid	(0.15)	(1.47)
Actuarial (gain) / loss on obligations	0.49	2.03
Present value of Obligations as at 31 - 3 2009	24.76	19.93
Changes in Fair Value of plan assets		
Opening Fair Value of Plan Assets	19.93	16.05
Expected return on Plan Assets	1.48	1.17
Actuarial gain / (losses) on Plan Assets	-	-
Contributions by Employer	3.51	4.17
Benefits Paid	(0.15)	(1.47)
Fair Value of Plan Assets as at 31 - 3 2009	24.76	19.93
Amount to be recognised in the Balance Sheet		
Present Value of Funded Obligations as at 31 - 3 2009	24.76	19.93
Fair Value of Plan Assets as at 31 - 3 2009	24.76	19.93
Expense recognised in the Profit & Loss Account		
Current Service Cost	2.71	1.92
Interest Cost	1.78	1.40
Expected return on Plan Assets	(1.48)	(1.17)
Net Actuarial Loss	0.49	2.03
Expense recognised in the Profit & Loss Account	3.51	4.17
Description of Plan Assets		
Insurer Managed Funds	100%	100%
Assumptions		
Mortality Rate		LIC(1994-96) Ultimate
Withdrawal Rate	1% to 3%	1 % to 3 %
	Depending on age	Depending on age
Discount Rate	8%	8%
Salary Escalation	5.5%	5.5%

CHOKSI IMAGING LIMITED

19. 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	31.03.2009

**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	273,797
Total Assets	273,797
Sources of Funds	
Paid up Capital	39,000
Reserve & Surplus	78,311
Secured Loans	62,758
Unsecured Loans	88,020
Deferred Tax Liability	5,708
Application of Funds	
Net Fixed Assets	59,229
Capital Work In Progress	1,838
Net Current Assets	213,186

IV. Performance of Company (Amount Rs. in '000s)

Turnover (Gross Revenue)	1,309,802
Total Expenditure	1,267,449
Profit/ (Loss) before Tax	42,353
Profit/ (Loss) after Tax	27,032
Earning Per Share	6.93
Dividend Rate	13%

**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 **PARIKH AND AMIN ASSOCIATES**
CHARTERED ACCOUNTANTS

K.R. PARIKH
PARTNER
Mumbai
Date :20th June, 2009

FOR AND ON BEHALF
OF BOARD OF DIRECTORS

Anil V. Choksi Managing Director

Samir K. Choksi Whole Time Director

Mandvi H. Sharma Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	31st March 2009 (Rs.in Lacs)	31st March 2008 (Rs.in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary items	423.53	300.88
Adjustment for :		
Add : Prior Period Adj.Net Of Tax		25.92
Depreciation	37.16	32.78
Loss on sale of Fixed Assets		1.93
	37.16	60.63
Operating Profit/ (Loss) before Working Capital changes	460.69	361.50
Adjustment for :		
Current Assets	(1,475.23)	(298.15)
Current Liabilities	989.20	(219.32)
Increase/ (decrease) in Net Current assets	(486.03)	(517.47)
Taxation	(155.39)	(111.70)
	(641.42)	(629.17)
Cash Generated from Operations	(180.73)	(267.67)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(271.54)	(50.43)
Expenditure in Capital Work in Progress	142.77	(0.10)
Sale of Fixed Assets		1.11
	(128.77)	(49.42)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend including Dividend Tax	(59.31)	(54.75)
Secured Borrowings	20.21	117.65
Unsecured Borrowings	585.40	270.12
	546.30	333.02
Net Increase/ (Decrease) in Cash and Cash Equivalent	236.80	15.93
Cash and Cash Equivalents at the beginning of the year	192.29	176.36
Cash and Cash Equivalents at the close of the year	429.09	192.29

As per our Report of even date :

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR PARIKH AND AMIN ASSOCIATES
CHARTERED ACCOUNTANTS

K.R.PARIKH
PARTNER

ANIL V. CHOKSI - Managing Director

SAMIR K. CHOKSI - Whole Time Director

MANDVI H. SHARMA - Company Secretary

Place : Mumbai
Date : 20th June 2009

CHOKSI IMAGING LIMITED

Registered Office:

Gala No.D- 10, Prasad Indl. Estate, Survey No. 2 & 66, Sativali,
Vasai Kaman Road, Vasai Road (East), Dist. Thane - 401208.

ATTENDANCE SLIP

17TH ANNUAL GENERAL MEETING - ON 11TH SEPTEMBER, 2009 AT 11.00 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 SEVENTEENTH ANNUAL GENERAL MEETING of the Company at Daras Dhaba, Western Express Highway, Near Laxmi Baugh, Post. Mira, Dist.- Thane - 401104 on Friday, 11th September, 2009 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 HALL.

TEAR HERE

CHOKSI IMAGING LIMITED

Registered Office:

Gala No.D- 10, Prasad Indl. Estate, Survey No. 2 & 66, Sativali,
Vasai Kaman Road, Vasai Road (East), Dist. Thane - 401208.

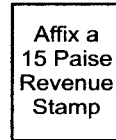
FORM OF PROXY

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 17TH ANNUAL GENERAL MEETING of the Company to be held on Friday, 11th September, 2009 at 11.00 a.m and at any adjournment thereof.

Signed this day.....2009.

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



NOTE : This form in 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

Gala No. D-10, Prasad Indl. Estate, Survey No. 2 & 66,
Sativali, Vasai Kaman Road, Vasai Road, (East), Dist. Thane - 401 208.