

# **AVI PHOTOCHEM LIMITED**

110, Manish Ind Est No. 4, Navghar Rd, Vasai (E),  
Dist: Thane, Pin 401210, India

**Twenty Second Annual Report 2010 - 2011**

**AVI PHOTOCHEM LIMITED**

**TWENTY SECOND ANNUAL REPORT 2010-11**

**BOARD OF DIRECTORS :** Mr. Avinash Vora : Executive Chairman  
Mrs. Daksha Vora : Executive Director up to 30-10-10  
Mr. Vikram A Vora : Executive Director W.E.F. 30-10-10  
Mr. Pradeep Joshi : Independent Director  
Mr. Ray Almeida : Independent Director W.E.F. 30-10-10

**AUDITORS :** M/s. J.H. Ghumara & Co.  
Chartered Accountants

**BANKER'S:** THE COSMOS CO OP BANK LIMITED  
THE PUNJAB MAHARASTRA BANK LIMITED

**REGISTERED OFFICE:** 110, Manish Ind Est No. 4,  
Navghar Rd, Vasai (E)  
Dist: Thane, Pin 401210,  
India  
Email: [avichem@vsnl.com](mailto:avichem@vsnl.com)

**Registrar Transfer Agents:** **System Support Services**  
209 Shivai Ind. Estates, 89, Andheri Kurla Road,  
Saki Naka, Andheri E, Mumbai -400 072  
Ph 022- 28500835, Fax 022-28501438,  
email: [syss72@yahoo.com](mailto:syss72@yahoo.com)

## AVI PHOTOCHEM LIMITED

Regd Office: 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India

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### NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the members of Avi Photochem Limited will be held on Friday, the 30<sup>th</sup> day of September, 2011 at 10.00 A.M. at 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India to transact the following business as:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.
2. To appoint a Director in place of Mr. Pradeep Joshi, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL RESOLUTION

4. To consider if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
"RESOLVED THAT, Shri Vikram A Vora who was appointed as an additional Executive Director of the company by the board of directors in the Meeting held on 30<sup>th</sup> October 2010 who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the company."
5. To consider if thought fit, to pass with or without modification the following resolution as an ordinary resolution.  
"RESOLVED THAT, Shri Ray Almeida who was appointed as an additional Executive Director of the company by the board of directors in the Meeting held on 30<sup>th</sup> October 2010 who ceases to hold office under section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the company."

BY ORDER OF THE BOARD  
FOR AVI PHOTOCHEM LIMITED

Sd/-

Place: Mumbai  
Date: 04/09/2011

Avinash D Vora  
CHAIRMAN

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED TO BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. The Register of Member will remain close from 29<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (Both days inclusive).
3. Please intimate the changes, if any, in your registered address, to the Company's Registrar & Share Transfer Agent at the following address:-  
**System Support Services**  
209 Shivai Ind. Estate, 89, Andheri Kurla Road, Saki Naka, Andheri E, Mumbai -400 072  
Ph 022- 28500835, Fax 022-28501438, email: [sysss72@yahoo.com](mailto:sysss72@yahoo.com)  
Shareholders who have multiple folios in identical names or joint names in the same order are requested to intimate to Company to consolidate all such share holding into a single folio. Shareholders desiring any information as regards the Accounts are requested to write to the Company at any early date so as to enable the Management to keep the information ready.
4. Explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of item no. 4 and 5 is also annexed.
5. Green initiative in Corporate Governance: The Government Of India, Ministry Of Corporate Affairs (MCA) vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative" and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Director's Report, Auditor's Report, etc. to the members through the electronic mode, to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.

**EXPLANATORY STATEMENT:**

**Item No. 4:**

Shri Vikram A Vora was appointed as an additional director on the Board of Directors of the company on 30<sup>th</sup> October, 2010. According to the provisions of Section 260 of the Companies Act, 1956 he holds office up to the date of ensuing annual general meeting of the company. The company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose his appointment as an director of the company along with a deposit fee of Rs. 500/-. A Brief resume of Shri Vikram A Vora is also included in the Corporate Governance Report. The Board recommends that it is in the interest of the company to avail his services. The Board of Directors recommends the resolution for approval of the members. None of the directors other than Shri Vikram A Vora and Mr. Avinash D Vora are interested in this resolution.

**Item No. 5:**

Shri Ray Almeida was appointed as an additional director on the Board of Directors of the company on 30<sup>th</sup> October, 2010. According to the provisions of Section 260 of the Companies Act, 1956 he holds office up to the date of ensuing annual general meeting of the company. The company has received a notice under section 257 of the Companies Act, 1956 from a member signifying his intention to propose his appointment as an director of the company along with a deposit fee of Rs. 500/-. A Brief resume of Shri Ray Almeida is also included in the Corporate Governance Report. The Board recommends that it is in the interest of the company to avail his services. The Board of Directors recommends the resolution for approval of the members.

None of the directors other than Shri Ray Almeida is interested in this resolution.

## AVI PHOTOCHEM LIMITED

Regd Office: 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India

### DIRECTORS REPORT

To  
The Shareholders,

Your Directors have pleasure in presenting the Twenty Second Annual Report of the company with the audited statement of accounts for the year ended 31<sup>st</sup> March, 2011.

1. **Financial Results**

	<b>For the year ended on 31.03.2011</b>	<b>For the year ended on 31.03.2010</b>
Total Income	2,188,961.27	0.00
Total Expenditure	2,660,904.57	795,635.73
Profit / (Loss) before Taxation	471,943.30	795,635.73
Provision for Tax	0.00	527,720.00
Profit / (Loss) after Taxation	(471,943.30)	1,323,355.73
Balance b/f from Previous Year	36,794,529.98	35,471,174.25
Balance Carried to Balance Sheet	37,266,473.28	36,794,529.98

2. **Working Results:** During the year, the company has incurred loss of Rs. 471,943.30 (Previous Year Rs. 1,323,355.73).
3. **Dividend:**  
In view of losses, directors have not declared dividend for the year.
4. **Fixed Deposits:**  
The company has not accepted any deposits from the public during the year under review.
5. **Particulars of Employees:**  
Details of remuneration paid to employees as required by section 217(2A) of the Companies Act 1956, are not applicable since the company has not employed any person drawing salary of more than Rs 24,00,000 per annum or Rs 2,00,000 per month.
6. **Management Discussion & Analysis:**  
As required by clause 49 of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report are appended.
7. **Director's Responsibility Statement:**  
In compliance of Section 217(2AA) as incorporated by the Companies (Amendment) Act, 2000, your Directors confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been followed and that there were no material departures
  - ii. The accounting policies selected by them have been applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March 2011 and of the profit of the company for the year ended on that date
  - iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
  - iv. The annual accounts have been prepared on a going concern basis.
8. **Conservation of energy, technology, absorption & foreign exchange earnings and outgo:**  
Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 has not been furnished as, the same is not applicable to the company during the year.
9. **Auditors:**  
The Auditors M/s J.H. Ghumara & Co. Chartered Accountants, Mumbai hold the office until the conclusion of ensuing Annual General Meeting. The Board of Directors has recommended their re-appointment as auditors for the year 2010-11. Your company has received the consent of auditor to be re-appointed as the auditor of the company, if made.
10. **Auditors Remarks:**  
Remarks in the auditors report are self explanatory and hence need no further clarification as it is also mention in notes to accounts.
11. **Directors:**  
In accordance with the provision of the Companies Act, 1956 Mr. Pradeep Joshi Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.  
Mrs. Daksha A Vora, director of the Company Resigned on 30<sup>th</sup> October, 2010. The Board placed their sincere appreciation for the services rendered by her during her tenure as director.  
  
Shri Vikram A Vora and Shri Ray Almeida were appointed as additional directors of the company under Section 260 of the companies act, 1956 holds their office up to this annual general meeting. Company has received notices from shareholders of the Company with requisite deposit of Rs. 500/- each for their appointment as directors of the Company. The resolution for their appointment as Director is proposed in the Notice of this Annual General Meeting for consideration of the Members of the Company.
12. **Corporate Governance:**  
A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

13. **Secretarial Audit Report:**

The Company has obtained compliance certificate from practicing company secretary under section 383A of the Companies Act, 1956 and is being form part of the Balance Sheet.

14. **Change of Registered Office:**

During the year the Company has shifted its registered office of the company from Lotepersuram, Ratnagiri to 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane - 401210.

15. **Appreciation:**

Your Board of Directors wishes to express its deep appreciation and gratuity to the bankers, shareholders and clients for their sustained support, without which the continuing progress of the company would not have been possible.

**FOR AVI PHOTOCHEM LIMITED**

Place: Mumbai  
Date: 04/09/2011

**AVINASH D VORA  
CHAIRMAN**

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31<sup>st</sup> March 2011.

### **INDUSTRY STRUCTURE, DEVELOPMENT:**

The Company is operating in 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India

### **PERFORMANCE**

The Company is doing trading business in chemicals. Company is looking for trying to explore the overseas market for its business.

### **SEGMENT-WISE PERFORMANCE:**

The Company is into trading in chemicals, bulk chemicals and photographic raw materials.

### **OPPORTUNITIES AND THREATS**

The fundamental growth drivers of the country's economy as well as our company continue to remain strong despite the pressures of slowdown and inflationary conditions prevalent till recently in the nation and also globally. The Chemical Industry in the country is continuously attracting investments from domestic and foreign investors.

The threats to the segments in which the company operates are volatility in Exchange rate, pricing pressure arising due to competition from low cost suppliers, technology upgradation, sever competition among competitor and newly emerging competitive nations and stricter environment laws. Further, the Indian economy is now integrated with the world economy to a very large extent and therefore vulnerable to the direct impact of such a slowdown; such an impact could adversely affect the Company's performance as well. Therefore, the company has decided to close down the manufacturing activity, concentrate on the trading, and look for other opportunities in the Export market.

### **STRENGTH**

The existing management has a strong technical knowledge and experience in the chemical business. Mr. Avinash Vora, Chairman and Executive Director is an entrepreneur and is having vast knowledge and expertise in handling various business including the business of the Company.

### **RISKS AND CONCERNS**

Your company is working essentially in global market place. Currently the MIDC is not able to provide the common Effluent Treatment plant which is necessary for the Manufacturing of the pigments and also necessary from the environment point of view, also the infrastructure provided at the MIDC like Water is not available and hence it causes a huge increase in manufacturing cost because of which we can not be competitive in the market.. However the capability of providing quality services, timely completing of projects and the excellent performance will provide the competitive edge to the Company's business in this sector.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations,



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### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has proper and adequate internal control system commensurate with the size of the business operations geared towards achieving efficiency in its various business operations,

safeguarding assets, optimum utilization of resources and compliance with statutory regulations. The management is ensuring an effective internal control system to safeguard the assets of the company. Efforts for continued improvement of internal control system are being consistently made in this regard.

**HUMAN RESOURCES VIS-À-VIS INDUSTRIAL RELATIONS**

The Company values and appreciates the dedication and drive with which its employees have contributed towards improved performance during the year under review. The industrial relations with workers at plant and officers are cordial during the year under review. All issues pertaining to staff matters are resolved in harmonious and cordial manner.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

**BY ORDER OF THE BOARD  
FOR AVI PHOTOCHEM LIMITED**

Place: Mumbai  
Date: 04-09-2011

Sd/-

**CHAIRMAN**

## CORPORATE GOVERNANCE REPORT

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India [SEBI] furnishes its report as under:

### 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE :

The company philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity in all facts of its operations, and in all its inceptions with its stakeholders, including shareholders, employees and the government. AVI Photochem Limited believes in enhancing shareholders value, over a period of time.

The company firmly believes in and has consistently practiced good corporate governance for the efficient conduct of its business and for meeting its obligations towards all its shareholders.

The company has tuned up its corporate governance practice so as to bring them in conformity with requirements of clause 49 of the listing agreement.

### 2. COMPOSITION OF BOARD OF DIRECTORS:

During the year the Board Meetings Held on 30/4/2010, 31/7/2010, 01-09-2010, 30/10/2010 and 31/1/2011.

Sr. No.	Name of the Director	Category of Director	No. of Board meetings attended	Attendance at the last AGM	No. of other directorship held	No. of committee / membership* held in other company
1	Avinash D Vora	Executive Chairman	5	Yes	1	Nil
2	Daksha A Vora @	Executive	4	Yes	1	Nil
3	Pradeep Joshi	Non-Executive Independent	5	Yes	Nil	Nil
4	Vikram A Vora *	Executive	1	Yes	Nil	Nil
5	Ray Almeida **	Non-Executive Independent	5	Yes	Nil	Nil

@ resigned on 30-10-2010

\*Appointed on 30-10-2010

\*\* ceased to be Director on 30th September 10 reappointed on 30th October 2010

\* Only Remuneration Committee, Shareholders / Investors Grievance Committee and Audit Committee are considered for the purpose.

The information required to be given for the Directors seeking reappointment at the Annual General Meeting as per clause 49 (VI) is as under:

Name of the Director	Mr. Pradeep Joshi
Father Name	Mr. Himatlal Joshi
Date of Birth	10/02/1955
Date of Appointment	06/12/1990
Qualification	BSc
Name of the Companies in which he is a director other than AVI PHOTOCHEM LIMITED	Nil
Specific functional Areas	He has rich experience in field of Invest, Finance and Industry Matters
Name of the Director	Mr. Vikram A Vora
Father Name	Mr. Avinash D Vora
Date of Birth	05/08/1979
Date of Appointment	30 <sup>th</sup> October 2010
Qualification	BE, MBA
Name of the Companies in which he is a director other than AVI PHOTOCHEM LIMITED	Nil
Specific functional Areas	He has a qualification and caliber to lead the management team
Name of the Director	Mr. Ray Almeida
Father Name	Mr. Conception B. Almeida
Date of Birth	05/06/1961
Date of Appointment	30th October 2010
Qualification	BSc
Name of the Companies in which he is a director other than AVI PHOTOCHEM LIMITED	Nil
Specific functional Areas	He has rich experience in field of administration and chemical formulations

### 3. **AUDIT COMMITTEE:**

The company has constituted audit committee consisting of Shri Ray Almeida (Chairman), Shri Pradeep Joshi and Shri Avinash D Vora

The terms of reference are as specified in Section 292A of the Companies Act, 1956 and clause 49 of the Listing agreement. During the year the committee met on 30/4/2010, 31/7/2010, 04-09-2010, 30/10/2010 and 31/1/2011.

Sr. No.	Name of the Director	Category of Director	No. of Board meetings attended	Attendance at the last AGM	No. of other directorship held	No. of committee / membership* held in other company
1	Ray Almeida	Chairman	5	Yes	1	Nil

2	Pradeep Joshi	member	5	Yes	1	Nil
3	Avinash D Vora	member	5	Yes	Nil	Nil

The minutes of the Audit committee are circulated to the Board members.

4. **REMUNERATION COMMITTEE:**

The remuneration committee consists of Shri Ray Almeida (Chairman), Shri Pradeep Joshi and Shri Avinash D Vora

Since there was no proposal for the enhancement of remuneration of Directors, the committee did not meet any time during the year.

The remuneration committee has been constituted to recommend / review the remuneration package of the Managing / Whole time Director based on the performance and defined criteria. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is consistent with the industry practice.

5. **SHAREHOLDERS COMMITTEE:**

The Shareholders committee consists of Shri Ray Almeida (Chairman), Shri Pradeep Joshi and Shri Avinash D Vora

Sr. No.	Name of the Director	Category of Director	No. of Board meetings attended	Attendance at the last AGM	No. of other directorship held	No. of committee / membership* held in other company
1	Ray Almeida	Chairman	5	Yes	1	Nil
2	Pradeep Joshi	member	5	Yes	1	Nil
3	Avinash D Vora	member	5	Yes	Nil	Nil

Name and Designation of the Compliance Officer: **Shri Avinash D Vora**,

Executive Chairman

During the year under the review no investor's complaints was received.

**6. GENERAL BODY MEETINGS:**

The date, time and venue of last three annual general meetings are as follow:

YEAR	LOCATION	DAY & DATE	TIME
2009- 2010	Lote Parshuram Ratnagiri 415 709	Thursday 30 <sup>th</sup> September, 10	10.00 A.M.
2008 - 2009	Lote Parshuram Ratnagiri 415 709	Wednesday 30 <sup>th</sup> September, 09	11.30 A.M.
2007 - 2008	Lote Parshuram Ratnagiri 415 709	Tuesday 30 <sup>th</sup> September, 08	11.30 A.M.

(ii) The particulars of Extra-Ordinary General Meetings held during the last three years are as under:

Year	Date and Time	Resolution Passed
2010	30.11.2010 at 11.00 A.M.	Change of Registered office from Lotepersuram, Ratnagiri to 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist Thane
2009	-- N.A.--	-- N.A.--
2008	-- N.A.--	-- N.A.--

(iii) No special resolution was put at vote during the last three AGM.

(iv) No resolution was proposed to be passed through postal ballot. No resolution is propose to pass through postal ballot at this annual general meeting.

No special resolution was put at vote during the last three AGM.

No resolution was proposed to be passed through postal ballot. No resolution is propose to pass through postal ballot at this annual general meeting.

**7. CODE OF CONDUCT**

The Board of Directors has already adopted the Code of Ethics and Business Conduct for the Directors and Senior Management personnel. This code is a comprehensive code applicable to all Directors, Executive as well as Non – executive and members of the Senior Management. The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration given by the Managing Director and CEO is given below:

The Company has obtained from all the members of the Board and Senior Management Personnel of the Company, affirmation that they have complied with the Code of Ethics and

Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2010 – 2011.

Sd/-  
Avinash D Vora  
Chairman

Subsidiary Company: The Company does not have any subsidiary company.

**8. SHAREHOLDERS INFORMATION:**

(i)	Annual General Meeting Date, Time and Venue	Friday Date : 30 <sup>th</sup> September 2011 Time: 11.00 A.M. Venue : Registered Office
(ii)	Financial Calendar Year	1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011
(iii)	Date of Book Closure	29 <sup>th</sup> September 2011 to 30 <sup>th</sup> September 2011 ( both days inclusive )
(iv)	Dividend Payment Date	Not applicable
(v)	ISIN No. for ordinary shares of the company in Demat form	NOT ALLOTTED
(vi)	Registered Office	110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India
(vii)	Registrar and Transfer Agent	System Support Services 209, Shivai Industrial Estate 89 Andheri Kurla Road, Saki Naka, Andheri East, Mumbai 400 072
(viii)	Plant Locations	Not applicable
(ix)	Investor Correspondence	110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India
(x)	Means of Communication	The company sends its quarterly results to Stock Exchanges.
(xi)	Any Website where it displays official releases	www.aviphoto.in
(xii)	Any presentation made to the institutional investor and analyst	No
(xiii)	Is half yearly report sent to the shareholders	No.
(xiv)	Whether Management Discussion and Analysis is a part of this report	Yes
(xv)	Share Transfer System	The work of physical share transfer is handled by Registrar and Transfer Agent. Physical share transfers are normally processed within a period of 25 – 30 days.
(xvi)	Listing and Stock Code	Bombay Stock Exchange ( <b>suspended</b> ) Scrip Code No 523896 : AVIPHOT Ahmadabad Stock Exchange New Delhi Stock Exchange
(xvii)	The name and address of Stock Exchanges where Company is listed	1. Stock Exchange, Ahmadabad, First Floor, Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmadabad –380 015

		2. The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
		3. Delhi Stock Exchange Assoc. Ltd Asaf Ali Road, Near Turkman Gate New Delhi - 110006.

(xviii) Distribution of Shareholdings :as on 31-03-2011

From	To	No. of Shareholders	%	No. of Shares held	%
0	5000	13632	96.62	1960821	56.34
5001	10000	312	2.21	269000	7.73
10001	20000	131	0.93	200100	5.74
20001	30000	24	0.17	59700	1.72
30001	40000	9	0.06	32500	0.94
40001	50000	10	0.07	84800	2.44
50001	100000	8	0.06	216300	6.22
100000 & Above		3	0.02	656852	18.87
TOTAL		14109	100.00	3480076	100.00

Shareholding Pattern as on 31.03.2011

Categories of Shareholders	Resident	Non-Resident	% of Shareholding
Promoters	836476	---	24.04
Corporate Bodies	8100		0.23
Indian Public	2403500		69.06
NRI/ OCR's	232000		6.67
Total	3480076	-	100.00

9. DISCLOSURES:

- 1) Listing Fees: As disclosed in the Directors Report.
- 2) Outstanding GDR/ADR/ Warrants or any Convertible instruments, Conversion date and likely impact on equity:  
Your Company has not issued any outstanding GDR/ADR/Warrants or any other convertible instruments.
- 3) Disclosure on materially significant related party transactions: There have been no materially related party transactions adversely affecting the interest of the company.
- 4) Details of Non - Compliance by Your Company, penalties imposed on your company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets: During the year under the review there was no penalty imposed on the company by SEBI or any Stock Exchange or any other authorities on any matter related to the capital markets.
- 5) Query on Annual Report: 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India

Date : 04/09/2011

Place: Mumbai

By Order of the Board of Directors

Sd/-

Avinash D Vora  
Chairman



**DECLARATION ANNUAL DECLARATION BY DIRECTOR PURSUANT TO CLAUSE  
49 (i) (d) (ii) OF THE LISTING AGREEMENT**

I Avinash D Vora As the Director of AVI PHOTOCHEM LIMITED and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I, Avinash D Vora As the Director, hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2010 -11

**Place: Mumbai**

**Date: 04/09/2011**

**Sd/-**

**Avinash D Vora  
Chairman**

## CEO/ CFO CERTIFICATE

I, Avinash D Vora as the Chairman of AVI PHOTOCHEM LIMITED, to The best of our knowledge and belief certify that:

I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement.

Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made.

Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company's affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations and full explanation has been given for any material departure in compliance of Accounting Standards.

To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or volatile of the Company's Code of Conduct.

I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

I have disclosed, based on their most recent evaluation , wherever applicable, to the Company's Auditors and the Audit Committee of the Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any , of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company's internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

**Place: Mumbai**  
**Date: 04/09/2011**

Sd/-  
Avinash D Vora  
Chairman

## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
AVI PHOTOCHEM LIMITED

We have examined the compliance of the conditions of corporate governance by AVI PHOTOCHEM LIMITED for the year ended on 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the listing agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management we certify that the company has complied with the conditions of the listing agreement as stipulated by the above mentioned Listing agreement. *But however during the year no Company Secretary and hence the constitution of the audit committee and other committees as required by Clause 49 of the Listing agreement is subject to this fact.* We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by Investors/ Shareholders Grievance 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 J H Ghumara & Co  
CHARTERED ACCOUNTANTS

Place: MUMBAI  
Date: 04/09/2011

Sd/-

(J H Ghumara)  
PROPRIETOR  
M.SHIP NO. 14320

## AUDITORS' REPORT

1. We have audited the accompanying balance sheet of **AVI PHOTOCHEM LIMITED** as at 31<sup>st</sup> March, 2011 and the statements of profit and loss for the year ended, prepared in conformity with accounting principles generally accepted in India. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have 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 test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph (3) above:
  - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 4.2 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 these books.
  - 4.3 In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting standards referred to in Section 211(3C) of the Companies Act, 1956.
  - 4.4 The Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the books of account.
  - 4.5 On the basis of the written representation received from the directors, as on 31<sup>st</sup> March, 2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on

31<sup>st</sup> March, 2011 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

4.6 In our opinion and to the best of our information and according to the explanations given to us, Balance Sheet and the Profit and Loss Account read with the Notes thereon, give the information required by the Companies Act, 1956, Subject to non compliance of :

- (ii) a. Non-appointment of full time Company Secretary Refer Note No.11 of notes annexed to and forming parts of Accounts),
- b. Non-disclosure of creditors of Small Scale Industries (Refer Note 19 of notes annexed to and forming parts of Accounts)

4.7 In so far as it relates to Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2011 in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011; and
- (ii) in the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date.

**For and on behalf of  
J.H. Ghumara & Co.  
Chartered Accountants**

Sd/-  
( J.H. Ghumara )  
Proprietor  
Mumbai  
Membership No: 14320  
Dated: 4<sup>th</sup> September, 2011

**ANNEXURE TO THE AUDITORS REPORT OF AVI PHOTOCHEM LIMITED  
YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

(Referred to in paragraph (3) of our report of even dated)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all fixed assets.
- (b) According to the information and explanation provided to us, fixed assets have been physically verified by the management at reasonable intervals during the year. As informed to us by the management, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanation provided to us, none of the fixed assets have been sold during the year.
- (ii) (a) Physical Verification was conducted by the management at reasonable intervals during the year in respect of finished goods, semi-finished goods and raw material.
- (b) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The discrepancies noticed on verification between the physical stock and the book records were not material and the same have been properly dealt within the books of accounts.
- On the basis of our examination of the stock records, we are of the opinion that there has been a contravention of Accounting Standard 2 (Revised) "Valuation of Inventories" regarding the valuation of stock. However, the same will not have much material impact on the loss.
- (iii) (a) According to the records of the Company and according to the information and explanation given to us, the Company has not granted/taken any loans to the companies, firms or other parties listed on the register maintained u/s 301 and to companies under same management.
- (b) The company has taken interest free Unsecured Loans from the directors & those amounts are in nature of current account. However, the terms are not prejudicial to the company.
- (c) There is no stipulation of payment in case of loans given or taken.
- (d) This clause is not applicable in view of (iii) (a).
- (iv) In our opinion and according to the information and explanation provided to us, the company has no adequate internal control in commensurate with the size and nature of the business in respect of fixed assets, purchase of inventory or sale of inventory.
- (v) (a) In our opinion and according to the information and explanations given to us, the transactions during the year that need to be entered into Register maintained under Section 301 of the Companies Act, 1956 has been entered.

- (b) In our opinion and according to the information and explanations provided to us each of these transactions have been made at the prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the act and the rules formed there under for acceptance of deposits. But no interest has been provided for the same.
- (vii) The Company is not having any internal audit system.
- (viii) This clause is not applicable as no Cost Records have been prescribed under section 209(1)(d) of the Companies Act, 1956 that are required to be maintained by the Company.
- (ix) (a) According to the information and explanation given to us and books and records examined by us there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty and Excise Duty Except undisputed liabilities  
(b) There are no dues of Wealth tax/Custom Duty/Excise Duty/Cess that have not been deposited on account of any dispute.
- (x) The Company has accumulated losses at the end of the current financial year exceeding fifty percent of its net worth. The Company has suffered cash losses in the its immediately preceding Financial Year.
- (xi) The Company has not obtained any funds from Financial Institutions or has not raised money by issue of debentures. Hence, the clause is not applicable with regards to Financial Institutions and Debenture Holders.
- (xii) The Company has not granted any loans or advances in the nature of loans on the basis of security by way of pledge of any shares, debentures or other securities. Therefore this clause is not applicable
- (xiii) The Company is neither chit fund nor a nidhi/ mutual benefit fund/ society. Thus the provisions of any special statute applicable to chit fund are not applicable to the Company.  
(a) The clause is not applicable in view of para (xiii).  
(b) The clause is not applicable in view of para (xiii).  
(c) The clause is not applicable in view of para (xiii).  
(d) The clause is not applicable in view of para (xiii).
- (xiv) According to the information and explanations provided to us and on the basis of audit procedure the Company does not deal or trade in shares, securities, debentures and other investments. Thus, further provisions in respect of these transactions are not applicable to the Company and hence no further comments are issued under this clause.
- (xv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

- (xvi) On the basis of audit procedure and according to the information and explanations given to us, the Company has not taken any term loans during the year and therefore this clause is not applicable.
- (xvii) Company has not raised any funds during the year therefore this clause is not applicable.
- (xviii) As informed by the management, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- (xix) The Company has not issued any Debentures. Thus, there is no need for creation of any security.
- (xx) The Company has not raised money through public issue. Accordingly, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xxi) According to the information and explanation given to us, no frauds on or by the Company have been noticed or reported during the period under audit.

**For and on behalf of  
J.H . Ghumara & Co.  
Chartered Accountants  
Firm Registration No: 103185W**

**Sd/-**

**( J.H. Ghumara )  
Proprietor  
Mumbai  
Membership No: 14320  
Dated: 4<sup>th</sup> September, 2011**



**AVI PHOTOCHEM LIMITED**  
Balance Sheet as at 31st March, 2011

SOURCES OF FUNDS	Sch	As At	As At
		31-03-2011 Rs.	31-03-2010 Rs.
<b>SHAREHOLDER'S FUNDS :</b>			
1. Share Capital	1	34,800,760.00	34,800,760.00
2. Reserves & Surplus	2	2,807,300.00	2,807,300.00
		<u>37,608,060.00</u>	<u>37,608,060.00</u>
<b>LOAN FUNDS :</b>			
3. Secured Loans	3	20,573,762.46	20,573,762.46
4. Unsecured Loans	4	4,186,439.01	4,186,439.01
		<u>24,760,201.47</u>	<u>24,760,201.47</u>
<b>TOTAL</b>		<u><b>62,368,261.47</b></u>	<u><b>62,368,261.47</b></u>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets :</b>			
Gross Block	5	19,077,114.58	19,077,114.58
Less: Depreciation		<u>14,652,783.58</u>	<u>13,895,793.91</u>
Net Block		4,424,331.00	5,181,320.67
<b>2. Current Assets, Loans and Advances :</b>			
Inventories	6	13,893,881.38	14,440,110.12
Sundry Debtors	7	7,261,782.16	8,109,169.05
Cash & Bank Balance	8	167,347.42	8,601.31
Loans & Advances	9	<u>1,482,901.56</u>	<u>1,607,201.56</u>
	<b>A</b>	22,805,912.52	24,165,082.04
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	<u>2,128,455.33</u>	<u>3,772,671.22</u>
	<b>B</b>	2,128,455.33	3,772,671.22
<b>Net Current Assets</b>	<b>(A-B)</b>	20,677,457.19	20,392,410.82
4. Profit & Loss Account (Debit Balance)		37,266,473.28	36,794,529.98
<b>TOTAL</b>		<u><b>62,368,261.47</b></u>	<u><b>62,368,261.47</b></u>

Notes to Accounts :

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As per our Report of even date  
For and on Behalf of  
**J. H. Ghumara & Co.**  
Chartered Accountants  
Sd/-  
(J. H. Ghumara)  
Proprietor  
Membership No. : 14320  
Mumbai, Dated: 4th September, 2011

For Avi Photochem Ltd

Sd/- Sd/-  
(Avinash D. Vora) (Vikram A. Vora)  
Director Director

**AVI PHOTOCHEM LIMITED**  
**Profit and Loss Account for the Year Ended 31st March, 2011**

		31-03-2011	31-03-2010
		Rs.	Rs.
<b>INCOME:</b>			
Sales		1,620,000.00	-
Other Income		715,191.44	-
Increase/ Decrease in Stocks	12	<u>(146,230.17)</u>	-
		<u>2,188,961.27</u>	<u>-</u>
<b>EXPENDITURE:</b>			
Cost of Goods Sold	13	1,527,174.57	-
Raw Material Consumed	14	-	-
Direct Expenses		-	-
Administrative & Selling Expenses	15	376,740.33	50,193.62
Depreciation		<u>756,989.67</u>	<u>745,442.11</u>
		<u>2,660,904.57</u>	<u>795,635.73</u>
<b>Profit/(Loss) before Tax</b>		(471,943.30)	(795,635.73)
Less: Provision for Taxation			<u>527,720.00</u>
<b>Profit/(Loss) after Tax</b>		(471,943.30)	(1,323,355.73)
Add : Balance Brought Forward		<u>(36,794,529.98)</u>	<u>(35,471,174.25)</u>
<b>Balance Carried to Balance Sheet</b>		<u>(37,266,473.28)</u>	<u>(36,794,529.98)</u>

Notes to Accounts

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As per our Report of even date  
For and on Behalf of  
**J. H. Ghumara & Co.**  
Chartered Accountants  
  
**(J. H. Ghumara)**  
Proprietor  
Membership No. : 14320  
Mumbai, Dated: 4th September, 2011

For AvI Photochem Ltd

Sd/- Sd/-  
(Avinash D. Vora) (Vikram A. Vora)  
Director Director

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

<b>SCHEDULES</b>	As at 3/31/2011 Rs.	As at 3/31/2010 Rs.
<b>Schedule 1 : Share Capital :</b>		
Authorized :		
35,00,000 Equity Shares of Rs.10/- each	<u>35,000,000.00</u>	<u>35,000,000.00</u>
Issued, Subscribed & Paid Up :		
34,80,076 Equity Shares of Rs.10/- each fully paid up		
[Out of the above 18,746 Equity Shares of Rs.10/- each issued as fully paid bonus shares by capitalisation of General Reserve ]	<u>34,800,760.00</u>	<u>34,800,760.00</u>
<b>Schedule 2: Reserves &amp; Surplus :</b>		
1 Capital Reserve (Subsidy)		
Opening Balance	2,807,300.00	2,807,300.00
Add : Additions during the Year	-	-
Closing Balance	<u>2,807,300.00</u>	<u>2,807,300.00</u>
<b>Schedule 3 : Secured Loans :</b>		
From Bank of Baroda:		
a Term Loan :		
(Secured against equitable mortgage of land at Plot No.B-14,M.I.D.C.,Parsuram Lote, Dist.Ramagiri and factory building constructed thereon and hypothecation of entire Plants, Machinery and Equipments both present and future and personal guarantee of all the Directors.)	1,576,759.48	1,576,759.48
b Cash Credit		
(Secured against Hypothecation of Raw Materials, Semi Finished & Finished Goods)	16,411,912.09	16,411,912.09
c Book Debts		
(Secured against debtors)	1,500,000.00	1,500,000.00
d Packing Credit		
(Secured against letter of credit received against export orders)	1,085,090.89	1,085,090.89
	<u>20,573,762.46</u>	<u>20,573,762.46</u>

AVI PROTOCHEM LIMITED

Schedule 5: Fixed Assets

NAME OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	Additions	Deductions	As at	Upto	On	Upto	As at	As at	
	31.03.2010			31.03.2011	31.03.2010	Deduction	For the Year	31.03.2011	31.03.2011	
1. Lease Hold Land	463,018.96	-	-	463,018.96	10,100.04	-	505.00	10,605.04	452,413.92	452,918.92
2. Factory Building	4,200,742.15	-	-	4,200,742.15	2,406,990.68	-	140,304.69	2,547,295.37	1,653,446.78	1,793,751.47
3. Plant & Machinery	11,895,531.22	-	-	11,895,531.22	9,150,314.02	-	565,037.73	9,715,351.75	2,180,179.47	2,745,217.20
4. Electrical Installation	863,652.75	-	-	863,652.75	859,736.62	-	3,916.13	863,652.75	-	3,916.13
5. Fire Extinguisher	1,710.00	-	-	1,710.00	1,710.00	-	-	1,710.00	-	-
6. Cycle	4,710.00	-	-	4,710.00	4,710.00	-	-	4,710.00	-	-
7. Computer	423,319.00	-	-	423,319.00	423,319.00	-	-	423,319.00	-	-
8. Typewriter	23,761.00	-	-	23,761.00	19,826.74	-	1,128.65	20,955.39	2,805.61	3,934.26
9. Furniture & Fixture	390,860.50	-	-	390,860.50	383,229.07	-	7,631.43	390,860.50	-	7,631.43
10. Pollution Control Equip.	461,782.00	-	-	461,782.00	365,983.71	-	21,934.75	387,918.46	73,863.54	95,798.29
11. Air Conditioner	93,114.00	-	-	93,114.00	70,851.11	-	4,422.92	75,374.01	17,739.99	22,162.89
12. Fax Machine	72,000.00	-	-	72,000.00	62,136.00	-	3,420.00	65,556.00	6,444.00	9,864.00
13. Office Equipment	174,413.00	-	-	174,413.00	130,966.21	-	8,284.62	139,250.83	35,162.17	43,446.79
14. Television	8,500.00	-	-	8,500.00	5,820.73	-	403.75	6,224.48	2,275.52	2,679.27
<b>Total</b>	<b>19,077,114.58</b>	<b>-</b>	<b>-</b>	<b>19,077,114.62</b>	<b>13,895,793.89</b>	<b>-</b>	<b>756,989.67</b>	<b>14,652,783.58</b>	<b>4,424,331.00</b>	<b>5,181,320.67</b>
<b>Previous Year</b>	<b>19,077,114.62</b>	<b>-</b>	<b>-</b>	<b>19,077,114.62</b>	<b>13,150,351.80</b>	<b>-</b>	<b>745,442.11</b>	<b>13,895,793.89</b>	<b>5,181,320.73</b>	<b>5,181,320.67</b>

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

**Schedule 4 : Unsecured Loans :**

a Fixed Deposit :		
From Directors	300,000.00	300,000.00
From Others	267,500.00	267,500.00
b From DCKL by way of Sales Tax deferment	2,411,526.00	2,411,526.00
c Directors Current Account	1,207,413.01	1,207,413.01
	<u>4,186,439.01</u>	<u>4,186,439.01</u>

**Schedule 6 : Inventories :**

(As taken valued & certified by management)

Raw Materials	928,481.38	928,481.38
Packing Materials	-	121,991.67
Finished Goods	12,965,400.00	13,365,398.57
Fuel (L.D.O.)	-	24,238.50
	<u>13,893,881.38</u>	<u>14,440,110.12</u>

**Schedule 7 : Sundry Debtors :**

(Unsecured & Considered good)

Less than Six Months	623,800.00	-
More than 6 months	6,637,982.16	8,109,169.05
	<u>7,261,782.16</u>	<u>8,109,169.05</u>

**Schedule 8 : Cash & Bank Balances :**

Cash on hand	151,269.00	2,836.75
Balances with Scheduled Banks:		
In Current Accounts	16,078.42	5,764.56
	<u>167,347.42</u>	<u>8,601.31</u>

**Schedule 9 : Loans & Advances :**

(Unsecured & Considered good)

Advances recoverable in cash or in kind or for

value to be received :

Deposits with Government	203,354.70	203,354.70
Advance against Material	-	124,300.00
Deposits with Others	1,279,546.86	1,279,546.86
Advance tax	-	-
	<u>1,482,901.56</u>	<u>1,607,201.56</u>

**Schedule 10 : Current Liabilities :**

Sundry Creditors for Goods	1,183,555.33	2,820,096.22
Sundry Creditors for Expenses	9,000.00	106,225.00
Advances from Debtors	-	-
Other Liabilities	935,900.00	846,350.00
Book Overdrafts	-	-
	<u>2,128,455.33</u>	<u>3,772,671.22</u>

**Schedule 11: Provisions :**

Provision for Taxation	-	-
	<u>-</u>	<u>-</u>

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

**Schedule 12 : Increase/ Decrease in Stocks :**

Closing Stock :		
LDO	-	24,238.50
Packing Material	-	121,991.67
	-	146,230.17
Opening Stock :		
LDO	24,238.50	24,238.50
Packing Material	121,991.67	121,991.67
	146,230.17	146,230.17
	(146,230.17)	-

**Schedule 13 : Cost Of Goods Sold :**

Opening Stock of Finished Goods	13,365,398.57	13,365,398.57
Add : Purchases	1,127,176.00	-
	14,492,574.57	13,365,398.57
Less : Closing Stock of Finished Goods	12,965,400.00	13,365,398.57
	1,527,174.57	-

**Schedule 14 : Raw Material Consumed :**

Opening Stock of Raw Material	928,481.38	928,481.38
Add : Purchases	-	-
	928,481.38	928,481.38
Less : Closing Stock of Raw Material	928,481.38	928,481.38
Cost of Raw Material Consumed	-	-

**Schedule 15 : Administrative & Selling Expenses :**

Audit Fees	9,000.00	9,000.00
AGM Expenses	14,000.00	8,000.00
Bank Charges	247.58	60.67
BSE Listing Fees	25,051.00	-
Postage & Telegraph	72,941.00	-
Printing & Stationery	40,000.75	-
Professional Fees	20,000.00	-
Registration & Transfer Agent Fees	25,000.00	-
ROC Filing Fees	74,500.00	-
Sundry Balances w/off	-	33,132.95
Salaries and Wages	96,000.00	-
	376,740.33	50,193.62

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

**Schedule 16 : Notes Forming Part Of Accounts :**

**I Significant Accounting Policies:**

**A Basis of preparation of Financial Statements:**

- a The Financial Statements have been prepared under the historical cost convention in which the Accounting Standards specified to be mandatory by the Institute of Chartered Accountants of India and the provisions of Companies Act 1956.
- b Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.
- c Contingent liabilities, if any are taken as certified by the management and are disclosed separately in the notes to accounts.

**B Fixed Assets and Depreciation :**

- a Fixed Assets are stated at cost of acquisition/construction less accumulated depreciation.
- b Depreciation has been provided in the accounts on straight line at the rates provided in Schedule XIV of the Companies Act, 1956.
- c The Leasehold Land has been obtained from Maharashtra Industrial Development Corporation for a term of 95 years. The cost of the Leasehold land has been amortised over the Balance period of the Lease and is included in Depreciation.

**C Inventories:**

- a Raw Materials are valued at cost.
- b Manufactured speciality chemicals are valued at net realisable value, other finished goods and semi finished goods have been valued at lower of cost or net realisable value. Cost is computed on reverse method i.e. net realisable value less estimated percentage of Profit.

There has been contravention of Accounting Standard 2 (Revised) "Valuation of Inventories". Quantification of the same is not possible since the cost of purchase, costs of conversion and other costs cannot be derived as most of the items in stock consists of opening stock.

- D Revenue & Expenses : All income and expenditure items unless otherwise stated are recognised on accrual basis. Material known liabilities are provided for on the basis of available information / estimates. Material items of prior period expenses, non recurring and extra ordinary expenses are disclosed separately.

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

**Schedule 16 : Notes Forming Part Of Accounts (Cont'd) :**

**E Sales :**

- 1 Sales excludes Sales Tax.
- 2 No managerial remuneration or sitting fees have been paid to or provided for any directors of the company.
- 3 Previous years figures are regrouped and rearranged wherever necessary.
- 4 Out of the loans and advances given, advance amount of Rs. 11,29,547.00 is doubtful of recovery and no provision is made for those advance.
- 5 In the opinion of the Board, the Current Assets, Loans and Advances (Except mentioned in Note No.4 above) are approximately of the value stated, if realised in ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amounts reasonably necessary. No personal expenses have been debited to the Profit and Loss Account.
- 6 Sundry Debtors, Creditors, Loans, Advances are subject to confirmation and reconciliation, if any.

7 Contingent Liabilities not provided for:	31-03-2011	31-03-2010
	(Rs. in Lakhs)	(Rs. in Lakhs)
a Estimated amount of contract to be executed on capital account and not produced for	NIL	NIL
b Letter of Credit opened in favour of the Company.	NIL	NIL
c Guarantee given on behalf of the Company.	NIL	0.10
d Bills Discounted with the Bank	NIL	NIL
e Disputed Income Tax liability pending in appeal	NIL	6.40
f Disputed Sales Tax	NIL	3.25
g Disputed Excise Duty	NIL	NIL
h Custom Duty on goods lying in custom bonded warehouse as at year end	NIL	0.86
i Excise Duty on goods lying in bonded warehouse as at year end	NIL	5.21



**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

Schedule 16 : Notes Forming Part Of Accounts (Cont'd) :

8 The Company does not have a full time Company Secretary as required under Section 383A of the Companies Act, 1956. The Company is taking necessary steps to comply with the same.

9 Debts due by company in which Director is interested:	As At	Maxi.	As At	(Rupees in Lakhs)
	31.03.2011	Amt. Outstdg.	31.03.2010	Maxi Amt. Outstdg.
a Advances includes Advances/Deposits given to a firm in which Directors are interested.	8.00	8.00	8.00	8.00
b Debts due by firm/ company in which Directors are interested.	58.86	58.86	73.09	73.09

10 Details in respect of Traded/Manufactured Items :

a Item	Opening Stock Value	Purchases Value	Turnover Value	Closing Stock Value
1 Organic Chemicals	4,847,895 (4,847,895)	1,127,176 (NIL)	1,620,000 (NIL)	4,447,897 (4,847,895)
2 Formulations	2,069,816 (2,069,816)	NIL (NIL)	NIL (NIL)	2,069,816 (2,069,816)
3 Cameras, Equipments	3,165,068 (3,165,068)	NIL (NIL)	NIL (NIL)	3,165,068 (3,165,068)
4 Specialty chemicals	3,282,619 (3,282,619)	NIL (NIL)	NIL (NIL)	3,282,619 (3,282,619)

It is not possible to give quantitative details as different items are expressible in different measurement units.

**AVI PHOTOCHEM LIMITED**

Schedules attached to and forming part of Accounts as at 31st March, 2011

Schedule 16: Notes Forming Part Of Accounts (Cont'd) :

b Quantitative Information of production

1 Details regarding licensed and installed capacity are as follows:

	2010-2011	2009-2010
Organic, inorganic chemical and formulation		
Licensed Capacity	Not Applicable	Not Applicable
Installed Capacity	1,800 MT	1,800 MT

2 Total Production:

Organic, Inorganic and Formulations	In Kgs/Lt/Kit	NIL	NIL

11 Last year company's factory was closed and no manufacturing activity was carried out.

12 Due to non payment of dues Maharashtra State Electricity Board has disconnected the power supply from 7th December, 1998.

13 A debt Recovery suit u/s 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 has been filed against the Company by Bank of Baroda for non-payment of the dues amounting to Rs.21,419,597.46/- and the matter is pending in appeal. The suit has been filed for the sum outstanding along with current and future interest and other reliefs.

The company has also not made any provision for interest on any other bank certificates which are outstanding and the same are not quantifiable.

The company is pursuing the matter with Bank of Baroda for settlement.

14 As per Accounting Standard 22- Taxes on Income issued by ICAI, working of Deferred Tax Asset/(Liability) is as under:Deferred Tax Asset and Liabilities are attributable to the following items:

	31.3.11	31.3.10
<b>Deferred Tax Liabilities:</b>		
Depreciation	1,160,536	1,164,110
	<u>1,160,536</u>	<u>1,164,110</u>
<b>Deferred Tax Assets:</b>		
Unabsorbed depreciation	1,583,001	644,887
Unabsorbed Business Loss	886,520	886,520
Unabsorbed Capital Loss	-	134,921
	<u>2,469,521</u>	<u>1,666,328</u>
<b>Net Deferred Tax Asset</b>	<u>1,308,985</u>	<u>502,218</u>

Since there is no virtual or reasonable certainty with the convincing evidence that future taxable income will be available against which such deferred tax asset can be realised, deferred tax asset is not recognised in the books as required by the paragraph 15 and 17 of Accounting Standard 22 issued by ICAI.

**AVI PHOTOCHEM LIMITED**

110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India

**ATTENDANCE SLIP**

Annual General Meeting -30<sup>th</sup> September 2011

I / We hereby record my / our presence at the TWENTY SECOND ANNUAL GENERAL MEETING of the Company held 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India Maharashtra on, Friday 30<sup>th</sup> September 2011 at 10:00 a.m.

Full Name of member \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Client ID No. \_\_\_\_\_ D. P. ID No. \_\_\_\_\_

Full Name of Proxy \_\_\_\_\_

Member's / Proxy's Signature \_\_\_\_\_

Note: A Shareholder / Proxy wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly filled and signed.

----- **TEAR HEAR** -----

**AVI PHOTOCHEM LIMITED**

Regd. Office: -----

DP ID	
Client ID	

PROXY FORM

Registered Folio No.	
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I / We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member / Members of the above named Company, hereby appoint Shri. / Smt. \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_ as my / our Proxy to attend and vote for me / us and on my / our behalf at the ANNUAL GENERAL MEETING of the Company to be held on Friday, 30<sup>th</sup> September 2011 at 10:00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_

Affix Rs.  
1/-,  
Revenue  
Stamp  
Signature

Note: The Proxy must be deposited at the Registered Office at 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India Maharashtra, and not less than FORTY EIGHT HOURS before the time fixed for holding this Meeting.

**BOOK-POST  
PRINTED MATTER**

If, undelivered please return to:

**AVI PHOTOCHEM LIMITED**

110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane, Pin 401210, India