

AVI PHOTOCHEM LIMITED

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

TWENTY FIRST ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

Mr. Avinash Vora : Chairman
Mrs. Daksha Vora : Executive Director
Mr. Pradeep Joshi : Independent Director

AUDITORS

M/s. J.H. Ghumara & Co.
Chartered Accountants

BANKERS

BANK OF BARODA, VILE PARLE (W) BRANCH

REGISTERED OFFICE

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

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the members of Avi Photochem Limited will be held on Thursday, the 30th day of September, 2010 at 10.00 A.M. at 13, 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, 2010.
2. To appoint a Director in place of Mrs. Daksha Avinash Vora, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Sd.

Place: Mumbai
Date:04-09-2010

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.**
The Register of Member will remain close from 29th September, 2010 to 30th September, 2010 (both days inclusive).
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. Estate, 89, Andheri Kurla Road, Saki Naka, Andheri E, Mumbai -72
Ph 022- 28500835; Fax 022-28501438, email: zoebsss@hotmail.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.

DIRECTORS REPORT

To
The Shareholders,

Your Directors have pleasure in presenting the Twenty First Annual Report of the company with the audited statement of accounts for the year ended 31st March, 2010.

1. Financial Results:

	<i>For the year ended on</i>	<i>For the year ended on</i>
	<i>31.03.2010</i>	<i>31.03.2009</i>
Total Income	0	0
Profit / (Loss) after Taxation	(13,23,355.73)	(9,91,066.92)

2. Working Results:

During the year, the company has incurred loss of Rs. 7,95,635.73 (Previous Year Rs. 9,91,066.92).

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 to give a true and fair view of the state of affairs of the company as at 31st March 2010 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 2009-10. 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 Mrs. Daksha Avinash Vora Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Mr. Dhirajlal Amidias Vora, director of the Company expired on 9th February, 2010. The Board placed their condolence on the demise of the Director and placed their sincere appreciation for the services rendered by him during his tenure as director.

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. 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.

Place: Mumbai

Date: 04-09-2010

FOR AVI PHOTOCHEM LIMITED
Sd.

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 2010.

INDUSTRY STRUCTURE, DEVELOPMENT:

The Company is operating in B-14, Lote Patsuram Indl Area, M.I.I.D.C. Ramagiri - 415709

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 IMF forecasts global GDP to decline by 1.3% in 2009 – the deepest recession post World War II, with high income countries declining by 3.8% and growth in developing countries slowing down to 1.6%. The Indian economy is expected to grow between 4.5% and 5.5% in FY2009-10.

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, 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 AVT PHOTOCHEM LIMITED***

Sd.

Place: Mumbai
Date: 04-09-2010

CHAIRMAN

Brief Resume of Directors seeking re-appointment:

A brief resume of Directors seeking re-appointment at the 21st Annual General Meeting is as below:

Name	Daksha Avinash Vora
Age	55
Qualification	Under graduate
Expertise in Specific Area	Administration
Date of First Appointment on the Board of the Company	06/12/1990
Name(s) of the other companies in which Directorship held and Committee Membership/Chairmanship held.	Avi Graphic Limited (Director)

Audit Committee:

The Audit Committee consists of 3 Executive Directors viz.

Sl. No.	Name	Category of Membership
1.	Mr. Pradeep Himatlal Joshi	Chairman
2.	Mr. Dhirajlal Amidas Vora	Member
3.	Mr. Avinash Dhirajlal Vora	Member

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.

During the year under review, the Audit Committee met 5 (five) times on 30.04.2009, 31.07.2009, 04.09.2009, 31.10.2009, 31.01.2010

The Attendance of Directors at the Audit Committee Meetings held during the year ended 31st March 2010 is given below:

Sl. No.	Name	Meetings Held	Meetings Attended
1.	Mr. Pradeep Himatlal Joshi	5	5
2.	Mr. Dhirajlal Amidas Vora	5	NIL
3.	Mr. Avinash Dhirajlal Vora	5	5

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders (Banks/Financial Institutions) and the promoters.

Board of Directors:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has an Executive Chairman and 3 (three) other executive Directors.

Board procedures:

The Managing Director prepares the agenda in consultation with the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings.

Attendance at Board Meeting:

During the year under review, the Board of Directors met 5 (five) times on 30.04.2009, 31.07.2009, 04.09.2009, 31.10.2009, 31.01.2010

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on 30th September, 2009 is given below:

Name of Director	Type of Director	Board Meeting Attended	AGM Attended	No. of Committee Memberships Held (excl. Private Cos.)	No. of outside Directorships Held (excl. Private Cos.)
Mr. Avinash Dhirajlal Vora	Chairman & Executive Director	5	Yes	NIL	1
*Mr. Dhirajlal Amidas Vora	Executive Director	Nil	Yes	NIL	1
Mrs. Daksha Avinash Vora	Executive Director	5	Yes	NIL	1
Mr. Pradeep Himatlal Joshi	Executive Director	5	No	NIL	NIL

* Expired on 9.2.2010

Shareholders/Investors Grievance and Share Transfer Committee consist of 3 Directors viz.,

Sl. No.	Name	Category of Membership
1.	Mr. Pradeep Himatlal Joshi	Chairman
2.	Mr. Dhirajlal Amidas Vora	Member
3.	Mr. Avinash Dhirajlal Vora	Member

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. Mr. Avinash Dhirajlal Vora is the Compliance officer.

During the Financial Year ended 31st March, 2010, all the complaints received from the shareholders were resolved.

The Attendance of Directors at the Shareholders/Investors

Sl. No.	Name	Meetings Held	Meetings Attended
1.	Mr. Pradeep Himatlal Joshi	5	5
2.	Mr. Dhirajlal Amidas Vora	5	NIL
3.	Mr. Avinash Dhirajlal Vora	5	5

Remuneration Committee:

The Company has no Remuneration Committee.

The Non-executive Directors are not paid any Sitting Fees for attending meeting of the Board or Committee thereof.

No remuneration paid to any Directors during the financial year 2009-10:

General Body Meetings:

The particulars of Annual General Meetings held during the last three years are as under:

Year	Date and Time	Venue
2009	30 th September, 2009 11.30 a.m.	Registered Office at B-14, Lote Parsuram Indl Area, M.I.D.C, Ratnagiri -415709
2008	30 th September, 2008 11.30 a.m.	Registered Office at B-14, Lote Parsuram Indl Area, M.I.D.C, Ratnagiri -415709
2007	29 th September, 2007 11.30 a.m.	Registered Office at B-14, Lote Parsuram Indl Area, M.I.D.C, Ratnagiri -415709

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

Year	Date and Time	Venue
2008	-- N.A.--	-- N.A.--
2007	-- N.A.--	-- N.A.--
2006	-- N.A.--	-- N.A.--

No special resolutions were passed by the Company necessitating postal ballot at any of the above meetings.

Disclosures:

- Related Party Transactions: Disclosure on transaction(s) with related party as required under Accounting Standard 18 has been incorporated in the Notes to the Accounts.
- There have been no instances of non-compliance with Stock Exchange (except those related to furnishing of quarterly compliances and related communication) or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any statutory authority for any violation related to Capital Markets during the last three years.
- The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well as with the Regulations of the Securities and Exchange Board of India, subject to note (b) above.
- Our risk management procedures ensure that the management control risks through means of a properly defined framework.
- Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The Company's personnel have not been denied access to the Audit Committee.

Means of Communication:

The Quarterly Financial Results have not been published in English and vernacular newspapers.

Management discussion and Analysis Report:

The Management Discussion and Analysis (MDA) giving an overview of the Company's business and its financial etc. is provided separately as part of this Annual Report.

Code of Conduct:

The code of Conduct for all the members of the Board and senior management of the Company has been prepared.

Shareholders' Information:**1. Annual General Meeting**

Date : 30th September, 2010
Time : 10.00
Venue : B-14 Lote Parsuram, Indl Area, MIDC
Rainagiri - 415709.

2. Book Closure Date

29th September, 2010 to 30th September, 2010
(both days inclusive)

3. Financial Calendar

April, 2009 to March, 2010

Results for the quarter ending June 30, 2010	Last week of July 2010 (tentative)
Results for the quarter ending September 30, 2010	Last week of October 2010 (tentative)
Results for the quarter ending December 31, 2010	Last week of January 2011 (tentative)
Results for the quarter ending 31 st March, 2011	Last week of April 2011 (tentative)
Annual General Meeting	On or before 30 th September 2011 (tentative)

4. Listing of Shares on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay, Delhi and Ahmedabad Stock Exchanges.

5. Status of Listing Fees

The Company has paid Listing Fees for the year 2009-10 to the Bombay Stock Exchange Limited.

6. Stock Price Data

There was no trading of shares since the shares of the Company are in SUSPENSION MODE. The Trading of Shares was suspended.

7. Registrar and Share Transfer Agents

The Company has appointed Registrar and Share Transfer Agents as below

System Support Services
209 Shivaji Ind. Estate, 89,
Andheri Kurla Road, Saki Naka, Andheri E,
Mumbai - 72
Ph 022-28500835, Fax 022-28501438

8. Shareholding Pattern as on 31.03.2010

Category	No. of Shares	Percentage
Promoters and Persons acting in concert	836476	24.04
Mutual Funds	NIL	NIL
Financial Institutions/Banks	NIL	NIL
Foreign Institutional Investors	NIL	NIL
Private Corporate Bodies	8100	0.23
Public	2403500	69.06
NRI's	232000	6.67
Clearing Members	NIL	NIL
TOTAL	3480076	100.00

9. Distribution Schedule As On 31.3.2010

Holding of nominal value of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Up to 5000	13632	96.62	1960824	56.34
5001 to 10000	312	2.21	269000	7.73
10001 to 20000	131	0.93	200100	5.74
20001 to 30000	24	0.17	59700	1.72
30001 to 40000	9	0.06	32500	0.94
40001 to 50000	10	0.07	84800	2.44
50001 to 100000	8	0.06	216300	6.22
100001 & above	3	0.02	656852	18.87
Total	14109	100.14	3480076	100.00

10. Percentage of Shares held in physical & dematerialized form:

As on 31st March 2010, all Shares are in physical form.

11. Address for Correspondence:

AVI Photochem Limited.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct for the financial year ended 31st March 2010.

For And On Behalf Of Board Of Directors

Sd.

*Date: 04-09-2010
Place: Mumbai
Chairman*

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members
AVI Photochem Limited
Mumbai

We have examined the compliance of conditions of Corporate Governance by AVI Photochem Limited for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange.

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 to ensure Compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on 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 representations made by the Directors and the Management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above-mentioned Listing Agreement under the clause 49 except that, filing of quarterly reports under listing agreement, the website designing and posting of necessary information of the listing requirements on the company's website is not done. However, though it has been explained to us the management of the company is committed to be persistent in their efforts to ensure that these conditions are also fulfilled at the earliest.

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.

J.H. Ghumara & Co
Chartered Accountants

Sd/

(J.H. Ghumara)
Proprietor
J.H. Ghumara & Co
Chartered Accountants
B-14, Jessika, Natakwala Lane,
S.V. Road, Borivali West, Mumbai 400092
Membership No. 14320

Place: Mumbai
Date:04-09-2010

AUDITORS' REPORT

1. We have audited the accompanying balance sheet of **AVI PHOTOCHEM LIMITED** as at 31st March, 2010 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 I F of notes annexed to and forming parts of Accounts)
 - c. Custom Duty Refer I 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 I 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.

4.5 On the basis of the written representation received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2010 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:

- (i) a. Interest on Sticky Loans not provided which has resulted in understatement of loss by Rs.538,655/- (Refer note 4 of notes annexed to and forming parts of Accounts)
- b. Exeise Duty (Refer Note I.F of notes annexed to and forming parts of Accounts) which will have no effect on loss.
- c. Custom Duty (Refer Note I.G of notes annexed to and forming parts of Accounts) which has no effect on the loss for the year.
- d. Non provision of term loan interest (Refer note 16 of Notes annexed to and forming parts Accounts) which has resulted in to understatement of current year loss by Rs.284,000/- and under statement of liability and accumulated loss by Rs.26,98,000/-
- e. Non provision of interest on other bank facilities (Refer note 16 of notes annexed to and forming parts of Accounts)

In view of (a) to (d) total loss for the current year have been understated by Rs.254,655/-.
The impact of loss cannot be fully quantified in view of non quantification of interest figure of item (e)

AND

(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 31st March, 2010 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 31st March 2010, 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
Firm Registration No: 103185W

S/d

(J.H. Ghumara)
Proprietor
Mumbai
Dated: 4th September, 2010

ANNEXURE TO THE AUDITORS REPORT OF AVI PHOTOCHEM LIMITED

YEAR ENDED 31ST MARCH, 2010

(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 is 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 the 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.
 (c) There is disputed liabilities in respect of Income Tax amounting to Rs.6,40,000 which has not been paid by the company. Matter is pending before the ITAT and also disputed liabilities in respect of Sales Tax amounting to Rs. 3,25,000/-
- (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

S/d
 (J.H. Ghumara)
 Proprietor
 Mumbai
 Dated: 4th September, 2010

AVI PHOTOCHEM LIMITED

Balance Sheet as at 31st March, 2010

SOURCES OF FUNDS

SHAREHOLDER'S FUNDS :

Sch	As At 31-03-2010 Rs.	As At 31-03-2009 Rs.
1. Share Capital	34,800,760.00	34,800,760.00
2. Reserves & Surplus	2,807,300.00	2,807,300.00
LOAN FUNDS :	37,608,060.00	37,608,060.00
3. Secured Loans	20,573,762.46	20,573,762.46
4. Unsecured Loans	4,186,439.01	4,186,439.01
TOTAL	24,760,201.47	24,760,201.47
	62,368,261.47	62,368,261.47

APPLICATION OF FUNDS

1. Fixed Assets :

Gross Block	19,077,114.58	19,077,114.58
Less: Depreciation	13,895,793.91	13,150,351.80
Net Block	5,181,320.67	5,926,762.78

2. Current Assets, Loans and Advances :

Inventories	14,440,110.12	14,440,110.12
Sundry Debtors	8,109,169.05	9,263,380.20
Cash & Bank Balance	8,601.31	25,661.98
Loans & Advances	1,607,201.56	7,843,439.26
A	24,165,082.04	31,572,591.56

Less: Current Liabilities & Provisions

Current Liabilities	3,772,671.22	10,165,347.12
Provisions	-	436,920.00
B	3,772,671.22	10,602,267.12

Net Current Assets

20,392,410.82 20,970,324.44

3. Miscellaneous Expenditure

36,794,329.98 35,471,174.25

4. Profit & Loss Account (Debit Balance)

TOTAL 62,368,261.47 62,368,261.47

Notes to Accounts : 18

As per our Report of even date

For and on Behalf of

J. H. Ghumara & Co.

Chartered Accountants

For Avi Photochem Ltd

(J. H. Ghumara)
 Proprietor
 Membership No. : 14320
 Mumbai, Dated: 4th September, 2010

(Avinash D. Vora) (Daksha A. Vora)
 Director
 Director

AVI PHOTOCHEM LIMITED

Profit and Loss Account for the Year Ended 31st March, 2010

	31-03-2010 Rs.	31-03-2009 Rs.
INCOME:		
Sales	-	-
Other Income	-	-
Increase/ Decrease in Stocks	-	-
EXPENDITURE:		
Cost of Goods Sold	-	-
Raw Material Consumed	-	-
Direct Expenses	50,193.62	159,823.09
Administrative & Selling Expenses	745,442.11	831,243.83
Depreciation	795,635.73	991,066.92
	(795,635.73)	(991,066.92)
	527,172.00	-
Profit/(Loss) before Tax	(1,323,355.73)	(991,066.92)
Less: Provision for Taxation	(35,471,174.25)	(34,480,107.33)
Profit/(Loss) after Tax	(36,794,529.98)	(35,471,174.25)
add : Balance Brought Forward		
Balance Carried to Balance Sheet		

Notes to Accounts

As per our Report of even date for and on Behalf of
H. Ghumara & Co.
Chartered Accountants

(**Avinash D. Vora**) (**Daksha A. Vora**)
Director Director

Membership No. : 14320

Mumbai, Dated: 4th September, 2010

For AvI Photochem Ltd

(**Avinash D. Vora**) (**Daksha A. Vora**)
Director Director

AVI PHOTOCHEM LIMITED

Schedules attached to and forming part of Accounts as at 31st March, 2010

SCHEDULES	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
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Schedule 1 : Share Capital :

Authorised : 35,00,000 Equity Shares of Rs 10/- each	35,00,000.00	35,00,000.00
---	--------------	--------------

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]

	34,80,760.00	34,80,760.00
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Schedule 2 : Reserves & Surplus :

Capital Reserve (Subsidy)

Opening Balance	2,807,300.00	2,807,300.00
Add : Additions during the Year		
Closing Balance	2,807,300.00	2,807,300.00

Schedule 3 : Secured Loans :

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.Rainagiri and factory building constructed thereon and hypothecation of entire Plants, Machinery and Equipments both present and future and personal guarantee of all the Directors.)(Amount due next one year Rs.999,996 Prev. Year Rs 999,996/-)

	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
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c Book Debts

(Secured against debtors)

	1,500,000.00	1,500,000.00
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d Packing Credit

(Secured against letter of credit received against export orders)

	1,085,090.89	1,085,090.89
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	20,573,762.46	20,573,762.46
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AVI PHOTOCHEM LIMITED

Schedules attached to and forming part of accounts as at 31st March, 2010

Schedule 4 : Unsecured Loans :

Fixed Deposit :	300,000.00	300,000.00
From Directors	267,500.00	267,500.00
From Others	-	-
From DCKL by way of Sales Tax deferralment	2,411,526.00	2,411,526.00
Directors Current Account	1,207,413.01	1,207,413.01
	4,186,439.01	4,186,439.01

Schedule 6 : Inventories :

(As taken valued & certified by management)

Raw Materials	928,481.38	928,481.38
Packing Materials	121,991.67	121,991.67
Finished Goods	13,365,398.57	13,365,398.57
Fuel (L.D.O.)	24,238.50	24,238.50
	14,440,110.12	14,440,110.12

Schedule 7 : Sundry Debtors :

(Unsecured & Considered good)

Less than Six Months	8,109,169.05	9,263,380.20
Others	-	9,263,380.20
	8,109,169.05	9,263,380.20

Schedule 8 : Cash & Bank Balances :

Cash on hand

Balances with Scheduled Banks:	5,764.56	5,825.23
in Current Accounts	8,001.31	25,661.98
	2,836.75	19,836.75

Schedule 9 : Loans & Advances :

(Unsecured & Considered good)

Advances recoverable in cash or in kind or for value to be received :	203,354.70	5,034,997.78
Deposits with Government	124,300.00	428,147.62
Advance against Material	1,279,546.86	1,433,653.86
Deposits with Others	-	946,640.00
Advance tax	1,607,201.56	5,813,439.26

Schedule 10 : Current Liabilities :

Sundry Creditors for Goods

Sundry Creditors for Expenses	106,225.00	204,895.17
Advances from Debtors	-	39,407.00
Other Liabilities	846,350.00	1,284,591.67
Book Overdrafts	-	16,349.11
	3,772,671.22	10,165,347.12

Schedule 11 : Provisions :

Provision for Taxation

	-	436,920.00
	-	436,920.00

AVI PHOTOCHEM LIMITED

Schedule 5 : Fixed Assets

NAME OF ASSETS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010	As at 31.03.2009	As at 31.03.2010
1. Lease Hold Land	463,019.00	463,019.00	505.00	10,100.00	452,919.00	453,424.00
2. Factory Building	4,200,742.15	4,200,742.15	2,266,685.89	140,304.79	2,406,990.68	1,793,751.47
3. Plant & Machinery	11,895,531.22	11,895,531.22	8,585,276.29	565,037.73	9,150,314.02	2,745,217.20
4. Electrical Installation	863,652.75	863,652.75	859,736.62	859,736.62	-	3,916.13
5. Fire Extinguisher	1,710.00	1,710.00	-	1,710.00	-	-
6. Cycle	4,710.00	4,710.00	-	4,710.00	-	-
7. Computer	423,319.00	423,319.00	-	423,319.00	-	-
8. Typewriter	23,761.00	23,761.00	-	423,319.00	-	-
9. Furniture & Fixture	390,860.50	390,860.50	18,698.09	1,128.65	19,826.74	3,934.26
10. Pollution Control Equip	461,782.00	461,782.00	383,229.07	383,229.07	-	7,631.43
11. Air Conditioner	93,114.00	93,114.00	344,049.06	21,934.65	365,983.71	95,798.29
12. Fax Machine	72,000.00	72,000.00	66,528.21	4,422.92	70,951.11	22,162.89
13. Office Equipment	174,413.00	174,413.00	58,716.00	3,420.00	62,136.00	9,864.00
14. Television	8,500.00	8,500.00	122,681.59	8,284.62	130,966.21	43,446.79
Total	19,077,114.62	19,077,114.62	13,150,351.80	745,442.11	13,895,793.89	5,181,320.73
Previous Year	19,077,114.62	19,077,114.62	12,319,107.99	831,243.83	13,150,351.80	5,926,762.82

Schedule 12 : Increase/ Decrease in Stocks :

Closing Stock :		
LDO	24,238.50	24,238.50
Packing Material	121,991.67	121,991.67
	<u>146,230.17</u>	<u>146,230.17</u>
Opening Stock :		
LDO	24,238.50	24,238.50
Packing Material	121,991.67	121,991.67
	<u>146,230.17</u>	<u>146,230.17</u>

Schedule 13 : Cost Of Goods Sold :

Opening Stock of Finished Goods		
Add : Purchases	13,365,398.57	13,365,398.57
	<u>13,365,398.57</u>	<u>13,365,398.57</u>
Less : Closing Stock of Finished Goods		

Schedule 14 : Raw Material Consumed :

Opening Stock of Raw Material		
Add : Purchases	928,481.38	928,481.38
	<u>928,481.38</u>	<u>928,481.38</u>
Less : Closing Stock of Raw Material		
Cost of Raw Material Consumed		

Schedule 15 : Administrative & Selling Expenses :

AGM Expenses	8,000.00	40,000.00
Bank Charges	60.67	28.09
Sundry Balances Written off	33,132.95	-
Listing Fees		97,650.00
Payment to Auditors	9,000.00	22,145.00
Audit Fees	<u>50,193.62</u>	<u>159,823.09</u>

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 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 Depreciation on addition to fixed assets is calculated prorata from the date of such addition/put to use.

d The Leasehold Land has been obtained from Maharashtra Industrial Development Corporation for a term of 99 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 and packing 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 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.

The goods lying in the bonded warehouse are valued excluding excise. If the value of excise is included, the value of inventories will increase by Rs.5,21,075/-. This also is in contravention of Accounting Standard 2 (Revised) in respect of "Valuation of Inventories". However, the same will have no impact on profit.

c In respect of trading activities, stock is valued at cost or market value whichever is lower.

The goods lying in the custom bonded warehouse are valued excluding custom duty. If the value of duty is included, the value of inventory will increase by Rs.85,647/-. This also is in contravention of Accounting Standard 2 (Revised) in respect of "Valuation of Inventories". However, the same will have no impact on profit.

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 profit or loss, non recurring and extra ordinary expenses are disclosed separately.

AVI PHOTOCHEM LIMITED

Schedules attached to and forming part of Accounts as at 31st March, 2010

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

- E Sales :
Sales include excise duty and Sales Tax but excludes discounted commission.
- F Excise Duty :
Excise duty is accounted for as and when paid on clearance of goods from the bonded premises. No Provision is made for excise duty in respect of Finished goods lying in bonded premises.

- G Custom Duty :
Custom duty is accounted for as and when paid on clearance of goods from the bonded premises. No Provision is made for Custom duty in respect of goods lying in bonded premises.

- H Foreign Currency Transaction :
Open transaction of import/export in foreign currency are accounted for at exchange ratio prevailing at the year end. Gains/losses arising out of subsequent fluctuation in the rates are accounted for on realisation.

- I Retirement benefits/Encashment of leave :
The company has already made sufficient provision in respect of gratuity. Management is of opinion that provision is sufficient hence no further provision is required.

- J Bonus :
1 No provision for bonus is made by the company in view of losses in the previous year.
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. 3,591,031 is doubtful of recovery and hence no provision for the interest amounting to Rs. 538,655 - is made on those advance. The interest on this loan has not been provided since the year ended 31st March, 1999

- 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:

	31-03-2010 (Rs. in Lakhs)	31-03-2009 (Rs. in Lakhs)
a Estimated amount of contract to be executed on capital account and not produced for Letter of Credit opened in favour of the Company.	Nil	Nil
b Guarantee given on behalf of the Company.	0.10	0.10
c Bills Discounted with the Bank	3.25	3.25
d Disputed Income Tax liability pending in appeal	6.40	6.40
e Disputed Sales Tax	0.86	0.86
f Disputed Excise Duty	5.21	5.21
g Custom Duty on goods lying in custom bonded warehouse as at year end		
h Excise Duty on goods lying in bonded warehouse as at year end		

AVI PHOTOCHEM LIMITED

Schedules attached to and forming part of Accounts as at 31st March, 2010
Schedule 16 : Notes Forming Part Of Accounts (Cont'd) :

- 8 The Company's income tax assessments have been completed upto Assessment year 2002-03 additional demand Rs. 3,10,047 has been raised against which assessee has preferred an appeal. The Company's Sales Tax Assessment have been completed upto A. Y. 93-94 and an additional demand of Rs. 73,085/- has arisen. The Company has preferred an appeal for orders of assessments years 91-92 and 92-93 for Chiplun with a disputed liability of Rs. 688 and Rs. 8,844/- respectively and for assessment year 93-94 for Mumbai with a disputed liability of Rs. 201,753/-
- 9 The claim for Sec. 80-1 has been disputed by the Assessing Officer during the proceedings for A. Y. 1994-95 against which appeal is pending.

10 Expenditure/Outgoings in Foreign Currency :

	AS AT 31-03-2010	AS AT 31-03-2009
C.I.F. Value of Imports (Including Capital Goods)	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Currency	NIL	NIL
Dividend Remitted in Foreign Currency	NIL	NIL

- 11 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.

- 12 Debit due by company in which Director is interested:

	As At 31.03.2010	Maxi. Amt. Outstg.	As At 31.03.2009	Maxi. Amt. Outstg.
a Advances includes Advances/Deposits given to a firm in which Directors are interested.	8.00	8.00	8.00	8.00
b Debit due by firm/ company in which Directors are interested	74.15	74.15	74.15	74.15

- 13 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)	NIL (NIL)	NIL (NIL)	4,847,89 (4,847,89
2 Formulations	2,069,816 (2,069,816)	NIL (NIL)	NIL (NIL)	2,069,81 (2,069,81
3 Cameras, Equipments	3,165,068 (3,165,068)	NIL (NIL)	NIL (NIL)	3,165,06 (3,165,06
4 Speciality chemicals	3,282,619 (3,282,619)	NIL (NIL)	NIL (NIL)	3,282,61 (3,282,61

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, 2010
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	Not Applicable	Not Applicable
Licensed Capacity	1,800 MT	1,800 MT
Installed Capacity		

2 Total Production:

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

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

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

16 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 filed the counter claim in Debt Recovery Tribunal for Rs.741.4 lakhs matter is admitted and matter is pending before Debt Recover Tribunal.

Also, no provision for interest on term loan has been made to the extent of approximately Rs.2698000/- for the Thirty eight quarters from 1st October, 1999 to 31st March, 2009 including current year provision of Rs.284,000/- Interest on other than term loan of Rs.176,304/- includes interest not provided for earlier years also.

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.

17 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:

	31.3.10	31.3.09
Deferred Tax Liabilities:		
Depreciation	1,164,110	1,477,734
	<u>1,164,110</u>	<u>1,477,734</u>
Deferred Tax Assets:		
Unabsorbed depreciation	644,887	661,388
Unabsorbed Business Loss	886,520	948,806
Unabsorbed Capital Loss	134,921	146,973
	<u>1,666,328</u>	<u>1,757,167</u>
Net Deferred Tax Asset	<u>502,218</u>	<u>279,432</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

Schedules attached to and forming part of Accounts as at 31st March, 2010

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

18 The company is a potentially sick company under clause (o) of Section 3 of Sick Industrial Companies (Special Provisions) Act, 1985 since the accumulated losses of the company exceed 50% of the total Net Worth of the Company.

19 In view of the multification and identification of accounts relating to small scale industries undertakings, information determining the particulars relating to current indebtedness to such undertakings as required under Schedule VI part to the Company Act, 1956 are not readily available.

20 Figures in brackets relate to the previous year

For J. H. Ghumara & Co.
Chartered Accountants

For Avi PhotoChem Ltd

(J. H. Ghumara)

Proprietor

Membership No. : 14320

Mumbai, Dated: 4th September, 2010

(Avinash D. Vora) (Daksha A. Vora)
Director Director