

AVANCE TECHNOLOGIES LIMITED

**26th
ANNUAL REPORT
2009-2010**

AVANCE TECHNOLOGIES LIMITED

Regd Office: Unit No. 505, Midas Chambers, Off Link Road, Andheri (W), Mumbai-400 053.

BOARD OF DIRECTORS

Mr. Deepak S. Goyal	: Executive Director
Mr. Shrikrishna Bhamidipati	: Executive Director
Mr. Rajeev Anand	: Non- Executive Independent Director
Mr. Randhir Marwa	: Non- Executive Independent Director
Mr. Anand Chaudhary	: Non- Executive Independent Director
Mr. Bimal Kamdar	: Non- Executive Independent Director (Additional Director)

BANKERS

Axis Bank Ltd.

AUDITORS

M/s. Ramesh Batham and Co.
Chartered Accountants,
C-36/101/103, Sector 5, Shanti Nagar, Meera Road,
Mumbai- 401 107

REGISTERED & CORPORATE OFFICE

Unit No. 505, Midas Chambers,
Off Link Road, Andheri- West,
Mumbai- 400 053.

SHARE TRANSFER AGENTS

M/s. Purva Shareregistry (India) Pvt. Ltd.
No. 9, Shiv Shakti Industrial Estate
Ground Floor, J. R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai- 400 011.

LISTED AT:

Bombay Stock Exchange Limited.

AVANCE TECHNOLOGIES LIMITED

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AVANCE TECHNOLOGIES LIMITED

NOTICE is hereby given that Twenty-Sixth Annual General Meeting of the Members of AVANCE TECHNOLOGIES LIMITED will be held on Friday, 31st day of December, 2010, at 9:30 AM at its Registered Office situated at: Unit No 505, Midas Chambers, Off Link Road, Andheri (W), Mumbai - 400053 to transact, the following items of business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31st March, 2010 and the Audited Profit & Loss Account for the year ended on that date, together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajeev Anand, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Srikrishna Bhamidipati, who retires by rotation, but being eligible, offers himself for re-appointment.
4. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT M/s. RAMESH BATHAM AND Co., Chartered Accountants be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration in addition to the reimbursement of the traveling and other out-of-pocket expenses incurred incidental to their functions, as may be mutually agreed to between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Bimal Kamdar who was appointed as an Additional Director of the Company by the Board in its meeting held on 20th February, 2010 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice in writing has been received from a member signifying his/her intention to propose him as a candidate for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, Foreign Exchange Management Act, 1999, directions issued by Reserve Bank of India and other applicable provisions and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to Board of Directors of the Company(hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the power conferred by this resolution) to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with

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loan(s) made to and/or acquire by way of subscription, purchase or otherwise, the securities of any Body Corporate(s) up to an amount not exceeding Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) at any time together with the existing loan(s), investment(s) and guarantee(s), notwithstanding that such investments, outstanding loan given or to be given and guarantee(s) & security(ies) provided are in excess of the following limits prescribed under section 372A of the Companies Act, 1956

- 60 percent of the Paid Up Share Capital and Free Reserves of the Company
 - or
 - 100 percent of the Free Reserves of the Company,
- Whichever is more,

RESOLVED FURTHER THAT for the purpose of giving effect to the above- mentioned resolution, the Board be and is hereby authorized to do all such acts, deeds, and things as may be deemed necessary and expedient in connection with the resolution.”

7. **To consider and if thought fit to pass with or without modifications, the following resolution as an Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company, be and is hereby altered by replacing of a **article 116 and article 117** in respect of the **Capitalization of the Reserves** and the same be inserted after article 115 as under:

- 116 (1) Subject to the provisions of the Act and regulations made there under or any other applicable law/guidelines, any **Board Meeting** may resolve that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus monies arising from the realization and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve or Reserve Fund or any other Reserve or Fund of the Company or in the hands of the Company and available for dividend, **be capitalized:-**

- (a) By issue and distribution as fully paid up shares, of the Company as Bonus Shares;
- Or
- (b) By crediting shares of the Company which may have been issued to and are not fully Paid-up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as therein provided) as fully paid Bonus Shares.

- (2) Such issue and distribution under sub-clause (1)(a) above and such payment to credit of unpaid capital under sub-clause (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (1)(a) or payment under sub-clause (1)(b) above, shall be made on the footing that such members become entitled thereto as capital.

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- (3) Such issue under sub-clause (1) (a) above shall also be made to, among and in favour of the holders of Convertible Equity Warrant and/or Other Instruments Convertible into Equity Shares (hereinafter referred to as Convertible Securities), provided that the holders of such Convertible Securities opt to Convert the said Securities into Equity Shares of the Company within the prescribed time limit and the terms of their issue entitles such Convertible Securities to Bonus Shares.
- (4) The Board shall give effect to any such business and apply such portion of the profits, General Reserve or Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debentures stock, bonds or other obligations of the Company so distributed under sub-clause (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under sub-clause (1)(b) above; provided that no such distribution or payment shall be made unless recommended by the Directors and, if so recommended, such distribution and payment shall be accepted by such members, as aforesaid in full satisfaction of their interest in the said capitalized sum.
- (5) For the purpose of giving effect to any such business, the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid, as they think expedient, in particular, they may issue fractional certificates and they may fix the value for distribution of any specific assets and may determine that cash payment be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the directors and generally may make such arrangements for the acceptance, allotment and sale of shares, debentures, debenture stock, bonds or other obligations and fractional certificates or otherwise as they may think fit.
- (6) Subject to the provisions of the Act and these Articles, in cases where some of the shares of the company are fully paid and others are partly paid, only such capitalization may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but, so that, as between the holders of fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro-rata in proportion to the amount then already paid or credited as paid on the existing fully paid or partly paid shares respectively.
- (7) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

Place: Mumbai

Date : 6th December, 2010

Registered Office :

Unit No. 505, Midas Chambers,
Off Link Road, Andheri- West,
Mumbai- 400 053.

By Order of the Board

Sd/-
Director

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NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- b) The explanatory statement setting out the material facts concerning the special business mentioned under item No. 5, 6 and 7 of the Notice as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.**
- c) The Register of Members and the Shares Transfer Books of the Company will be closed from 27th December, 2010 to 29th December, 2010(Inclusive of Both the Days).**
- d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.**
- e) Members are requested to bring their attendance slip along with their copy of annual report to the meeting.**
- f) In case of the joint holders attending the meetings, only such joint holder who is higher in the order of names will be entitled to vote.**
- g) Relevant documents referred to in the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays and public holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the meeting.**
- h) *Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with by whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to advice any change of address immediately to the / Registrar and Shares transfer Agents, M/s. Purva Shareregistry (India) Pvt. Ltd.***
- i) Members/Beneficial Owners are requested to quote their full name as per Company's record, Folio No. /DP and Client ID Nos. as the case may be, in all correspondence with the Company.**

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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEMS OF THE NOTICE.

ITEM NO 5.

Mr. Bimal Kamdar was appointed as an Additional Director of the Company with effect from 20th Feb, 2010. Pursuant to Section 260 of the company Act, 1956 Mr. Bimal Kamdar will hold the Office as Director only up to the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, from the member of the Company signifying his intention to proposed Mr. Bimal Kamdar for appointment as an Independent Director at the forthcoming Annual General Meeting.

The Board considers that the Company would be benefited by his rich experience and guidance. The Board of Directors therefore recommends the resolution for approval of the members.

None of the Directors are except Mr. Bimal Kamdar is concerned or interested in the proposed resolution.

ITEM NO 6:

Pursuant to Section 372A of the Companies Act, 1956, the company can make loans, give guarantees, provide securities, give guarantee to and make investment in the securities of the other bodies corporate to the extent of 60% of its paid up share capital and free reserve or 100% of its free reserves, whichever is higher with the approval of the Board of Directors. Where the aggregate of loans and investment made, guarantees given and securities provide exceeds the aforesaid limits, prior approval of the Shareholders is required by way of special resolution.

The Company is constantly reviewing opportunities for expansion of its business operations either directly or through joint ventures/associate companies/body corporate, in order to achieve the greater financial flexibility and to able to optimal financial structure to facilitate speedy implementations of various project of such Companies.

It is, therefore, proposed that Board of Directors of the Company be authorized to make loans, give guarantees/ provide securities to and to invest in one or more of the entities, at the discretion of the Board, by way of Subscription and/ or purchase of securities, from time to time, an amount not exceeding Rs. 200 crores.

The requirement of funds for making these investments would be met from surplus funds generated by the Company through the operation or from such other sources as the Board may deem appropriate.

Since the future investments, loans, guarantees and/or securities proposed together with the aggregate of loans made, guarantees given, securities provided and investments made from time to time by the Company may exceed the limit prescribed under Section 372A of the Companies Act, 1956, prior approval of the shareholders is required for the same.

The proposal outlined above is in the interest of the Company and the Board commends the resolution set out in the accompanying notice.

None of the Director of the Company is in any way concerned or interested in the resolution, except to the extent of shareholding held by them.

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ITEM NO 7:

Pursuant to Clause 92 (a) of Chapter IX of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 the Articles of Association of the Company shall contain a provision for Capitalization of Reserves in case of Bonus Issue. At present your Company's Articles of Association has provision for Capitalization of Reserves, however the same has to be replaced with the new clause keeping in mind the requirements of the Company.

Thus to give effect to the same, the proposed Article needs to be replaced in place of Article 116 & 117 of the Articles of Association.

None of the Directors of your Company is interested or concerned in this Resolution.

The Board of Directors commends the Resolution for approval of the shareholders.

Place: Mumbai

Date : 6th December, 2010

By Order of the Board

Sd/-

Director

Registered Office :

Unit No. 505, Midas Chambers,
Off Link Road, Andheri- West,
Mumbai- 400 053.

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DIRECTORS REPORT

TO THE MEMBERS,

The Directors are delighted to present their **26th ANNUAL REPORT** on the business and operation of the Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

Financial Result of the Company for the Current year under review along with the figures for the previous year is as follows :

Particulars	Schedule	For the year ended 31 st March, 2010	For the year ended 31 st March, 2009
Income			
Sales	I	727716124	768190374
Other Income	J	1801788	3332369
Increase/Decrease in Stock	K	27102841	16322446
Total Income		756620753	787845189
Expenditure			
Purchases		748047896	781765819
Employees Remuneration/cost		486257	639343
Administrative Expenses	L	3112057	599557
Selling Expenses	M	44710	38507
Financial Expenses	N	21208	7984
Depreciation	E	730226	510032
Total Expenditure		752442354	783561241
Profit/(Loss)		4178399	4283947
Provision for FBT		-	6513
Provision for Income Tax		1313426	695577
Income Tax Paid		484043	64045
Provision for Deferred Tax		109455	769398
Profit/(Loss) after Tax		2271475	2748414
Balance b/f from Previous Year		60218810	57470395
Less: Reserve used for issue of Bonus shares		58697250	—
Balance b/f		1521560	—
Balance carried to the Balance Sheet		3793034	60218810
Profit considered for arriving at EPS		2271475	2748414
Earnings per Share (Basic)		0.04	0.572
Earnings per Share (Diluted)		0.49	0.587