



**ADVANCE  
MULTITECH  
LIMITED**

REPORTJUNCTION.COM

**28<sup>th</sup>  
Annual  
Report  
2006-2007**

## ADVANCE MULTITECH LIMITED

**ADVANCE MULTITECH LIMITED**

28th ANNUAL REPORT

**BOARD OF DIRECTORS**

Arvind Goenka	Chairman & Managing Director
Ashok Goenka	Director
Dr.S.R. Dhruv	Director
Pravin Manilal Purohit	Director
Omprakash Jalan	Director

**ANNUAL GENERAL MEETING**

On Saturday, 29th September, 2007  
Advance Synthetic Mills  
Opp. Simla Hotel,  
Narol Char Rasta,  
Ahmedabad - 382 405.  
At 11.30 A.M.

**AUDITORS**

Nahta Jain & Associates  
Chartered Accountants,  
211, New Cloth Market,  
Ahmedabad - 380 002.

**BANKERS**

Union Bank of India  
Relief Road,  
Ahmedabad.

Shareholders are requested to bring  
their copy of the Annual Report along  
with them at the Meeting, as the copies  
of the Report will not be distributed  
at the meeting.

**REGISTERED OFFICE**

36, Kothari Market,  
Ahmedabad - 380 022.

**PLANT**

Plot No.167, Pirana Approach  
Village Piplej, Ahmedabad.

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## ADVANCE MULTITECH LIMITED

**NOTICE**

NOTICE is hereby given that 28<sup>th</sup> Annual General Meeting of the Members of Advance Multitech Limited will be held on Saturday, the 29<sup>th</sup> day of September, 2007 at the Advance Synthetic Mills, Opp. Simla Hotel, Narol Char Rasta, Ahmedabad – 382 405 at 11.30 A.M. to transact the following business.:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 and Profit & Loss Account for the financial year ended on that date together with the Report of the Board of Director and Auditors thereon.
2. To appoint a Director in place of Shri. Omprakash Jalan , who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditor's and fix their remuneration and in this connection to pass with or without modification, the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT M/s. Nahta Jain & Associate, Chartered Accountant, Ahmedabad be and is hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on a remuneration as may be decided mutually by the Board of Directors of the Company in conclusion with the aforesaid firm of Auditors."

**SPECIAL BUSINESS:**

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.

"Resolved That subject to the provisions of section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Articles of Association of the Company and further subject to approval of the financial institutions, banks etc. with whom the Company has any borrowing arrangements and where under such arrangements their approvals are necessary, Shri Shailesh R. Dhruv, be and is hereby re-appointed as the Director (Technical) of the Company for a period of five years commencing on and from 01.05.2007 upon such terms and conditions as are expressed and contained in the draft agreement between the Company and the said Shri Shailesh Dhruv placed on the table of the meeting and initialed by the Chairman for the purpose of identifications, which draft be and is hereby approved."

Resolved Further That subject to the approvals as aforesaid the Director (Technical) shall be paid the following remuneration with effect from 01.05.2007 viz.

(a) Salary of Rs.10,000/- to Rs.13000/- per month.

And Resolved further that after having obtained all the necessary approvals and after having incorporated in the draft agreement with the Director (Technical) , all such modification, deletions etc. as may be laid down by the shareholders, financial institutions,

**ADVANCE MULTITECH LIMITED**

Banks etc. and if acceptable to Shri Shailesh Dhruv the finalized draft of the agreement be engrossed on the requisites stamp paper and the common seal of the company be affixed thereto who do sign and executive the agreement for and on behalf of the company and that Shri Shailesh Dhruv.

Registered office  
36, Kothari Market  
Ahmedabad - 380 022

By order of the Board  
For ADVANCE MULTITECH LTD.

(Arvind Goenka)  
Managing Director

Date : 17.08.2007

**NOTES :**

1. \* Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under item Nos.4 to 5 set out above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY IN ORDER TO BE VALID NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM DULY FILLED IN AND SIGNED SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE START OF THE MEETING.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, the 24<sup>th</sup> day of September, 2007 to Saturday, the 29<sup>th</sup> day of September, 2007. (Both days inclusive).
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered office of the company on all working days except Saturdays between 11.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.
5. Members/proxies should bring their attendance slips duly filled in for attending the meeting.
6. Members who have not encashed their dividend warrants pertaining to earlier years may approach the share department of the company for revalidating the warrants and for obtaining the duplicate warrants.
7. Members are requested to intimate the change in their address, if any, to the Registered office of the Company writing their folio no.
8. Members holding shares in more than one folio in identical order of name are requested to write to the Registered office of the company enclosing their share certificate to enable us to consolidate their holdings in one folio, to facilitate better service.

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**ADVANCE MULTITECH LIMITED**

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9. Members who have not forwarded earlier the details of their bank account number and name and address of the bank are requested again to send the same.
10. Shareholders seeking any information on the account or operations are requested to write to the company at an early date so as to enable the management to keep the information ready.

**EXPLANATORY STATEMENT IN TERMS OF SECTION 173(2) OF THE COMPANIES ACT, 1956**  
**ITEM NO.4**

The present term of Shri Shailesh Dhruv as Technical Director of the Company, had expire by efflux of time on 30<sup>th</sup> day of April, 2007. The Board of Directors at its meeting held on 31<sup>st</sup> day of May, 2007 re-appointed Shri Shailesh Dhruv as Technical Director of the company for a fresh term of 5 years commencing on and from 1<sup>st</sup> day of May, 2007 and upto 30<sup>th</sup> day of April, 2012. Further his remuneration was approved by the Remuneration Committee of the Board at its meeting held on 31.07.2007. His appointment and remuneration are fixed in accordance with Schedule xiii of the Companies Act, 1956 and are subject to approval of the shareholders at the General Meeting for which purpose Resolution as set out under item no.4 in the notice is proposed.

The Board of Directors has fixed the following remuneration to be paid to the Technical Director due in the fresh term, with power to make such variation or increase there in as may be thought fit from time to time, but within the ceiling laid down in schedule xiii of the said act. or any statutory amendment or relaxation there of :

1. SALARY : Salary of Rs.10,000/- to Rs.13000/- per month.
2. PERQUISITES : Shri Dhruv will be entitled to the perquisites mentioned in the Agreement entered between the company and Mr. Dhruv. Copy of agreement is available for inspection at the regd. office during office hours.

## ADVANCE MULTITECH LIMITED

**DIRECTOR'S REPORT**

To,  
The Members,  
Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report and Audited Account of the Company for the period ended 31<sup>st</sup> March, 2007.

**FINANCIAL RESULTS :**

	2006-2007	2005-2006
Gross Income	587.89	620.26
Profit before interest, depreciation and tax	26.27	25.23
Profit before depreciation and tax	22.92	22.21
Depreciation	14.72	13.95
Profit before tax	6.20	8.26
Provision for tax	4.55	2.76
Profit after tax	3.65	8.49
Add : Surplus as per last account	89.30	80.82
Surplus available for appropriation	97.44	89.30

**Appropriations :**

Proposed Dividend	Nil	Nil
Transferred to General Reserve	Nil	Nil
Surplus carried to next year	97.44	89.30

**DIVIDEND**

Due to inadequacy of profit available for appropriation during the year under review, your Directors express their inability to recommend any dividend for the year ended 31<sup>st</sup> March, 2007

**REVIEW OF OPERATION**

During the year under review your company have registered a sales turn over of Rs.587.89 lacks in comparison to the figure of Rs.620.26 lacks of the previous year thus decreasing by Approx 5%. Net profit after tax has decreased from 8.49 lacks to 3.65 lacks thus less by almost 50% in comparison to the corresponding performance of the previous year. Increase in performance is partially due to the increased revenue generated from the new products.

**PROSPECTS**

Due to the buoyancy in the economy and favorable economic conditions, performance of the company will improve substantially in the years ahead.

**PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public during the year review and therefore the provisions of the Companies Act, 1956 read with company's (acceptance of deposit) rules, 1975 are applicable to the Company.

**INSURANCE**

All the properties of your company have been adequately insured against fire, floods, riots, earthquake, malicious damage and explosion risks.

**AUDITOR'S REPORT**

All the items on which comments have been made by the auditors in their Report to the shareholders are self explanatory as explained by way of Notes to the Accounts under Schedule R to the Balance Sheet and Profit & Loss Accounts.

**ADVANCE MULTITECH LIMITED****AUDITORS**

M/s.Nahta Jain & Associates, Chartered Accountants, Ahmedabad retire at the forthcoming Annual General Meeting and have conformed their eligibility and willingness to accept the office, if re-appointed. Company under the section 224(1B) of the Companies Act,1956 certified their eligibility.

**DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SECTION 217 (2AA) OF THE COMPANIES ACT,1956**

Pursuant to section 217 (2AA) of the Companies Act,1956 your Directors, based on the representations received from the operating management, and after due inquiry, confirm that :

- i) In the preparation of the annual account, the applicable accounting standards have been followed.
- ii) They have, in the selection of the accounting policies, consulted the Statutory Auditors and, read with paragraph (i) above, these have been applied consistently and reasonable and prudent judgements and estimates have been made also as give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2007 and of the profit of the company for the year ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting gruan and other irregularities .
- iv) The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

Your company has implemented best practice of corporate Governance in compliance with the requirements of amended Clause 49 of the listing agreement. A separate section on the Corporate Governance and the certificate from the Auditors of the company regarding compliance of the conditions of the corporate governance as stipulated under Clause 49 of the listing agreement with the Stock Exchange form part of the Annual Report.

**EMPLOYEES**

There are no employees drawing salary of Rs.2,00,000/-p.m. and/or Rs.24,00,000/- p.a. and therefore particulars u/s/217 (2A) of the companies Act,1956 read with companies (particulars of employees) amendment rules 1988 is not required.

**DIRECTORS**

As per the provisions of Section 256 of the Companies Act,1956 read with Article 144 of the Articles of Association of the company, Shri Omprakash Jalan retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

**REMUNERATION COMMITTEE**

Company has constituted a remuneration committee comprising of Mr.S.R.Dhruv, Shri Omprakash Jalan and Shri Pravin M Purohit Shri Omprakash Jalan is appointed as a Chairman of the committee. One meeting of the same was held on 31.05.2007.



**ADVANCE MULTITECH LIMITED****LISTING OF SHARES**

The equity shares of the company are listed on the following Stock Exchange :

Name	Address
The Bombay Stock Exchange Limited	Phiroze JeeJee Bhoy Towers Dalal Street, Mumbai – 400 001.

Company has paid annual listing fees for the year 2007-2008 at the aforesaid Stock Exchange.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.**

	2006-2007	2005-2006
Electricity Purchase	235665	246480
Total amount (Rupees)	1304599	1343628
Rate per Unit(Rs.)	5.54	5.45

Our industry is not heavy consumer of energy, further during the year under review the company made efforts to conserve energy through reduction consumption, the company will continue to endeavor of conserve energy and use it more efficiently.

Company is having it's own research & development facilities. The process of development is a continuous process resulting in development of new & import substitute products.

Company is taking all appropriate measures to absolve the technology in its area of operation.

There has been no foreign exchange inflow or outgo in the current year.

**PERSONNAL**

Your Company has been maintaining a very cordial and satisfactory relationship with its employees and your Directors wise to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the company.

**APPRICIATION**

The Board wishes to express its sincere appreciation to all the staff member for the contribution to the performance of the company and to our valued clients, bankers, financial institutions and shareholders for the continued support and the same is expected in years to come.

By order of the Board

For ADVANCE MULTITECH LTD.

Registered Office :

36, Kothari Market,

Ahmedabad - 380 022

(Arvind Goenka)

Managing Director

Date : 17.08.2007



## ADVANCE MULTITECH LIMITED

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2006-2007

(as required under clause 49 of the listing agreements entered into with the Stock Exchanges)

**1. Company's Philosophy on Corporate Governance:**

The management of the company believes that corporate performance in the long run is co-related to corporate governance and that well governed companies mitigate non-business risks. It is therefore, committed to further improve the corporate governance practices in the company by lying emphasis on 'substance' of corporate governance over the 'form'. The company endeavors to adopt the best practices in corporate governance and thereby aims to increase the value for all its shareholders.

**2. Board of Directors :**

The company has a Executive Chairman and the number of Independent Directors is more than one half of the total number of Directors. The number of Non-Executive Directors (NEDs) is more than 50% of the total number of Directors.

None of the Directors on the Board of Member on more than 10 committees and Chairman of more than 5 committees (as specified in clause 49), across all the companies in which he is a Director. The necessary disclosures regarding committee positions have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of Directorships and committee memberships held by them in other companies are given below :

Name	Category	No. of Board Meeting attended during 2006-07	Whether AGM held on 30th September, 2006	No. of Director ships in other public Companies		No. of Committee positions held in other public Companies**	
				Chai-rman	Mem-ber	Chai-rman	Mem-ber
Mr. Arvind Goenka	Promoter Not Independent Executive Chairman & Managing Director	05	yes	—	1	—	1
Mr. Ashok Goenka	Promoter Not Independent Non-Executive	05	yes	1	—	1	—
Mr. Dr.S.R.Dhruv	Independent Non-Executive	01	yes	—	—	—	—

## ADVANCE MULTITECH LIMITED

Mr. Pravin Purohit	Independent Non-Executive	—	yes	—	—	—	—
Omprakash Jalan	Independent Non-Executive	02	yes	—	1	—	1

\* Represents Chairmanships/Memberships of Audit committee, shareholder's/Investor's Grievance Committee and Remuneration Committee.

Board Meetings were held during the year 2006-07 and the gap between two meeting did not exceed four months. The dates on which the Board Meetings were held were as follows:

29<sup>th</sup> April, 2006, 29<sup>th</sup> July, 2006, 28<sup>th</sup> August, 2006, 30<sup>th</sup> October, 2006, and 29<sup>th</sup> January, 2007.

The company did not have any pecuniary relationship or transaction with Non-executive Directors during 2006-07.

### 3. Audit Committee :

The company had constituted an Audit Committee in the year 2003. The scope of the activities of the Audit Committee is set out in clause 49 of the listing agreements with the Stock Exchanges read with section 292A of the companies act, 1956. The terms of reference of the audit committee broadly are as under :

- To hold periodic discussions with the Statutory Auditors and internal auditors of the company concerning the accounts of the company, internal control systems scopes of audit and observation of the Auditors/Internal Auditors;
- To review compliance with internal control systems.
- To review the quarterly, half-yearly and annual financial results of the company before submission of the Board;
- To make recommendations to the Board on any matter relating to the financial management of the company including the Audit Report;
- Recommending the appointment of statutory auditors and fixation of their remuneration.

The Chairman of the Audit Committee, Mr. Omprakash Jalan was present at the Annual General Meeting held on 30<sup>th</sup> September, 2006.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below :

Names of Members	Category	No. of Meetings attended during the year 2006-07
Mr. Ashok Goenka	Promoter Not Independent Non-Executive	3
Mr. Pravin M. Purohit	Independent Non-Executive	3
Mr. Omprakash Jalan	Independent Non-Executive	3

Three audit committee meetings were held during 2006-07. The date on which the said meetings were held was 26.04.2006, 19.08.2006 and 27.01.2007. All the three members of the committee were present at the meeting.