

AVI PHOTOCHEM LIMITED

REGD OFFICE:

B-14, Lote Parsuram Indl Area,
M.I.D.C, Ratnagiri – 415709

ACCOUNTS OF THE YEAR ENDED 31ST MARCH 2008

AUDITORS
J.H.GHUMARA & CO.
CHARTERED ACCOUNTANTS
B-14, Jessika, Natakula Lane
S.V Road, Borivali (West)
Mumbai 400092

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of Avi Photochem Limited will be held on Saturday, the 30th day of September, 2008 at 11.30 A.M. at B-14, Lote Parsuram Indl Area, M.I.D.C, Ratnagiri - 415709. 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 31st March, 2008.
2. To appoint a Director in place of Mr. Dhirajlal Amidas Vora, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Place: Mumbai
Date: 04/09/2008



CHAIRMAN

Notes:

1. A member is entitled to attend and vote is entitled to appoint Proxy to attend and vote instead of himself and the proxy need not be member of the Company.
2. Proxy forms in order to be effective must be received by the company not less than 48 hours before the meeting.

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DIRECTORS REPORT

To
The Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report of the company with the audited statement of accounts for the year ended 31st March, 2008.

1. **Financial Results:**

	2007-08	2006-2007
Sales	Nil	Nil
Other Income	Nil	26,009
Net Profit / (Loss) for the year	(13,65,984.31)	(14,92,421.06)

2. **Working Results:**

During the year, the company has incurred loss of Rs.13,65,984.31 (Previous Year Rs. 14,92,421.06).

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 31st March 2008 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 2007-08. 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.

11. ***Directors:***

In accordance with the provision of the Companies Act, 1956 Mr. Dhirajlal Amidas Vora Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

12. ***Appreciation:***

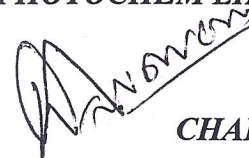
Your Board of Directors wishes to express its deep appreciation and gratuity to the bankers, shareholders and clients for their sustained support, without which the continuing progress of the company would not have been possible.

13. ***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.

FOR AVI PHOTOCHEM LIMITED

Place: Mumbai
Date: 04/09/2008



CHAIRMAN

AUDITORS' REPORT

1. We have audited the accompanying balance sheet of **AVI PHOTOCHEM LIMITED** as at 31st March, 2008 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, Subject to, Non Compliance of :
 - a. Interest Income on sticky Loan (Refer Note 4 of Notes annexed to and forming part of Accounts)
 - b. Excise Duty (Refer Note 1.F of notes annexed to and forming parts of Accounts)
 - c. Custom Duty Refer 1.G of notes annexed to and forming parts of Accounts) and subject to valuation of inventory not complying with the provision of Accounting Standard 2 (Revised) (Refer Note 1.c)
 - 4.4 The Balance Sheet and the Profit and Loss Account dealt with by the report are in agreement with the books of account.

