

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of your Company on Corporate Governance is founded upon a legacy of fair, ethical and transparent governance practices. Your Company believes that good Corporate Governance practices lead to enhancement of the value of the Company to the various stakeholders such as the shareholders, suppliers, customers, employees, financiers and the society in general. The Company is in full compliance with the mandatory requirements of the Clause 49 of the Listing Agreement with Bombay Stock Exchange ('the Listing Agreement'). Through Corporate Governance policy, your Company endeavors' to:

- Ensure adequate control systems are in place to enable the Board to efficiently conduct business and discharge its responsibilities to stakeholders;
- Ensure that the decision making process is fair and transparent;
- Ensure that the management is involved to the full extent for maximisation of stakeholder value;
- Imbibe good Corporate Governance practices in the Board of Directors and Senior Management.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

BOARD OF DIRECTORS

The Board of Directors, along with its committees, provides leadership and guidance to the management of your Company and directs, supervises and controls its performance. The Board's actions and decisions are aligned with the Company's best interests. The Board currently comprises of 9 directors, out of which 5 directors are independent non-executive directors. The composition of Board is in conformity with clause 49 of the Listing Agreement, as amended from time to time.

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business, industry, finance and management. The nature of Directorship of the Directors of your Company is as follows:

Sr. No.	Name of the Director	Nature of Directorship	Age	Qualification
1.	Mr. Sharadchandra Pendse	Independent Non-executive Chairman	68	B.A., C.A.I.I.B
2.	Mr. Anil Choksi	Managing Director	82	Undergraduate.
3.	Mr. Gaurav Choksi	Whole –time Director	39	B.Com, C.A.
4.	Mr. Naimish Choksi	Whole-time Director	60	B.Com
5.	Mr. Samir Choksi	Whole-time Director	50	Diploma in Automobile Engineering
6.	Mr. Tushar Parikh	Independent Non-executive Director	56	B.Com, CA
7.	Mr. Vikram Maniar	Independent Non-executive Director	70	B.Com, LLB
8.	Mr. Himanshu Kishnadwala	Independent Non-executive Director	49	B.Com, C.A.
9.	Mrs. Samanthakamaniprakash Sagarkette (w.e.f. 28.06.2014)	Independent Non-executive Director	60	Undergraduate.

During the year under review, the Board of your Company met five times, on 27th May, 2013, 10th August, 2013, 14th November, 2013, 10th December, 2013 and 14th February, 2014. The maximum time gap between any two meetings did not exceed four months.

The following table gives the attendance of the Board of Directors at Board Meetings of the company, at the last Annual General Meeting and also other directorships other than the Company and memberships/chairmanship in Board and Committees of other Bodies Corporate on 31st March, 2014:

Sr. No	Name of the Director	No. of Board Meetings attended	Attendance at the last AGM on 10 th August, 2013	Number of Directorships held		Committee positions		Shares held
				Public	Private	Member	Chairman	
1.	Mr. Sharadchandra Pendse	4	Yes	Nil	1	Nil	Nil	Nil
2.	Mr. Anil Choksi	4	Yes	Nil	1	Nil	Nil	189927
3.	Mr. Naimish Choksi	5	Yes	Nil	3	Nil	Nil	131599
4.	Mr. Samir Choksi	3	Yes	Nil	7	Nil	Nil	86565
5.	Mr. Gaurav Choksi	5	Yes	Nil	3	Nil	Nil	194960
6.	Mr. Tushar Parikh	5	Yes	1	1	Nil	Nil	5100
7.	Mr. Vikram Maniar	3	Yes	Nil	1	Nil	Nil	1900
8.	Mr. Himanshu Kishnadwala	5	Yes	Nil	Nil	Nil	Nil	5100

COMMITTEES OF THE BOARD

The Board of your Company has constituted three committees in all with specific terms of reference in accordance with the Listing Agreement signed with the Bombay Stock Exchange. The Committees of the Board are:

1. Audit Committee.
2. Nomination and Remuneration Committee.
3. Stakeholders Relationship Committee.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors was re-constituted vide a Board Resolution passed on 6th May, 2014. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

The role of the Audit Committee is Draft as per role given in act.

- a. To review quarterly, half-yearly un-audited financial statements and yearly audited financial statements and pre-publication announcements before submission to the Board.
- b. To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- c. To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- d. To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- e. To review the Company's financial and risk management policies.
- f. The recommendation for appointment/re-appointment, remuneration and terms of appointment of auditors of the company;
- g. To approve the payment to Statutory Auditors for any other services rendered by them.
- h. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- i. Examination of the financial statement and the auditors' report thereon;
- j. Approval or any subsequent modification of transactions of the company with related parties;
- k. Scrutiny of inter-corporate loans and investments;
- l. Valuation of undertakings or assets of the company, wherever it is necessary;
- m. Evaluation of internal financial controls and risk management systems;
- n. Monitoring the end use of funds raised through public offers and related matters.
- o. To review Management Discussion and Analysis of financial condition and results of operations;
- p. To review Statement of significant related party transactions submitted by the management.
- q. To review Internal Audit reports.
- r. Reviewing with the Management, the statement of uses/applications of funds raised through an issue, the statement of funds utilised for purposes other than stated in offer document/prospectus/notice and report submitted by the monitoring agencies monitoring the utilization of the proceeds of a Public or Right issue and making appropriate recommendations to Board to take up steps in this matter.
- s. Other functions as set out in Clause 49 (II) (D) of the Listing Agreement.

The Audit Committee comprises of 4 directors, out of which 3 Directors are Independent non-executive directors, all members are financially literate. The composition of Audit Committee and the no. of meetings attended by each member are as follows:

Sr. No.	Name of the Director	Nature of Directorship and Membership	No. of meetings attended
1.	Mr. Himanshu Kishnadwala	Independent Non-Executive Director and Chairman	4
2.	Mr. Tushar Parikh	Independent Non-Executive Director	4
3.	Mr. Vikram Maniar	Independent Non-Executive Director	3
4.	Mr. Sharadchandra Pendse*	Independent Non-Executive Director	3
5.	Mr. Anil Choksi**	Managing Director	-

Mr. Himanshu Kishnadwala is a Practising Chartered Accountant of repute in the industry and a fellow member of the Institute of Chartered Accountants of India. He is having experience of more than 22 years in the field of accounts, taxation and corporate finance.

Mr. Tushar Parikh is also a Practising Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. He is one of the well-known Sales-Tax practitioners in the city of Mumbai.

Mr. Vikram Maniar has been associated with the Photographic products industry since long and has an experience of almost 48 years on the Boards of various companies.

*Mr. Sharadchandra Pendse is an ex-banker associated with the State Bank of India from 1967 to 1997 in various capacities. He served Audit Committee as member upto 6th May, 2014.

**Mr. Anil Choksi is a Promoter Director and associated with the Photographic products industry since 60 years and having in depth knowledge of the industry. He was appointed as a member of the Audit Committee, w.e.f. May 6, 2014. No meeting was held during his tenure.

The meetings of the Audit Committee were held on 27th May, 2013, 10th August, 2013, 14th November, 2013 and 14th February, 2014. The gap between two Audit Committee meetings was not more than 4 months, in compliance with the requirements of the Listing Agreement. The Independent members of the Audit Committee are paid sitting fees of Rs.5,000/- for every meeting of the Committee attended by them.

Apart from the Audit Committee members, the Audit Committee meeting is also attended by Key Management Personnel, the Statutory and the internal auditors. The internal audit reports are also laid before the Audit Committee by the internal auditors.

The minutes of the meeting of Audit Committee are discussed and taken on record by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been re-constituted by the Company on 6th May, 2014 to oversee the nomination and remuneration of the Directors, Key Managerial Persons and Directors' relatives who occupy an office or a place of profit in the Company, including retirement benefits and commissions.

The Remuneration Committee comprises of four members, out of which 3 are Independent Director. The composition of the committee is as follows:

Sr. No.	Name of the Director	Nature of Directorship
1.	Mr. Tushar Parikh	Independent Non-executive Chairman
2.	Mr. Himanshu Kishnadwala	Independent Non-Executive Director
3.	Mr. Sharadchandra Pendse	Independent Non-Executive Director
4.	Mr. Anil V. Choksi*	Managing Director

During the year under review, one meeting of the Remuneration Committee was held on 27th May, 2013. The Independent members of the Committee are paid sitting fees of Rs.3,000/- for every meeting of the Committee attended by them.

* Mr. Anil Choksi was being appointed as member of Nomination and Remuneration Committee w.e.f 6th May, 2014.

Details of remuneration paid to Managing Director and Whole-Time Directors during the period from 1st April, 2013 to 30th September, 2013 is as follows:

Sr. No.	Name of the Director	Salary (Rs.)	Contribution to Provident Fund (Rs.)	Perquisites (Rs.)	Total (Rs.)
1.	Mr. Anil Choksi	7,50,000	90,000	24,000	8,64,000
2.	Mr. Naimish Choksi	7,50,000	90,000	23,863	8,63,863
3.	Mr. Samir Choksi	7,50,000	90,000	24,000	8,64,000
4.	Mr. Gaurav Choksi	7,50,000	90,000	24,000	8,64,000

Details of remuneration paid to Independent Non-Executive Directors during the year is as follows:

Sr. No.	Name of the Director	Sitting Fees for Committee meeting (Rs.)	Sitting Fees for Board Meeting (Rs.)
1.	Mr. Himanshu Kishnadwala	23,000	37,500
2.	Mr. Tushar Parikh	23,000	37,500
3.	Mr. Vikram Maniar	15,000	22,500
4.	Mr. Sharadchandra Pendse	18,000	30,000

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has re-constituted Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The terms of reference of Shareholders'/Investors' Grievance (SIG) Committee was conferred on the Stakeholders Relationship Committee and consequently, the SIG Committee was dissolved.

The committee comprises of four directors which also consists of the Managing Director. The task of the Committee is to oversee complaints received from shareholders and deposit holders with regard to transfer and transmission of shares, non-receipt of interest or dividend, non-receipt of annual report, issue of duplicate certificates and other miscellaneous complaints. The composition of the committee is as follows:

Sr. No.	Name of the Director	Nature of Directorship
1.	Mr. Vikram Maniar	Independent Non-executive Chairman
2.	Mr. Himanshu Kishnadwala	Independent Non-Executive Director
3.	Mr. Anil Choksi	Executive and Managing Director
4.	Mr. Tushar Parikh	Independent Non-Executive Director

During the year under review, two meetings of Investors Grievance Committee were held on 17th October, 2013 and 14th January, 2014.

Compliance Officer

Mr. Rishi Dave is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

Address: 4th Floor, Classique Centre, C-Wing, Plot No. 26, Mahalndl. Estate, Off. Mahakali Caves Road, Andheri- East, Mumbai- 400093, India.

E-mail: compliance.officer@choksiworld.com

Complaints and queries can also be forwarded to the Registrar & Share Transfer Agents, M/s. Adroit Corporate Services Private Limited.

The details of Complaints received, redressed/ pending during the financial year 2013-14 is given below:

Pending at the beginning of the year	Received during the year	Redressed / Replied during the year	Pending at the year
NIL	7	7	NIL

GENERAL BODY MEETINGS

Details of location and time of last three Annual General Meetings are as follows:

Sr. No.	Year	Venue	Date	Time
1.	2012-2013	Ramee Guestline Hotel, Juhu, Mumbai	10 th August, 2013	3.00 p.m.
2.	2011-2012	Ramee Guestline Hotel, Juhu, Mumbai	8 th August, 2012	3.00 p.m.
3.	2010-2011	Ramee Guestline Hotel, Juhu, Mumbai	24 th September, 2011	10.00 a.m.

All the resolutions set out in the respective notices were passed by the shareholders at the meeting.

Details of special resolutions passed during the last three Annual General Meetings are as follows:

Sr. No.	Financial Year	Resolution For	Date
1.	2011-12	Reappointment of Mr. Anil V. Choksi as Managing Director.	8 th August, 2012
2.	2011-12	Reappointment of Mr. Samir K. Choksi as Whole-time Director	8 th August, 2012

Detail of resolution passed by Postal Ballot during the last year.

1. The Company has reappointed Mr. Naimish Choksi as Whole Time Director of the Company for a further period of three years with effect from 1st January, 2014.
2. Change of Registered office from Dist. Mumbai to Thane. The detail of Special Resolution passed through postal ballot on 24th February, 2014 is as follows.

Particulars	Results			
	Postal ballot forms received	Invalid Forms	Postal Ballot forms with assent	Postal Ballot forms with dissent
Shifting of Registered office of the Company from Mumbai to Thane	97	8	81	8

M/s. Teena Dedhia & Associates was appointed as scrutinizer for the Postal Ballot.

Currently, no resolution is proposed to be passed by Postal Ballot.

DISCLOSURES

There have been no material related party transactions with the Directors or the management or their relatives during the year under review which may have had potential conflict with the interests of the Company at large. Any transactions entered into with related parties on an arm's length basis are placed before the audit committee during their meeting. Details of related party transactions are given in the notes to accounts.

While the Company does not have a formal Whistle Blower Policy in place, any of the employees are not denied access to the Audit Committee and are free to approach the Audit Committee or the senior management with regards to any actual or suspected violations of the Code of Conduct of the Company or the standards of the business or concerns regarding any unethical behavior by any employee.

The Company has fully complied with all the requirements of the Stock Exchange/SEBI/ and other statutory authorities on all matters related to capital markets during the last three years. There have not been any instances of either non-compliance by the Company nor any penalty or strictures imposed by the SEBI or the Stock exchanges or any other statutory authority on any matter related to capital markets during the last three years.

CODE OF CONDUCT

The Board of Directors of the Company have laid down a Code of Conduct for all its Directors, Key Managerial Personal, Senior Management Personnel and Employees of the Company, who have affirmed their compliance for the year ended 31st March, 2014. The declaration from Mr. Anil V. Choksi, the Managing Director, regarding the affirmation of the compliance for the year ended 31st March, 2014, forms part of this report.

INSIDER TRADING

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.

MEANS OF COMMUNICATION

The quarterly results, after being approved at the meeting of the Board, are sent to the Stock Exchange where the shares of the Company are listed within 15 minutes of the conclusion of the meeting, along with the outcome of the Board Meeting.

The quarterly results are normally published in the English daily 'The Free Press Journal/ Business Standard / Financial Express' and the Regional daily 'Navshakti/ Mumbai Lakshadweep/, in accordance with Clause 41 of the Listing Agreement.

The Company also has and maintains a functional website, www.choksiworld.com, in accordance with Clause 54 of the Listing Agreement. The website contains basic information about the Company and the quarterly results along with shareholding pattern every quarter are also displayed in the Investors' section on the website. The website also displays the Code of Conduct of the Company.

Management Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

i) Annual General Meeting

Annual General Meeting is to be held on Saturday, 27th September, 2014 at 11.00 a.m.

ii) Financial Calendar (Tentative)

Financial Year ending	31st March, 2015
Results for the quarter ended on 30 th June, 2014	Second week of August, 2014
Annual General Meeting for the year ending March, 2014	Third/Fourth week September, 2014
Results for the quarter ended on 30 th September, 2014	Second week of November, 2014
Results for the quarter ended on 31 st December, 2014	Second week of February, 2015
Results for the quarter ended and financial year ended on 31 st March, 2015	Third / Fourth week of May, 2015

iii) Book Closure

Friday, 19nd September, 2014 to Saturday, 27th September, 2014 both days inclusive.

iv) Dividend payment.

The Company has not declared any dividend for the year 2013-2014.

v) Listing of shares, Scrip Code and Demat ISIN Numbers.

The equity shares of the Company are listed on the Bombay Stock Exchange, situated at Mumbai. The scrip code of the Company is **530427** and Demat ISIN No. in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) is **INE 865B01016**.

vi) Registrar & Share Transfer Agent

The Company has appointed M/s. Adroit Corporate Services Private Limited, a Category I Registrar & Share Transfer Agent, registered with SEBI, for matters related to shares and Public Deposits. The members can contact them at the following address:

M/s. Adroit Corporate Services Private Limited

Unit: **Choksi Imaging Limited**

19/20, Jaferbhoy Industrial Estate, Makwana Road,

Marol Naka, Andheri- East, Mumbai- 400 059.

Tel.: 022-2859 4060. Fax: 2850 3748.

vii) Share Transfer System

The shares of the Company are traded on the Bombay Stock Exchange compulsorily in demat mode. Any shares sent for physical transfer or Dematerialisation request are registered within 15 days from date of receipt of complete and validly executed documents.

viii) Dematerialisation of Shares

Out of the total number of equity shares, **3492900 shares** are held in dematerialised form, which represents **89.56 per cent** of the total listed shares of the Company as on 31st March, 2014. Trading of the equity shares of the Company permitted only in dematerialised form on the Stock Exchange vide SEBI notification.

Sr. No.	Particulars	No. of Shares	Percentage
1.	National Securities Depository Limited (NSDL)	2531962	64.92
2.	Central Depository Services (India) Limited (CDSL)	960938	24.64
	TOTAL	3492900	89.56

ix) Factory Address

The factory of the Company is situated at Silvassa in the Union Territory of Dadra and Nagar Haveli. The detailed factory address is as follows:

Plot No. 10, Survey No. 121 / P, Off. 66 KVA Road, Silvassa- 396 230.

Dadra and Nagar Haveli (Union Territory)

x) Address for Correspondence

The shareholder queries can be sent to the Registrar & Share Transfer Agent at the following addresses:

M/s. Adroit Corporate Services Private Limited

Unit: **Choksi Imaging Limited**

19/20, Jaferbhoy Industrial Estate, Makwana Road, Marol Naka, Andheri- East, Mumbai- 400 059.

Tel.: 022-2859 4060. Fax: 2850 3748.

xi) Distribution of Shareholding as on 31st March, 2014

No. of shares	No. of Shareholders	% of Shareholders	Shareholding	Amount Rs.	% of Total Shareholding
1 - 500	1896	77.42	306943	3069430	7.87
501 - 1000	206	8.41	175808	1758080	4.51
1001 - 2000	121	4.94	180996	1809960	4.64
2001 - 3000	96	3.92	244033	2440330	6.26
3001 - 4000	20	0.82	71529	715290	1.83
4001 - 5000	32	1.30	155311	1553110	3.98
5001 - 10000	31	1.27	231270	2312700	5.93
10001 & above	47	1.92	2534110	25341100	64.98
TOTAL	2449	100	3900000	39000000	100

xii) Pattern of Shareholding as on 31st March, 2014

The Shareholding Pattern as on 31st March, 2014 is given below:

Particulars	No. of Shares	% of shareholding
Promoter and Promoter Group (*)	1703963	43.69
Directors and their relatives (#)	15500	0.39
Non- Resident Individuals	143405	3.68
Foreign Institutional Investors	Nil	Nil
Corporate Bodies	180455	4.63
Public	1856677	47.61

* Out of the total shareholding of Promoter and Promoter Group, 206610 shares are held by Foreign Individuals and 1478353 shares are held by Directors and their relatives who form a part of Promoter and Promoter Group.

Directors and their relatives consist of Directors and their relatives not forming a part of Promoter and Promoter Group.

Shareholding as on 31.03.2014



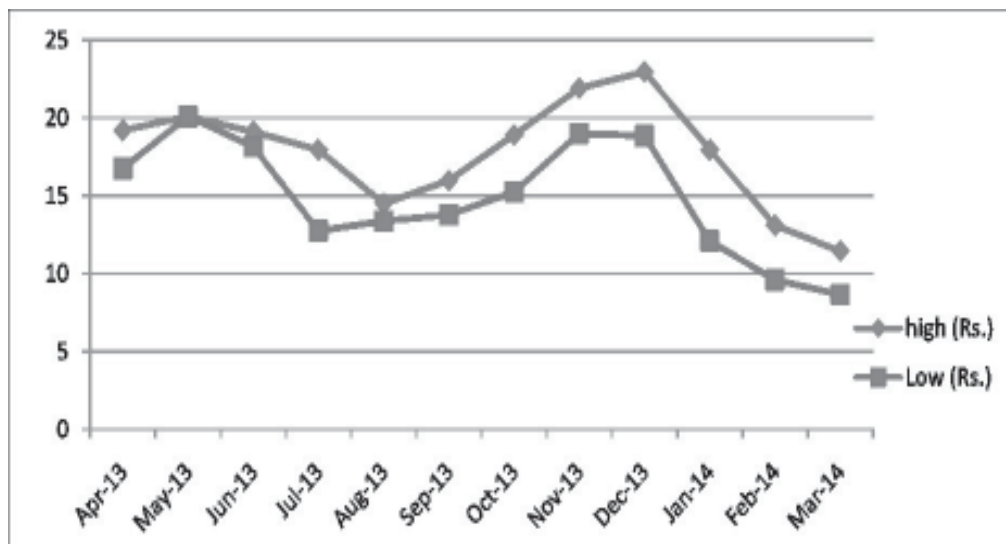
- Promoter and Promoter Group
- Directors and their relatives
- Non-Resident Individuals
- Foreign Institutional Investors
- Corporate Bodies
- Public

xiii) Market Price Data

The details of monthly High and Low of share price along with the number of traded shares for each month during the year under review are as follows:

Particulars	High (Rs.)	Low (Rs.)	No. of Shares
April 2013	19.20	16.75	4,366
May 2013	20.10	20.10	5
June 2013	19.10	18.15	10
July 2013	17.95	12.75	1,960
August 2013	14.50	13.38	203
September 2013	15.98	13.78	1,405
October 2013	18.90	15.25	509
November 2013	21.90	19.00	40
December 2013	22.95	18.85	3,553
January 2014	17.95	12.10	13,555
February 2014	13.10	9.60	40,271
March 2014	11.45	8.65	39,661

Share Price Movement at BSE



xiv) Details of unclaimed dividend

This year company is liable to transfer unclaimed dividend for the financial year ending 2006-07 to the Investor Education and Protection Fund (IEPF) established by Central Government. Accordingly, the company has transferred the unclaimed dividend for the financial year 2005-06 to IEPF on 24th October, 2013.

The members who have not claimed the dividend amount of the respective years are requested to lodge their claim as early as possible with the company.

Financial Year ended	Date of declaration of Dividend	Due date of Transfer
31.03.2007	01.09.2007	02.10.2014
31.03.2008	20.09.2008	21.10.2015
31.03.2009	01.09.2009	02.10.2016
31.03.2010	20.09.2010	21.10.2017
31.03.2011	24.09.2011	25.10.2018
31.03.2012	08.08.2012	08.09.2019
31.03.2013	10.08.2013	09.09.2020

xv) Secretarial Audit

A Share Capital Audit for reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital of the Company is carried out at the end of every quarter by a Company Secretary in Practice. The audit confirms that the total issued and paid-up capital is in agreement with the total number of shares in physical form and total number of dematerialised shares held with NSDL and CDSL.

A certificate under Clause 47(c) of the Listing Agreement is also issued at a half-yearly basis by a Company Secretary in Practice.

xvi) Compliance on Clause 49 of the Listing Agreement

In so far as compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange for the year ended 31st March, 2014, the company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance Report. The statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

xvii) Outstanding number of GDR's/ADRs/Warrants, etc.:

The Company has not issued any GDRs/ADRs and no outstanding warrants are pending for subscription.

xviii) Deposits

The Company has repaid all outstanding Term Deposit till May 2014 accepted from Public and members of the Company.

xix) Compliance Certificate:

The Certificate on Compliance with Corporate Governance by the Company from Statutory Auditor as required under clause 49 of the Listing Agreement is annexed.

On behalf of Board of Directors

Place : MUMBAI
Date : 28th June, 2014

Sd/-
Anil V. Choksi
Managing Director

DECLARATION FROM THE MANAGING DIRECTOR

(Under Clause 49(D)(ii) of the Listing Agreement)

To,

The Members of **CHOKSI IMAGING LIMITED**,

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended on 31st March, 2014.

FOR CHOKSI IMAGING LIMITED

Place : MUMBAI
Date : 6th May, 2014

Sd/-
Anil V. Choksi
Managing Director