

AVI PHOTOCHEM LIMITED

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

Twenty Fourth Annual Report 2012-13

AVI PHOTOCHEM LIMITED

TWENTY FOURTH ANNUAL REPORT 2012-13

BOARD OF DIRECTORS:

Mr. Avinash Vora : Executive Chairman

Mr. Vikram A Vora : Executive Director

Mr. Pradeep Joshi : Independent Director

Mr. Ray Almeida : Independent Director

AUDITORS:

M/s. S Shah & Associates

Chartered Accountants

BANKER'S:

THE COSMOS CO-OPERATIVE BANK LIMITED

PUNJAB & MAHARASTRA BANK LIMITED

REGISTERED OFFICE:

110, Manish Ind Est No. 4,

Navghar Rd, Vasai (E)

Dist: Thane - 401210, Maharashtra India

Email: 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

NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Avi Photochem Limited will be held on Friday, the 27th day of September, 2013 at 11.00 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 Audited Balance Sheet as on 31st March, 2013 and Profit & Loss for the period ended on that date along with Reports of Directors, Company Secretaries and Auditors thereon.
2. To appoint a Director in place of Mr. Vikram Avinash Vora, who retires by rotation and being eligible offers himself for re - appointment.
3. To appoint Auditors and fix their remuneration.

By the order of the Board of Directors

For AVI PHOTOCHEM LIMITED

Date: 30th May, 2013

Place: Mumbai

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 NOT 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 Members will remain closed from Tuesday, 24th September, 2013 to Friday, 27th September, 2013(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 Shivaji Ind. Estates, 89, Andheri Kurla Road, Saki Naka, Andheri E,

Mumbai-400072, Ph 122-28500835, Fax 022-28501438, Email: sysss72@yahoo.com

Shareholders who have multiple folios in identical names or joint names in the same order are requested to intimate to the Company to consolidate all such share holding into a single folio.

4. 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.
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 services 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.

DIRECTOR'S REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of the company with the audited statement of accounts for the year ended 31st March, 2013

1. Financial results

Amount in Rs.

	For the Year ended on 31.03.2013	For the Year ended on 31.03.2012
Total Income	10,906,669	21,717,432
Total Expenditure	5,254,934	16,361,933
Profit/(Loss) before taxation	3,089,554	273,267
Provision for Tax	-	-
Profit/(Loss) after Taxation	3,089,554	273,267
Balance b/f from Previous Year	(36,993,207)	(37,266,473)
Balance carried forward to Balance Sheet	(33,903,653)	(36,993,207)

2. Working Results:

During the year, the company has earned profit of Rs. 3,08,9544/- (Previous Year profit of Rs. 273,267/-).

3. Dividend:

In view of past losses, directors have not proposed declaration of 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. 60,00,000/- per annum or Rs. 5,00,000/- 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:

- In the preparation of annual accounts, the applicable accounting standards have been followed and that there were no material departures.
- 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, 2013 and of the profit of the Company for the year ended on that date.
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have 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 Shah & Associates, 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 2013-14. Your company has received the consent of auditor to be re-appointed as the auditor of the company, if made. The Company has received a letter from the Auditors proposed to be appointed to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

10. Directors:

In accordance with the provisions of the Companies Act, 1956, Mr Vikram Avinash Vora, Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

11. 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.

12. Secretarial Audit Report:

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

13. Appreciation:

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

By the order of the Board of Directors

For AVI Photochem Limited

Date: 30.05.2013

Place: Mumbai

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2013.

After many years of inactivity due to financial difficulties we have finally sorted out our liability with the bank against assets. The company is now looking to venture in a new direction with entry into trading activities in the healthcare sector & chemicals. Our directors Mr. Vikram A. Vora & Mr. Ray Almeida have good experience in trading in the dental and healthcare industry.

INDUSTRY STRUCTURE, DEVELOPMENT:

The Company is operating from 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E), Dist: Thane- 401210, Maharashtra, 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 specialty chemicals.

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. We are also in talks with reputed chemicals companies to import speciality chemicals.

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, severe 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.

MANAGEMENT TEAM

The existing management has a strong technical and management knowledge and experience in the chemical business.

Mr. Avinash Vora, Chairman and Executive Director of the Company is an entrepreneur and is having vast knowledge and expertise in handling various business including the business of the Company.

Mr. Vikram Vora, Executive Director is an engineer and MBA in Marketing. Having past experience of working for India's largest private bank, he brings in great value to the company.

Mr. Ray Almeida, Director brings in vast experience in administration and manufacturing processes which adds great value to the company

Mr. Pradeep Joshi has vast experience in the field of chemical trading

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. The company has cleared secured bank liability against assets.

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.

FOR AVI PHOTOCHEM LIMITED

Place: Mumbai

Date: 30.05.2013

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:

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 fact of its operations, and in all its inception 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.

COMPOSITION OF BOARD OF DIRECTORS:

During the year the Board Meetings Held on 30.04.2012, 31.07.2012, 1.9.2012, 4.11.2012 and 9.2.2013.

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

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. Vikram Aviansh Vora
Father Name	Mr. Avinash Dhirajlal Vora
Date of Birth	05/08/1979
Date of Appointment	3/10/2010
Qualification	BE, MBA
Name of the Companies in which he is a director other than AVI PHOTOCHEM LIMITED	Total Dental Care Private Limited Healix Healthcare Private Limited
Specific functional Areas	Marketing, Operations

AUDIT COMMITTEE:

The company has constituted audit committee consisting of Shri Ray F Almeida (Chairman), Shri Pradeep H 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 30.04.2012, 31.07.2012, 1.9.2012, 4.11.2012 and 9.2.2013.

Sr. No.	Name of the Director	Category of Membership	No. of Committee meetings held / attended
1	Ray F Almeida	Chairman Independent	5/5
2	Pradeep H Joshi	Non Executive Member	5/5
3	Avinash D Vora	Director	5/5

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

SHAREHOLDERS COMMITTEE:

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

Sl. No.	Name	Category of Membership
1.	Ray F Almeida	Chairman Independent
2.	Pradeep H Joshi	Non Executive Member
3.	Avinash D Vora	Director

Name and Designation of the Compliance Officer: Shri Avinash D Vora, Executive Chairman. During the year 20 investor complaints was received and they were resolved.

REMUNERATION COMMITTEE:

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

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.

The Non-executive Directors are not paid commission nor the sitting fees for attending meetings of the Board or Committee thereof.

GENERAL BODY MEETINGS:

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

YEAR	LOCATION	DAY & DATE	TIME
2011-2012	110, Manish Ind Est No. 4, Navghar Rd, Vasai(E), Dist: Thane-401210	Saturday, 29 th September, 2012	11.00 A.M.
2010- 2011	Manish Ind Est No. 4, Navghar Rd, Vasai(E), Dist: Thane-401210	Friday, 30 th September, 2011	10.00 A.M.
2009 - 2010	B-14, Lote Parshuram Indl Area, M. I. D.C, Ratnagiri- 415 709	Thursday, 30 th September, 2010	10.00 A.M.