



# **27<sup>th</sup> ANNUAL REPORT (2015 – 16)**

**AVI PRODUCTS INDIA LIMITED**

**(formerly known as AVI Photochem Limited)**



## AVI PRODUCTS INDIA LIMITED

(Formerly known as AVI PHOTOCHEM LIMITED)

(CIN No. L24200MH1989PLC050913)

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

**TWENTY SEVENTH ANNUAL REPORT 2015-16**

### CORPORATE INFORMATION

#### BOARD OF DIRECTORS:

Mr. Avinash D. Vora	:	Chairman & Managing Director
Mr. Vikram A. Vora	:	Whole Time Director
Mr. Pradeep H. Joshi	:	Independent Director
Mr. Pradeep Kumar	:	Independent Director
Mrs. Daksha N. Vora	:	Woman Director

#### CHIEF FINANCIAL OFFICER:

Ms. Dimple P. Vyas

#### COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Bhavna K. Patel

#### STATUTORY AUDITOR:

M/s. S. Shah & Associates,  
Chartered Accountants  
G-5, Snow White Society,  
Azad Road, Vile Parle (E),  
Mumbai - 400057.

#### SECRETARIAL AUDITOR:

M/s. Anish Gupta & Associates  
Practicing Company Secretaries  
Anish Gupta (COP No. 4092)  
413 Autumn Grove, Opp Lokhandwala School,  
Lokhandwala, Kandivali-E, Mumbai-400101.

#### BANKERS:

The Cosmos Co-Operative Bank Limited, Vile Parle branch.  
Punjab & Maharashtra Bank Limited, Andheri (East) branch.  
State Bank of India, Vile Parle (West) branch.  
ICICI Bank, Vile Parle (West) branch.

#### REGISTERED OFFICE:

110, Manish Ind Estate No. 4, Navghar Rd, Vasai (East),  
Dist: Thane - 401210, Maharashtra, India  
Email: aviphotocem@gmail.com

#### REGISTRAR TRANSFER AGENTS:

System Support Services  
209 Shivai Ind. Estates, 89, Andheri Kurla Road,  
Saki Naka, Andheri (East), Mumbai -400 072  
Phn No: 022- 28500835, Fax 022-28501438,  
Email: sysss72@yahoo.com



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

### 1 NOTICE

Notice is hereby given that the 27<sup>th</sup> Annual General Meeting of the Members of **M/s. AVI PRODUCTS INDIA LIMITED (Formerly known as AVI PHOTOCHEM LIMITED)** (CIN No. L24200MH1989PLC050913) will be held on Friday, the 30<sup>th</sup> day of September, 2016 at 11.00 a.m. at Sadichha Sabhagruh, 1st Floor, above Police Chowki, Opp. Chaudhry Industrial Estate, Navghar Road, Vasai (East), Dist: Thane- 401210, Maharashtra, India to transact the following business:

#### 1.1 ORDINARY BUSINESS:

- I. To consider and adopt the audited financial statements of the Company for the year ended March 31, 2016 together with the Reports of Directors and Auditors thereon.
- II. To appoint a Director in place of Mr. Vikram A. Vora (DIN: 02454043) who retires by rotation and being eligible, offers himself for re - appointment.
- III. To ratify the appointment of auditors of the company and to fix their remuneration and to pass resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the reappointment of the statutory auditors of company M/s S. Shah & Associates, Chartered Accountants, Mumbai, (Registration Number : 109771W), Chartered Accountants, be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, based on the recommendation of the Audit Committee, plus applicable service tax and reimbursement of travelling and other incidental expenses to be incurred by them in the course of their audit.”

#### 1.2 SPECIAL BUSINESS:

- IV. 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 provision of sections 196, 197 and 203 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and remuneration of managerial personnel) rules, 2014 (including any statutory modification (s) or reenactment thereof for the time being in force), subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the appointment of and payment of remuneration to Mr. Avinash D. Vora (DIN: 02454059) as Managing Director of the Company for a period of 3 years with effect from April 1, 2016 upon the terms and conditions and payment of remuneration and other perquisites/benefits to Mr. Avinash D. Vora during the said period of 3 years upon the terms and conditions and remuneration as set out below, which may be altered, modified or varied by the Board of Directors.

- a) Salary Rs. 18,00,000/- in the scale of Rs. 18,00,000/- to Rs.30,00,000/- per annum.
- b) Perquisites
  - i. Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., Limited to actual or the Annual Salary whichever is less.
  - ii. Provision of car for use on Company's business and telephone at residence will not be considered perquisites Personal long distance calls and use of car for private purpose shall be billed by the Company.



- iii. Company's Contribution to the Provident Fund, Gratuity and encashment of Leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.

**RESOLVED FURTHER THAT** in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Managing Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013 and any excess payment in this regard will be recovered by the Company.

**RESOLVED FURTHER THAT** he is appointed as a Managing Director on Board liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.

- V. **To consider and if thought fits, to pass with or without modification(s) the following resolution as an Ordinary resolution:**

**To increase and reclassify authorized capital of the company and alteration of capital clause of Memorandum of Association:**

**"RESOLVED THAT** pursuant to the provision of section 13,61 and other applicable provisions, if any of the companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) ('the Act') and the Articles of Association of the company, the consent of the member of the company be and is hereby accorded to increase and to reclassify the Authorized share capital of the company from existing 3,50,00,000 (Rupees Three Crores and Fifty Lacs) Consisting of 35,00,000 (Thirty Five Lacs) Equity Shares of 10 (Rupees Ten) each to 15,00,00,000 (Rupees Fifteen Crores) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Share of 10 (Rupees Ten) each and 20,00,000 (Twenty Lacs) Preference Shares of 10 (Rupees Ten) by creation of additional **1,15,00,000 (One Crore Fifteen Lacs) Shares of 10 (Rupees Ten) each.**

**RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association of the company relating to the share capital be and is hereby altered and replaced by the following clause:

**'V The Authorized Share Capital of the company is 15,00,00,000 (Rupees Fifteen Crores) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Share of 10 (Rupees Ten) each and 20,00,000 (Twenty Lacs) Preference Shares of 10 (Rupees Ten) each.**

**RESOLVED FURTHER THAT** the Board of Directors of the company be and hereby authorized to do all acts, deeds and things necessary or expedient to give effect to the above resolution."

- VI. **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 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) (subject to any modification and re-enactment thereof) and Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the consent, sanction, permission or approval as the case may be of the members of the company be and is hereby accorded to enter into any contract or arrangements with related parties Healix Healthcare Private Limited as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties up to a maximum amount of Rs. 10 Crore.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as maybe necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.



**RESOLVED FURTHER THAT** the board of directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effects to this Resolution.”

**Registered Office:**

110, Manish Indl. Estate No. 4, Navghar Road, Vasai East,  
Thane- 401210.  
Date:12<sup>th</sup> August,2016

By order of the Board of Directors  
**For AVI PRODUCTS INDIA LIMITED**  
(formerly known as AVI Photochem Limited)

Sd/-  
Avinash Vora  
Chairman  
(DIN No. 02454059)



## Notes:

- I. Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 in respect to Special Business under item no IV to VI as stated above is annexed hereto.
- II. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. The proxies should, however, be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
- III. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other Member.
- IV. Corporate members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to section 113 of the Companies Act, 2013, are requested to send to the company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representatives authorized under the said resolution to attend and vote on their behalf at the meeting.
- V. Members, Proxies and Authorised representatives are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of DP ID and Client ID/Folio No.
- VI. In case of joint holders attending the meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.
- VII. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 29 September 2016 to Friday, 30 September 2016 (both days inclusive) for determining the name of Members.
- VIII. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
- IX. The Company has entered into necessary arrangement with National Securities Depository Limited (NSDL) also to enable the Shareholders to dematerialize their shareholding in the Company for which they may contact the Depository Participant.
- X. In view of Go Green initiative being undertaken by the Company, Members who have not yet registered their e-mail address so far are requested to register/update their e-mail addresses with the Company's RTA or with the Company at [aviphotocem@gmail.com](mailto:aviphotocem@gmail.com) Shareholders holding shares in dematerialized form are requested to register their e-mail addresses and changes therein with the concerned Depositories through their Depository Participant.
- XI. Members who are holding shares of the Company in physical form through multiple folios in identical order of names are requested to write to the Company, enclosing their share certificates, to enable the Company to consolidate their holdings in one folio.
- XII. Members are requested to contact the Company's RTA for reply to their queries/redressal of complaints.  
  
Mr. Mahendra Mehta, Partner of System Support Services (RTA)  
209 Shivai Ind. Estates, 89, Andheri Kurla Road, Saki Naka, Andheri E,  
Mumbai-400072, Ph. 022-28500835, Fax 022-28501438, Email: [syss72@yahoo.com](mailto:syss72@yahoo.com).
- XIII. Mr. Vikram A. Vora – Whole Time Director retire by rotation and, being eligible, offer himself for re-appointment at the Annual General Meeting. A brief resume of the said director is given below:

Name	Mr. Vikram A. Vora
Date of Birth	5th August, 1979
Directors Identification Number (DIN)	02454043
Age	37 Years
Qualification	B.E. Production, MMS in Marketing



Expertise in Specific Area	Marketing, Trading & Manufacturing
Date of first Appointment on board of the Company	31st October, 2010
Shareholding in AVI Photochem Limited	52,563 Shares
List of Directorship held in other companies	1. Total Dental Care Private Limited 2. Healix Healthcare Private Limited 3. Ifruit India Private Limited
Membership/Chairmanships of Audit and Stakeholders relationship committees	Nil

- XIV. A Rout map showing directions to reach the venue of 27<sup>th</sup> Annual General Meeting is given on Pg. No. 10 of this annual report as per the requirement of the Secretarial Standards-2 on “General Meeting”

#### PROCESS FOR MEMBERS OPTING FOR E-VOTING

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI regulations, the Company will be providing members facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL). The detailed procedure to be followed in this regard has been given in Annexure – A to the notice. The members are requested to go through them carefully.

#### ANNEXURE TO THE NOTICE:

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013

##### Item No. 1.2 - IV

The Board of Directors in their meeting held on 30<sup>th</sup> May, 2016 redesignation of Mr. Avinash D. Vora as “Managing Director” of the Company for a period of 3 years from 1<sup>st</sup> April, 2016, subject to approval by the shareholders of the Company under Schedule V of the Companies Act, 2013.

The Board has also, subject to approval of the shareholders, has fixed the remuneration/ perquisites/ benefits payable to the aforesaid Mr. Avinash D. Vora, Managing Director from April 1, 2016 shall be as under:

1. Name of the appointee : Mr. Avinash D. Vora
2. Designation : Managing Director
3. Tenure : Three (3) years from April 1, 2016
4. Salary : Rs. 18,00,000/- per annum in the scale of Rs. 18,00,000/- to Rs. 30,00,000/- per annum
5. Perquisites
  - I. Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals
  - II. or the Annual Salary whichever is less.
  - III. Provision of car for use on Company’s business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.
  - IV. Company’s Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be in the perquisites as aforesaid.





In the event of absence of or inadequacy of Profit in any Financial Year during the tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013.

The Board of Directors be and hereby authorised to alter and vary the terms and conditions and grant increment(s) and other perquisites to respective individuals so as not to exceed the maximum limits for the payment of remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to between the Board of Directors and the respective directors.

Further he has been appointed as a Director on Board liable to retire by rotation.

The above mentioned explanatory statement read together with the resolutions specified under **SPECIAL BUSINESS** as item no. 1.2 - IV of the Notice convening the Annual General Meeting may be considered as an abstract, under section 102 of the Companies Act, 2013, of the terms of revised remuneration and perquisites payable to the aforesaid Managing Director with effect from 1st April, 2016.

#### **MEMORANDUM OF INTEREST**

Mr. Vikram A. Vora being related to Mr. Avinash D. Vora is deemed to be concerned and interested in the resolution at Item Nos. 1.2 - IV.

Except the above-mentioned Directors none of the directors, and Key Managerial Personnel or their relatives of the Company is concerned or interested in this resolution.

#### **Item No. 1.2 – V**

The Company is having an existing authorized share capital of Rs. 3,50,00,000/- consisting of 35,00,000 equity Shares of Rs. 10/- each. Since the company would require more funds for expanding its business and meeting its current expenditure it was necessary to increase and reclassify the authorized share capital of the company from Rs. 3,50,00,000/- to Rs. 15,00,00,000/- keeping in view the company's future requirement of Funds consisting of equity and preference shares.

#### **TO AMEND THE MEMORANDUM OF ASSOCIATION**

In order to reflect the increase authorised share capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, Clause V of the Memorandum of Association of the Company is required to be amended with the approval of the shareholders as below:

**“V. The Authorized Share Capital of the company is 15,00,00,000 (Rupees Fifteen Crores) divided into 1,30,00,000 (One Crore Thirty Lacs) Equity Share of 10 (Rupees Ten) each and 20,00,000 (Twenty Lacs) Preference Shares of 10 (Rupees Ten) by creation of additional 1,15,00,000 (One Crore Fifteen Lacs) Shares of 10 (Rupees 10) each.** As Per section 13 of Companies Act, 2013, the alteration of the memorandum of association of the Company requires the approval of shareholders. The Board now seeks the approval of shareholders for the same.

None of the Directors and Key Managerial Personnel or their relatives are in any way concerned or interested in the said resolution except to the extent of their shareholdings in the Company.

#### **Item No. 1.2 – VI:**

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. It has also prescribed seeking of shareholders' approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm's length basis.

The Company is entered into arrangements with related parties Healix Healthcare Private Limited as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or otherwise disposing of any goods, materials or property or availing or rendering of any services or appointment of such related party to any office or place of profit in the Company or associate Company or reimbursement of any transaction or any other transaction of whatever nature with related parties all the transactions are material in nature and require the approval of the unrelated shareholders of the Company.

The provisions of the LODR Guidelines consider a transaction with a related party material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company. Further, the Listing Agreement requires all material related party transactions to be approved by the shareholders through a special resolution and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transaction(s) entered into with related parties whether individually and/or in aggregate may exceed the stipulated threshold of ten percent of the annual consolidated turnover of the Company as per the last audited and financial statements of the Company during a financial year of the Company. The Company therefore requires approval of the shareholders through a special resolution for entering into contract(s)/ arrangement (s)/ transaction(s) with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 up to a maximum amount as mentioned in the respective resolutions from the financial year 2015-2016 and onward and includes the transactions carried with its related parties during the previous financial year.

All related parties shall abstain from voting on these resolutions.

The disclosures required to be provided under the provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 The particulars of the transaction which is proposed to be entered into by the Company, are provided in brief, herein below: -

1	Name of related parties	1. Healix Healthcare Private Limited
2	Name of Director or KMP who is related	1. Mr. Avinash D. Vora 2. Mr. Vikram A. Vora
3	Nature of relationship	Mr. Avinash Vora and Mr. Vikram A. Vora are the same Promoter and Directors of the Company.
4	Monetary value	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 10 Crores for each of AVI Products India Limited and Healix Healthcare Private Limited.
5	Nature, material terms and particulars of arrangement	Purchase of material by the Company from and the sale of Company's product(s) to these companies are dependent on the requirement of the Company for its products from time to time and ability of supply of specified material by these companies. However, such transactions would at all times be on arm's lengths basis and in the ordinary course of the Company's business.
6	Any advance paid or received for the arrangement, If any.	As per industry norms, custom and uses.