

AVI PHOTOCHEM LIMITED

CIN NO.: L24200MH1989PLC050913

110, Manish Ind Est No. 4, Navghar Rd, Vasai (E),

Dist: Thane - 401210, Maharashtra, India

Twenty Fifth Annual Report 2013 - 2014

AVI PHOTOCHEM LIMITED
CIN NO.: L24200MH1989PLC050913
TWENTY FIFTH ANNUAL REPORT 2013-14

BOARD OF DIRECTORS:	Mr. Avinash Vora : Chairman Mr. Vikram A Vora : Whole Time Director Mr. Pradeep Joshi : Independent Director Mr. Pradeep Kumar : 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: sysss72@yahoo.com

AVI PHOTOCHEM LIMITED
Regd Office: 110, Manish Ind Est No. 4, Navghar Rd, Vasai (E),
Dist: Thane, Pin 401210, India
CIN No. L24200MH1989PLC050913

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of Avi Photochem Limited will be held on Friday, the 26th day of September, 2014 at 3.30 p.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 Financial Statement for the year ended 31st March, 2014 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. Avinash Vora, who retires by rotation and being eligible offers himself for re - appointment.
3. To consider if thought fit, to pass with or without modification the following resolution as an ordinary resolution.

“RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s S. Shah & Associates, Chartered Accountants (Firm Registration No. 109771W), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirtieth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provision of Section 14 and all other provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To approve the payment of remuneration of Mr. Vikram Vora and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to provision of Section 196, 197, 203 and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for time being in force), the consent of the Company be and is hereby accorded to the appointment of Mr. Vikram Vora as Whole Time Director from 14th August 2014 to 13th August, 2019 on the terms and conditions of appointment and remuneration contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorized to alter and vary such terms of the appointment

and remuneration so as to not exceed Rs. 50,000/- p.m. or limits specified in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT in case of loss or inadequacy of profits in any financial year during his tenure as Whole Time Director, Mr. Vikram Vora shall be paid remuneration as set out in the Explanatory Statement as the minimum remuneration subject to limits laid down in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all steps as may be necessary, proper and expedient to give effect to this resolution.”

6. To approve the payment of remuneration of Mr. Avinash Vora and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provision of Sections 197, 198 and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Avinash Vora, Director of the Company be paid remuneration not more than Rs. 50,000/- p.m. by way of salary, perquisites and allowances based on net profits etc, as their respective terms of appointment, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof

RESOLVED FURTHER THAT in case of loss or inadequacy of profits in any financial year during his tenure as Director, Mr. Avinash Vora shall be paid remuneration as set out in the Explanatory Statement as the minimum remuneration subject to limits laid down in Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To approve appointment of Mr. Pradeep Kumar and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 161(1) of Companies Act, 2013, Mr. Pradeep Kumar (holding DIN 06921912) who was appointed as an Additional Director at the meeting of the Board of Directors held on 09th July, 2014 and who holds office up to the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received notice in writing from a member proposing his candidature for the office of Director and being fit for appointment as an Independent Director under the provisions of Companies Act, 2013 and is consented to become Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a five consecutive years for a term up to 31st March, 2019.

8. To approve appointment of Mr. Pradeep Joshi and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pradeep Joshi, Director (DIN: 02416091), who is existing independent director and being fit for appointment as an Independent Director under the provisions of Companies Act, 2013 and is consented to become Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to March 31, 2019.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provision of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company, approval of the Shareholders’ be and is hereby accorded to the Board of Directors to borrow money through loans, advances, credit etc. for both domestic and foreign currency borrowings upto Rs.5Crore/- (including Public Deposits but excluding temporary loans obtained from the Company’s bankers in the ordinary course of the business) from banks, financial institutions and other sources from time to time for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes.”

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), the rules notified thereunder and the Articles of Association of the Company and such other approvals as may be necessary, approval of the shareholders’ be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created/ to be created by the Company in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable / immoveable properties of the Company, both present and future and /or whole or any part of undertaking(s) of the Company in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loan(s) in foreign currency and/or rupee currency and Securities (comprising fully / partly Convertible Debentures and/or Non-Convertible Debentures, on all or any of the above, with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued / to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest, in case of default accumulated interest, liquidated damages, commitment charges premia on prepayments, remuneration of the Agent(s) / Trustee(s), premium (if any) on redemption, all other costs, charges and expenses as a result of devaluation / revaluation / fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s) / Heads of Agreement(s), Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s), in respect of the said loans / borrowings / debentures / bonds or other securities and containing such specific terms and conditions covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s) / Agent(s) / Trustee(s).”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid.”

By the order of the Board of Directors
For AVI PHOTOCHEM LIMITED

Sd/-

Avinash Vora
Chairman

Date: 14th August, 2014
Place: Thane

(DIN No. 02454059)

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. Pursuant to provision of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies submitted on behalf of the Company, societies must be supported by appropriate resolution/authority, as applicable.

2. The Register of Members will remain closed from Thursday, 25th September, 2014 to Friday, 26th September, 2014 (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:-
 - a. **System Support Services**
 - b. 209 Shivai Ind. Estates, 89, Andheri Kurla Road, Saki Naka, Andheri E,
 - c. Mumbai-400072, Ph 022-28500835, Fax 022-28501438, Email: syss72@yahoo.com
 - d. 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 shareholding 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. Members are requested to kindly bring their copies of Annual Report to the Meeting.
6. 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.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/System Support Services.
8. Members who have not registered their e-mails addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
9. Voting through Electronic means
 - Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 25th Annual General Meeting (AGM) by electronic means. The business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL). The instructions for e-voting are as under:
 - Open your web browser during the voting period, from 21st September, 2014 (9.30 a.m) to 21st September, 2014 (5.30 p.m) and log on to the e-voting website www.evotingindia.com.
 - Click on "Shareholders" tab.
 - Select the Electronic Voting Sequence Number –"EVSN" along with the "COMPANY NAME" from the drop down menu and click on "SUBMIT".
 - Fill up the following details in the appropriate spaces:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to enter default PAN No. SYSSS1234G
DOB #	Enter the Date of Birth as recorded in your demat account maintained with the DP registered with CDSL. Physical shareholders and demat shareholders with NSDL DP will enter date of Birth as 01/01/1990
Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your demat account or with the company, otherwise enter account no as SYSSUP123

** Members who have not updated their PAN with the Company/Depository Participant are requested to use 'DEFAULT NUMBER' in the PAN field.*

- After entering these details, click on “SUBMIT”.
 - Members holding shares in Physical form will be redirected to the voting screen.
 - Members holding shares in Demat form will now reach Password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting resolution(s) of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person.
 - You can update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future.
 - Members holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any other company, must use their existing login id and password.
 - For Members holding shares in Physical form, the password and default number can be used only for e-voting on the resolution contained in this Notice.
 - On the voting page, you will see Resolution with its description and against the same the option ‘YES/NO’ for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding, otherwise your vote will not be counted.
 - Click on the Resolution File link if you wish to view the entire Notice.
 - After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
 - Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at anish.csanishgupta.com@gmail.com or anish@csanishgupta.com with a copy marked to helpdesk.evoting@cdslindia.com
 - In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com or avichem@vsnl.com (company email id).
- II. The e-voting period commences on September 21, 2014 (9.30a.m) and ends on 21 September, 2014 (5.30 p.m). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date: August 29, 2014, may cast their vote electronically.
- III. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date of August 22, 2014.

- IV. Mr. Anish Gupta, Practising Company Secretary (Membership No. F5733) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VI. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.avipphoto.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

The following statement sets out all material facts relating to certain Ordinary Business and all Special Businesses mentioned in the accompanying Notice:

Item No. 3

This explanatory statement is provided though strictly not required as per section 102 of the Act.

M/s S. Shah & Associates, (ICAI Firm Registration No.109771W), Chartered Accountants (CAs), Mumbai were appointed as the statutory auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on September 27, 2013.

As per the provisions of section 139 of the Act, no company can appoint or re-appoint an audit firm as auditor for more than five consecutive years. Section 139 of the Act has also provided for compliance from the date of commencement of the Act. In view of the above, M/s S. Shah & Associates, being eligible for re-appointment, the Board of Directors has, at its meeting, proposed the appointment of M/s S. Shah & Associates as the statutory auditors of the Company for a period of five years to hold office from the conclusion of this AGM till the conclusion of the Thirtieth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM).

The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

Item No. 4

The Articles of Association "AOA" of the Company as presently in force was adopted at the time of incorporation of the Company. The existing AOA are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AOA are no longer in conformity with the Act.

The Act is now largely in force and with the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletion in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles based on Table F of the Act as applicable to Public Limited Company limited by shares.

Thus, It is proposed to adopt new set of AOA of the Company as mentioned in the Resolution. A copy of new set of Articles of Association of the Company is available for inspection by the members of the Company at its registered office between 11.00 a.m. to 4.30 p.m. on any working day.

None of the Directors of the Company or their relatives or Key Managerial Persons of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolutions set out in at Item No. 4 of the Notice.

Item no. 5

The Board of Directors of the Company (the 'Board'), at its meeting held on 14th August, 2014 has, subject to the approval of members, appointed Mr. Vikram Vora as Whole Time Director, for a period of 5 (five) years, at the remuneration recommended and approved by the Board.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Vikram Vora is as under:

- **Salary, Perquisites and Allowances per annum**

Name	Salary	Perquisites & Allowances
Mr. Vikram Vora	Rs. 2,40,000/-Per Annum	Nil

The Perquisites and allowances, as aforesaid, shall include Nil

- **Reimbursement of Expenses:**

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Except Mr. Avinash Vora and Mr. Vikram Vora, none of the Directors of the Company or their relatives or Key Managerial Persons of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolutions set out in at Item No. 5 of the Notice.

Item no. 6

The Board of Directors of the Company (the 'Board') and Audit Committee has recommended the remuneration subject to the approval of the members in the general meeting.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Avinash Vora is as under:

- **Salary, Perquisites and Allowances per annum**

Name	Salary	Perquisites & Allowances
Mr. Avinash Vora	Rs. 2,40,000/-Per Annum	Nil

The Perquisites and allowances, as aforesaid, shall include Nil

- **Reimbursement of Expenses:**

Expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

Except Mr. Avinash Vora and Mr. Vikram Vora, none of the Directors of the Company or their relatives or Key Managerial Persons of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the special resolutions set out in at Item No. 5 of the Notice.

Item no. 7

Mr. Pradeep Kumar (holding DIN 06921912) was appointed as an additional director on the Board of Directors of the company on 9th July, 2014. According to the provisions of Section 161(1) of the Companies Act, 2013 he holds office up to the date of ensuing annual general meeting of the company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 and Clause 49 (as amended) of the Listing Agreement, Mr. Pradeep Kumar is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

Mr. Pradeep Kumar is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as a Director. The Company has also received a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of Companies Act, 2013.

The company has received a notice under section 160 of the Companies Act, 2013 from a member signifying his intention to propose his appointment as an director of the company along with a deposit fees of Rs. 1,00,000/-. A Brief resume of Pradeep Kumar 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 Mr. Pradeep Kumar are interested in this resolution.

Item No. 8

Mr. Pradeep Joshi, was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on January 31, 1992. He was subsequently appointed by the Members at their Annual General Meeting in accordance with the erstwhile provisions of Section 257 of the Companies Act, 1956. Pursuant to the coming into force of Section 149 of the Companies Act, 2013 ("the Act") from April 1, 2014, the Company has re-assessed the status of its directors with a view to determining their qualifying for classification as an Independent Directors in terms of Section 149(6) of the Act. Accordingly, Mr. Pradeep Joshi fulfills the criteria laid out in Section 149(6) of the Act in this regard. Section 149(10) of the Act restricts the tenure of Independent Director to two terms of up to ten years, with a single term not exceeding five years, which shall be effective from April 1, 2014. In compliance with the provisions of Section 149 of the Act, it is proposed to appoint Mr. Pradeep Joshi as an Independent Director of the Company to hold office for a term up to March 31, 2019.

The Board of Directors is of the view that your Company would greatly benefit from the rich and varied experience of Mr. Pradeep Joshi and accordingly recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for approval of the Members.

In the opinion of the Board, Mr. Joshi fulfills the conditions specified in the Act and the Equity Listing Agreement and he is independent of the management.

Save and except Mr. Joshi, none of the Directors or Key Managerial Personnel of the Company including their relatives is, in anyway concerned or interested in the Resolution.

Item No. 9 & 10

The Companies Act, 2013 has been notified to become effective from 1st April 2014. The provisions of Section 180(1)(c) of the Companies Act 2013, provide that the Board of Directors of a Company shall exercise the powers to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business only with the consent of the company by a special resolution. It is, therefore, proposed to seek the approval of the shareholders to the borrowing limits of Rs. 5 Crore (apart from temporary loans obtained from company's bankers in the ordinary course of business) for both domestic and foreign currency borrowings under section 110 of the Companies Act, 2013 by way of a Special Resolution. Similarly the approval of shareholders was also obtained by way of ordinary resolution to create security or charge on the assets of the Company for the purposes of the borrowings. The mortgage and/or charge by the Company on its moveable and/or immoveable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the Lender(s), may be regarded as disposal of the Company's undertaking(s) within the meaning of section 180(1)(a) of the Companies Act 2013 which provides for approval of shareholders by a Special Resolution. Hence, approval of the shareholders is solicited vide Resolution No. 9 & 10. The Board of Directors of your Company recommends the Special Resolutions as set out in Item No. 9 & 10 in the accompanied notice for approval of the Shareholders. .

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

By the order of the Board of Directors
For AVI PHOTOCHEM LIMITED

Date: 14th August, 2014
Place: Thane

Sd/-
Avinash Vora
Chairman

(DIN No. 02454059)