



Avance Technologies Limited Annual Report 2015-2016

LINE OUT

GD75232

GD75232

FLOPPY

FEATURE

JP4 1-2 = DISABLE INT VGA
JP4 2-3 = ENABLE INT VGA

32KX8

CE

J35 SHORT 1-2 FOR FRONT USB
J35 SHORT 2-3 FOR BACK USB

W83877F

VCCORE 1.8V

JP8 1-2 OPEN OPEN OPEN CLOSE OPEN
JP9 1-2 OPEN OPEN OPEN OPEN OPEN
JP10 1-2 OFF OFF OFF OFF OFF
JP11 1-2 OPEN OPEN CLOSE CLOSE CLOSE

UP14 UP15 UP16 CPU CLK
ON ON ON 150MHZ
ON OFF OFF 160MHZ
OFF OFF OFF 166MHZ
OFF ON ON 175MHZ

FRONT USB

SEC-IDE

PBSRAM

ALS245

ALS245

PRI-IDE

PRI-IDE

JP17 CLOSE FOR CWRX CPU ONLY

Letter to Shareholders

Dear Shareholders,

We are in the middle of extreme economic volatility. Be it Chinese turbulence, Crude oil price crash, terrorist attacks, Brexit or Rexit (Raghuram Rajan's exit), each such event adds to the uncertainty to the overall business confidence. Such situations make it very difficult to plan a long term strategy and also to stick to the existing strategy. Amidst this uncertainty and chaos, India has emerged as a bright spot. India is growing at a healthy rate with a stable government at the centre. Further, the recent passing of the constitutional amendment for Goods and Services Tax (GST) has brought optimism in the India's business circle.

The information technology sector is expected to remain under stress due to the global uncertainty and shrinking IT budgets of the Companies. This shall put a downward pressure on the overall margins of the Company. The financial year 2015-16 was a difficult year for the Company but managed to reduce out operating loss. It is due to the untiring efforts of the management and employees that the company has been able to improve efficiency.

The overall business situation is still challenging but the growing number of smart phones, increasing penetration of internet and falling data tariffs will boost the market for mobile value added service providers. Various initiatives by the Indian Government like Smart Cities and Digital India are very positive for the sector as a whole but it is equally important for us to capitalize and make most of these opportunities. Your company is taking necessary steps towards increasing its digital presence and increases its product offerings. However, the major focus would be towards client acquisition and improving operational efficiency.

Thank You for your continued support.

Yours Sincerely,

Sd/-

Srikrishna Bhamidipati
Managing Director

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Corporate Information

Board of Directors

Mr. Srikrishna Bhamidipati

Mr. Srinivas Rachakonda

Mr. Deepak Manki

Mr. Anand Choudhary

Mr. Bimal Kamdar

Ms. Pooja Srivastava

Chief Financial Officer

Mr. Srinivas Rachakonda

Compliance Officer

Mr. Srikrishna Bhamidipati

Registered Office

D / 603, 6th Floor, Crystal Plaza Premises,

Co-op Society Ltd, Opp. Infinity Mall,

New Link Road, Andheri (W),

Mumbai – 400053

Bankers

Oriental Bank of Commerce

Dhanalaxmi Bank

IndusInd bank

Dena Bank

Kotak Mahindra Bank

Nedungadi Bank

Punjab National Bank

UCO Bank

Union Bank of India

Yes Bank

Committees of Directors

Audit Committee

Mr. Anand Choudhary

Mr. Bimal Kamdar

Mr. Deepak Manki

Stakeholders Relationship Committee

Mr. Anand Choudhary

Mr. Bimal Kamdar

Mr. Deepak Manki

Nomination & Remuneration Committee

Mr. Anand Choudhary

Mr. Bimal Kamdar

Ms. Pooja Srivastava

Risk Management Committee

Mr. Anand Choudhary

Mr. Bimal Kamdar

Mr. Deepak Manki

Auditors

M/s. Tejas Nadkarni & Associates

RTA

Purva Shareregistry (I) Pvt Ltd.

Board Report

To the Members,

The Directors have pleasure in presenting before you the Annual Report of the Company together with the Audited Statements of Accounts for the 32nd year ended 31st March, 2016.

1. Financial Results

(Amount in Rs.)

Particulars	2015-16	2014-15
Net Sales/ Income from Business Operations	1,016,179,791	1,065,515,781
Other Income	1,410,105	10,359,764
Total Income	1,017,589,896	1,075,875,545
Less: Expenditure	1,016,548,181	1,086,780,003
Profit before Depreciation	1,041,715	-10,904,458
Less: Depreciation	-	661,359
Less: Exceptional item	12000000	-
Profit after Depreciation and Exceptional Items	-10,958,285	-11,565,817
Less: Current Income Tax	-	259,084
Less: Previous year adjustment of Income Tax	-	-
Less: Deferred Tax	9,887	-664,654
Net Profit after Tax	-10,968,172	-11,160,247
Amount transfer to General Reserve	-	-
Balance Carried to Balance Sheet	-10,968,172	-11,160,247
Earnings per Share (Basic)	-0.006	-0.006
Earnings per Share (Diluted)	-0.006	-0.006

2. Performance Review

The total income of the Company for the financial year 2015-16 stood at Rs 1,017,589,896 as against last year's of Rs 1,075,875,545. In the previous year the company incurred operating loss of Rs 11,160,247 whereas the operating loss for the financial year 2015-16 stood at Rs 10,968,172.

There was no change in nature of the business of the Company, during the year under review.

3. Dividend

Your Directors have not recommended dividend for the financial year ended 31st March, 2016 considering the financial performance of the year under review.

4. Capital Structure

The paid up Equity Share Capital as on 31st March, 2016 stood at Rs 1,981,917,430. The Authorized Share Capital of the company stood at Rs 2,000,000,000.

During the year under review, the Company has neither issued any shares or convertible instruments nor has its authorized share capital been increased.

5. Dividend

Your directors after considering the financial performance of the Company for the year 2015-2016 have not recommended any dividend for the year under review.

6. Management's Discussion And Analysis Report

Management's Discussion and Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

7. Subsidiaries, Joint Ventures And Associate Companies

The Company does not have any Subsidiary Company, joint ventures or associate companies for the year under review. Disclosure regarding the same forms the part of the report as "Annexure No. 1."

8. Directors Responsibility Statement

As required by Section 134(3)(c) of the Companies Act, 2013, your Board of Directors hereby state: that in the preparation of the annual financial statements for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- i. that such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year 31st March, 2016 and Statement of Profit & Loss of the Company for the year ended on that date;
- ii. that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iii. that the annual accounts have been prepared on a going concern basis and;
- iv. that directors has laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- v. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

9. Contracts And Arrangements With Related Parties

During the year, the Company had not entered into any contract / arrangement / transaction with related parties. Hence disclosure under Form AOC-2 pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 is not applicable. The policy on materiality of related party transaction and dealing with related party transactions approved by the Board may be accessed on the Company's website.

10. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

Your Company engaged in the business of trading of IT software products. Since this business does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are Nil / Not applicable. Disclosure pursuant to section 134(m) of the Companies Act, 2013 is forms part of this report as "Annexure No. 2".

11. Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and for other employees and their remuneration. The same has been disclosed as part of Annexure 3. The Composition, criteria for selection of Directors and the Terms of Reference of the Nomination and Remuneration Committee is stated in the Corporate Governance Report.

12. Auditors

Statutory Auditor

M/s. Tejas Nadkarni & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company at the Adjourned AGM held on 4th October, 2014. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditor is subject to ratification by members at every AGM. Accordingly, the ratification of the appointment of Auditor has been taken up as an item in the Notice of the forthcoming AGM for the approval of Members.

Statutory Auditor's Report

The Statutory Audit Report for the financial year 2015-16 as issued by M/s. Tejas Nadkarni & Associates, Statutory Auditor of the Company forms part of the Annual Report. The observation and comments furnished by the auditor in his report read together with notes to Accounts are self explanatory and hence do not call for any further comments.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Richa Agarwal, Practicing Company Secretary (C.P. No. 12189) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as "Annexure 4".

Internal Auditor

The Company has an Internal Control System, which commensurate with the size, scale and complexity of its operations. M/s. Verma Mehta & Associates, Chartered Accountants (FRN: 112118W), are the internal auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the internal auditor and the internal control system are periodically reviewed by the Audit Committee. To maintain its objectivity and independence, the Internal Auditors of the Company reports to the Chairman of the Audit Committee of the Board.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiary. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. An independent internal auditor conducts an audit to ensure adequacy of the internal control system and validates adherence to management instructions and compliance. The internal auditor also conducts review to ensure implementation of recommendations and suggestions of the Audit Committee. The Audit Committee of the Board of Directors takes note of the same.

13. Particulars Of Employees And Related Disclosures

In terms of the provisions of Section 197(2) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there were no employees drawing remuneration in excess of the limits set out in the said rules.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to the report as "Annexure No 5".

14. Extract Of Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in "Annexure No. 6" and is attached to this Report.

15. Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on Corporate Governance as stipulated

under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to this report as "Annexure No 7".

16. Corporate Social Responsibility

The conditions prescribed in the Section 135 of the Companies Act, 2013, which mandates the Company to constitute a Corporate Social Responsibility Committee are not applicable to our Company.

17. Directors And Key Managerial Personnel

Presently board composition of the Company consist six directors, out of which 50% are Executive Directors and remaining 50% are Non-Executive Independent Directors. The Board is headed by Mr. Srikrishna Bhamidipati, Chairman of the Company.

Re-appointments

In accordance with the provisions of the Companies Act, 2013, Mr. Deepak Manki, director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Independent Directors

The current board of the Company consist six directors, out of which three are Non Executive Independent director. Following are the Independent directors of the Company and their date and term of Appointment:

Sr. No	Name of the Director	DIN	Date of Appointment	Term of Appointment
1	Ms. Pooja Srivastava	06966012	27th September, 2014	5 Years
2	Anand Choudhary	02688871	27th September, 2014	5 Years
3	Bimal Kamdar	02828913	27th September, 2014	5 Years

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

18. Meetings Of The Board

Six meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance forming part of this Annual Report.

19. Internal Control Systems

Your Company has in place, adequate internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. The Company also has a team of internal auditors to conduct internal audit. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

20. Vigil Mechanism

In terms of the provisions of Section 177 of the Companies Act, 2013 your Company has formulated a Whistle Blower Policy as a Vigil Mechanism. This mechanism aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All employees of the Company are covered under the policy.

This mechanism is for the employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

The policy is uploaded on the company's website at www.avance.in .

21. Risk Management Policy

Your Company follows a comprehensive system of Risk Management. Your Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management process. The policy is disclosed on the website at www.avance.in .

22. Performance Evaluation of the Board, its Committees and Directors

The Board of Directors has made a formal annual evaluation of its own performance and that of its committees pursuant to the provisions of the Companies Act, 2013. The evaluation was done based on the evaluation criteria formulated by nomination and remuneration committee which includes criteria such as fulfillment of specific functions prescribed by the regulatory framework, adequacy of board meetings, attendance and effectiveness of the deliberations etc.,

The Board and the nomination and remuneration committee also carried out an evaluation of the performance of the individual directors (excluding the director who was evaluated) based on their attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally in case of independent directors based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013.

23. Material Changes And Commitments

No material and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of the report.

24. Particulars Of Loans, Guarantees, Securities And Acquisition Under Section 186 Of Companies Act, 2013

Pursuant section 134(3)(g) of the Companies Act, 2013 details of Particulars of Loans, Guarantees, security and acquisition as per section 186 of the Companies Act, 2013 form part of financial statement provided in this report.

25. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

26. Significant And Material Orders Passed By The Regulators Or Court

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

27. Acknowledgement

Your Directors gratefully acknowledge the support given by the Customers, Dealers, Distributors, Suppliers, Bankers, various departments of the Central and State Governments, Local Authorities and also the Shareholders of the Company. Your Directors would further like to record their appreciation for the unstinted effort put by all Employees of the Company during the year.

By the Order of the Board
For **Avance Technologies Limited**

Sd/-

Srikrishna Bhamidipati
Chairman and Managing Director
DIN: 02083384

Date: 01/09/2016
Place: Mumbai

ANNEXURE 1

FORM AOC- 1

[Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

The company does not have any subsidiary; therefore PART A of the form is not applicable to the Company.

Notes: the following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations: N.A
2. Names of subsidiaries which have been liquidated or sold during the year: N.A

Part "B": Associate/Joint Venture

(Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies And Joint Ventures)

1. Names of associates or joint ventures which are yet to commence operations: N.A
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Name of Associates sold during the year	Date of Sale
Rewant Investments Pvt. Ltd.	30/09/2015

For **Avance Technologies Limited**

Sd/-
Srikrishna Bhamidipati
Chairman & Managing Director
DIN: 02083384