

28TH ANNUAL REPORT

AVANCE TECHNOLOGIES LIMITED

2011- 12

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CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Deepak Goyal	:	Executive Director
Mr. Srikrishna Bhamidipati	:	Executive Director
Mr. Randhir Marwa	:	Non- Executive Independent Director
Mr. Anand Chaudhary	:	Non- Executive Independent Director
Mr. Bimal Kamdar	:	Non- Executive Independent Director
Mr. Ronak Chheda	:	Non- Executive Independent Director

BOARD COMMITTEES:

1. Audit Committee

Mr. Randhir Marva	:	Chairman
Mr. Anand Chaudhary	:	Member
Mr. Deepak Goyal	:	Member

2. Investor Grievance Committee

Mr. Randhir Marva	:	Chairman
Mr. Rajeev Anand	:	Member
Mr. Deepak Goyal	:	Member
Mr. Anand Chaudhary	:	Member

3. Remuneration Committee

Mr. Randhir Marva	:	Chairman
Mr. Rajeev Anand	:	Member
Mr. Srikrishna Bhamidipati	:	Member
Mr. Anand Chaudhary	:	Member

**AUDITORS:****M/s. Ramesh Batham and Co.**

Chartered Accountants,
Flat No 101-103,
C-36, Sector 5,
Shanti Nagar, Meera Road,
Mumbai- 401 107

REGISTERED OFFICE:

Office No. 209, 2nd Floor,
Kapadia Chambers, 599,
J.S.S. Road, Marine Lines- East,
Mumbai:- 400 002

SHARE TRANSFER AGENTS:**M/s. Purva Shareregistry (India) Pvt. Ltd.**

No. 9, Shiv Shakti Industrial Estate
Ground Floor, J. R. BorichaMarg,
Opp. Kasturba Hospital, Lower Parel,
Mumbai- 400 011.

BANKERS:

Oriental Bank of Commerce
P. M Road, Fort,
Mumbai- 400 001

LISTED AT:

Bombay Stock Exchange (BSE) Limited

COMPLIANCE OFFICER:

Mr. SrikrishnaBhamidipati

Green Initiative:

In order to enable the Company to send various documents through electronic mode, the members of the Company are requested to register/update their e-mail addresses with the Company in case the shares are held in Physical mode and with the concerned Depository Participant(s) in case the shares are held in Demat mode.



MESSAGE TO THE SHAREHOLDERS

Dear Shareholders,

A Very warm welcome to all of you,

It gives me immense pleasure to welcome you all to this 28th Annual General Meeting of the **AVANCE TECHNOLOGIES LIMITED**. The 28th year at **AVANCE** has been a year of new challenges and new opportunities for all of us. So, let us take a moment here to analyze, introspect, and share our vision for the future with our customers on this journey.

MVAS- THE CHANGING FACET OF CORPORATE ARENA:

We all know that the world is going crazy over an invention that we call as **Mobile Phones**. The immense popularity and the large fan- following that this device enjoys has made it a significant invention of the 21st Century. The impact of mobile phones is discernible everywhere. A majority of the population around the world is powered with a cellular phone that has contended our lives. It seems that we feel helpless without this device and it looks all the more stranger when everybody knows that mobile phones were considered to be real luxury exactly 10 years ago and they were not even known 20 years ago. However the truth is that the mobile phones have not only made our lives easy and convenient, but are also stylish enough to become a fashion statement.

Your Company **AVANCE TECHNOLOGIES LIMITED** is extremely contended with the fact that it operates in a very competitive space of **Mobile Value Added Services (MVAS)** which has made its presence in every nook and corner of the World. Thus while it brings enormous content to have achieved sizeable success in this segment, it also brings in a sense of responsibility upon us to maintain the same level of consistency in our operations.

Year 2011- 12

The past year put us through a test of spirit and character, however I am extremely proud to report that we not only managed to pass through but also emerged stronger than ever. In such a competitive space where many of our competitors have succumbed to the circumstances, we are pleased to inform you that we have not only survived but also carved out our own place in the



industry. This was possible only because of the governance systems that we have put in place. As we reviewed our governance standards in the process, we were able to confirm that our rigorous system of checks and balances is strong enough to detect and combat any issues that might arise internally or otherwise. There has been no material impact of these concerns on our growth, and we remain committed to the highest standards of personal and business ethics.

Further we are also focused on providing our customers with solutions that actually solve their issues and assist their growth through innovative application of technology and information management in an easy-to-use manner. Our four main areas of focus this year has been our continued commitment to offering best-in-class products and services, delivering value to our customers through our constant innovation, expanding our service offerings globally, and creating a work environment that motivates our team to deliver their best.

We hope to make these qualities synonymous with **AVANCE** in the years to come.

Thanking You,

For and on behalf of the Board of Directors

Sd/-

Srikrishna Bhamidipati

Executive Director

Date : 1st September, 2012

Place: Mumbai



DIRECTOR'S REPORT

To,

To the Members,

AVANCE TECHNOLOGIES LIMITED

Your Directors are pleased to present their 28th Annual Report on the operations of the Company, together with the Audited Annual Accounts for the financial year ended 31st March, 2012. A gist of the financial performance of the Company for the financial year 2011- 12 is provided as under:

σ **Financial Performance and Operational Review:**

The financial performance of the Company, for the year ended 31st March, 2012 and corresponding previous year is summarized below:

Particulars	For the year ended 31 st March, 2012	For the year ended 31 st March, 2011
Total Income	1,659,948,384	1,840,239,793
Total Expenditure	1,671,486,969	1,839,177,077
Profit/(Loss) before Tax	(11,538,585)	1,062,716
Less: Provision for Tax	(160,925)	(604,196)
Profit/(Loss) after Tax	(11,377,660)	458,520
<u>Earnings per share</u>		
Basic	(0.12)	0.00
Diluted	(0.12)	0.00

The year 2011- 12 has been a challenging year for the Company's operations as it witnessed a pressure on its margins on account of a slight decline in its overall revenues. However at the same time, the Company succeeded in its efforts of achieving a reduction in the overall expenditure incurred by it to the tune of Rs. 167,690,108 i.e. about 9% as compared to the preceeding financial year. Further this tough business scenario has encouraged the Company to undertake a **SWOT analysis** of its operations and thus process of reviewing of the systems and



processes across various departments has been initiated with a view to identify possible areas of lacunas so that the necessary measures can be undertaken to fill the same.

Your Directors are optimistic that with the melting down of recessionary turmoil and with collective efforts of all the stakeholders, the Company would emerge as a strong player in the years to come.

σ **Future Outlook:**

Your Company currently operates in Mobile Value Added Services (MVAS). However there is an increasing reliance upon the use of mobiles devices in the delivery of value added services by the Private as well as the Public Sector.

Most recently even the Government has begun using the mobile devices to make the public information and government services available anytime and anywhere by bringing in personalized, localized and context aware services close to citizens and officials through the medium of e- governance and m- governance.

In order to leverage the opportunities offered by the E- Governance and M- Governance Space, your Company wishes to embark in these fields in the years to come.

σ **Dividend:**

After taking into consideration the financial Results of the Company for the Financial Year 2011-12, and with an intention to build up the net worth for future expansion and growth plans, your Directors are of the opinion, that no dividend be recommended for the year under review.

σ **Change in the Registered Office of the Company:**

The Registered Office of the Company has been shifted with effect from 14th May, 2012 from

#505, Midas Chambers, Off. Link Road, Andheri- West, Mumbai- 400053

to

Off. No. 209, 2nd Floor, Kapadia Chambers, 599, J.S.S. Road, Marine Lines- East, Mumbai- 400 002.



The said change of new office was intimated to all the statutory authorities and thus all the shareholders are requested to take a note that all the communication with the Company be undertaken on the aforesaid new address.

σ **Internal Control Systems and their Adequacy:**

The Company has a proper and adequate system of controls in order to ensure that all assets are safeguarded against loss from un-authorized use or disposal. Further all transactions are properly checked, verified, recorded and reported correctly.

Also Regular Internal Audit Checks are carried out to ensure that the responsibilities are executed effectively and that proper and adequate systems are in place.

σ **Listing:**

The securities of the Company are listed at the Bombay Stock Exchange (BSE) Limited, Mumbai.

σ **Directors:**

In accordance with the provisions of section 257 the Companies Act, 1956, Mr. Bimal Kamdar and Mr. Randhir Marwa, Directors of your Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board wishes to place on record their appreciation for the services rendered by them as the Directors of the Company.

Necessary resolutions with regard to the above are being placed before the Shareholders for their approval.

None of the Directors, except Mr. Bimal Kamdar & Mr. Randhir Marwa are interested or concerned in the said resolutions.

σ **Auditors:**

M/s. Ramesh Batham & Co., Chartered Accountants, Statutory Auditors of the Company had been appointed to hold office until the conclusion of the ensuing Annual General Meeting;



however they are also eligible for re- appointment and their willingness for re- appointment have been intimated to the Company well in advance. Further they have also confirmed that they are not disqualified for re- appointment within the meaning of Section 226 of the Companies Act, 1956 and their appointment, if made would be within the limits specified in Section 224(1B) of the said Act.

σ **Auditors Report:**

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self- explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

σ **Director's Responsibility Statement:**

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the Accounts for the financial year ended 31st March, 2012 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profit or loss of the Company for the year ended 31st March, 2012;
- iii. The Directors have taken proper and sufficient care 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 fraud and other irregularities; and
- iv. The Directors have prepared the Annual Accounts of the Company on a 'going concern' basis.