
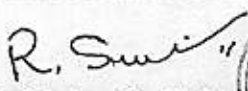

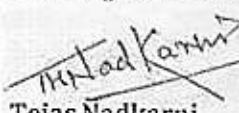
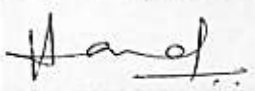



**Form A as per Clause 31(a) of the Listing Agreement for the Financial  
Year ended 31<sup>st</sup> March, 2015:**

1.	Name Of The Company:	Avance Technologies Limited
2.	Annual Financial Statements For The Year Ended	31 <sup>st</sup> March, 2015
3.	Type Of Audit Of Observation:	Un-Qualified
4.	Frequency Of Observation:	Nil
5.	To Be Signed By-	
	• Managing Director	 Mr. Srikrishna Bhamidipati DIN: 02083384 
	• CFO	 Mr. Srinivas Rachakonda DIN:02402002 
	• Auditor of The Company	M/s Tejas Nadkarni & Associates Chartered Accountants Firm Reg. No.:135197W  Tejas Nadkarni Proprietor Membership No.:122993 
• Audit Committee Chairman	 Mr. Anand Choudhary DIN: 02688871 	

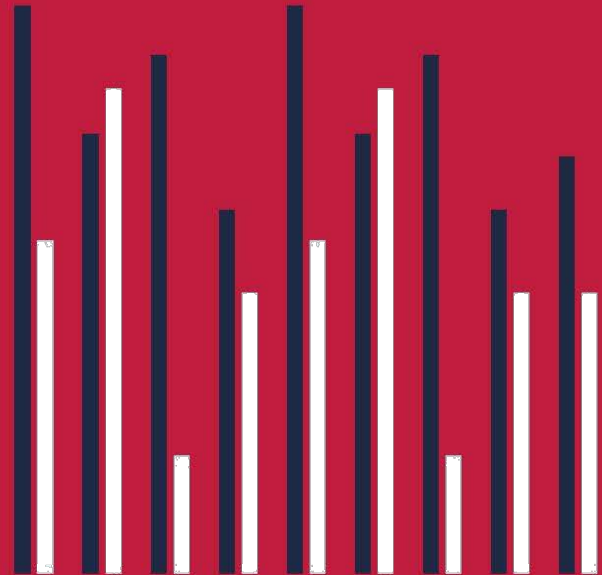


**AVANCE TECHNOLOGIES LIMITED**

**annual report 2014-15**

## Dear Shareowners...

The Computer Hardware market is a rapidly expanding sector, witnessing continuous changes and advancements. Progress in the Computer Hardware field has brought about many positive changes in the urban lifestyle. The computer hardware market includes sectors like, computers, peripherals and devices, and storage devices. The computer hardware products include Computer Retailing, Facsimile, Internet Equipment, Internet Hardware, Internet Server, Mobile Computing, Mobile Portables, Personal Computer, Printer, Copier, Mainframe, Thin Client, and Hard Disk. These sectors have experienced significant growth in the recent years. Further, the market expected double digit growth in the coming years. However, the Computer Hardware market is expected to face a tough competition in the near future, as more features are now being incorporated into Smart-Phones or Business Phones.



Due to increasing demand for tablets, netbook, smartphones and business phones, the personal computers and laptops (Ultimately, computer hardware) facing tough competition from this. Therefore, most of the companies are intending to launch innovative technologies with improved functions. This helps them to increase their customer base. Canon, Dell, IBM, and Lenovo are the top companies in the world for computer hardware market which are also going for online sales and marketing.

Rising income levels throughout the world and the ubiquity of computer technology have increased demand for industry products, particularly in emerging markets. However, growing competition from tablet devices and mobile phones has eroded demand for traditional PCs worldwide, thus limiting growth in the Global Computer Hardware Manufacturing industry. In the next five years, industry revenue is expected to grow, as the industry will benefit from broad-based economic growth and greater market acceptance of digital information. Additionally, product innovations and growing demand in emerging markets will fuel growth.

The IT industry has emerged as one of the most important industries in the Indian economy contributing significantly to the growth of the economy. India is the world's largest sourcing destination for the information technology (IT) industry, accounting for approximately 52 per cent of the US\$ 124-130 billion market.

Indian IT's core competencies and strengths have placed it on the international canvas, attracting investments from major countries. The computer software and hardware sector in India attracted cumulative foreign direct investment

(FDI) inflows worth US\$ 13,788.56 million between April 2000 and December 2014, according to data released by the Department of Industrial Policy and Promotion (DIPP).

The IT industry of India got a major boost from the liberalization of the Indian economy. The structure of the IT industry is quite different from other industries in the Indian economy. The IT industry of India is hugely dependant on skilled manpower. Primarily being knowledge based industry, the IT industry of India has reordered significant success due to the huge availability of skilled personnel in India. The industry employs about 10 million Indians and continues to contribute significantly to the social and economic transformation in the country.

The IT industry has not only transformed India's image on the global platform, but has also fuelled economic growth by energizing the higher education sector especially in engineering and computer science. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market.

The primary business of your Company is purchase and sale of IT software products .The Company has generated its major revenue from sale of IT Products and computer peripheral. As enlisted below

During the year under review, your company has been able to generate revenue from sale of Rs.107,58,75,545/- in FY 2014-15 as compared to previous year of Rs. 89,23,63,920/-. The operating loss of the company reduced from Rs.3,37,11,496/- in FY 2014-15 to Rs. 1,11,60,247/- in FY 2014-15.

The increase in operational revenue is attributable to increase in income from sale of IT products and Computer peripheral by 20.3% to Rs. 106,55,15,781 in FY 2014-15 as against Rs.88,56,94,138 in FY 2013-14.

Finally, I would like to thank all our stakeholders across the country –our shareholders, customers, suppliers, vendors, partners, employees for the support extended to us and I hope to continue to receive your support in the future.

Yours sincerely,

**Srikrishna Bhamidipati**  
**Managing Director**

# ***CONTENTS***

---

- Corporate Information
- Notice
- Director's Report
- Annexure to Director's Report
  1. Form AOC-1 - Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures.
  2. Form AOC-2 - Disclosure of particulars of contracts/arrangements entered into by the company with related parties.
  3. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo.
  4. Nomination and Remuneration Policy.
  5. Secretarial Audit Report for the year 2014-15.
  6. Particular of Employees.
  7. MGT-9 - Summary Of Annual Return
  8. Auditor's Certificate on Corporate Governance.
- Certification of Financial Statements
- Report on Corporate Governance Report
- Management Discussion and Analysis
- Independent Auditors Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Notes to financial Statement
- Attendance Slip
- Proxy Form
- AGM Information



# ***CORPORATE INFORMATION***

---

CIN – L51900MH1985PLC035210

SCRIP ID – AVANCE

SCRIP CODE – 512149

## **1. BOARD OF DIRECTORS:-**

Mr. Srikrishna Bhamidipati	- Managing Director, Chairman & Compliance officer
Mr. Srinivas Rachakonda	- Executive Director & Chief Financial Officer (CFO)
Mr. Deepak Manki	- Executive Director
Mr. Anand Choudhary	- Non-Executive Independent Director
Mr. Bimal Kamdar	- Non-Executive Independent Director
Ms. Pooja Srivastava	- Non-Executive Independent Director

## **2. BOARD COMMITTEES:-**

### **AUDIT COMMITTEE**

Mr. Anand Choudhary	- Chairman
Mr. Bimal Kamdar	- Member
Mr. Deepak Manki	- Member

### **STAKEHOLDER'S RELATIONSHIP COMMITTEE**

Mr. Anand Choudhary	- Chairman
Mr. Bimal Kamdar	- Member
Mr. Deepak Manki	- Member

### **NOMINATION & REMUNERATION COMMITTEE**

Mr. Anand Choudhary	- Chairman
Mr. Bimal Kamdar	- Member
Ms. Pooja Srivastava	- Member

### **RISK MANAGEMENT COMMITTEE**

Mr. Anand Choudhary	- Chairman
Mr. Bimal Kamdar	- Member
Mr. Deepak Manki	- Member

### **3. AUDITORS:-**

Name **M/s. Tejas Nadkarni & Associates**  
Address 24, 2<sup>nd</sup> Floor, X Central Mall,  
Near D-Mart, Mahavir Nagar,  
Kandivali (West)  
Mumbai – 400 067.

### **4. SHARE TRANSFER AGENT:-**

Name **M/s Purva Sharegistry (India) Pvt. Ltd.**  
Address No. 9, Shiv Shakti Industrial Estate,  
Ground Floor, J. R. Boricha Marg,  
Opp. Katurba Hospital, Lower Parel,  
Mumbai – 400 011.

### **5. BANKERS:**

Oriental Bank of Commerce  
Dhanalaxmi Bank  
IndusInd Bank

### **6. REGISTERED ADDRESS:-**

D / 603, 6<sup>th</sup> Floor, Crystal Plaza Premises,  
Co-op Society Ltd, Opp. Infinity Mall,  
New Link Road, Andheri (W),  
Mumbai – 400 053.

**EMAIL:** [info@avance.in](mailto:info@avance.in) ,  
[avancetechnologiesltd@gmail.com](mailto:avancetechnologiesltd@gmail.com)

**WEBSITE:** – [www.avance.in](http://www.avance.in)

# **NOTICE**

Notice is hereby given that the Thirty-First Annual General Meeting of the Members of **Avance Technologies Limited** will be held on Monday, 28<sup>th</sup> September, 2015 at 9:30 a.m. at the Registered Office of the Company situated at D/603, 6<sup>th</sup> Floor, Crystal Plaza Premises, Co-operative Society Limited, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053 to transact the following business:

## **ORDINARY BUSINESS.**

To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2015, Statement of Profit and Loss for the financial year ended as on that date, and the Report of the Directors and Auditors thereon.

### **Re-Appointment of Mr. Deepak Manki.**

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

“**RESOLVED THAT** pursuant to section 152 of the Companies Act, 2013, **Mr. Deepak Manki** (holding DIN 06966008), a director liable to retire by rotation and being eligible who has offered himself for re-appointment, be and is hereby appointed as an Executive Director of the Company, liable to retire by rotation.”

### **Ratification of Appointment of Auditor.**

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

“**RESOLVED THAT** the appointment of **M/s. Tejas Nadkarni & Associates.**, having Firm Registration No. 135197W, Chartered Accountants, who were appointed as Statutory Auditors of the Company at the Annual General Meeting concerning of the financial year 2013-14 till the conclusion of the Annual General Meeting concerning of the financial year 2016-17 after receiving a recommendation in this regard from the Audit Committee pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, be and is hereby ratified and confirmed as Statutory Auditors of the Company to carry out statutory audit for the financial year 2015-16, at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors in consultation with the Auditors.

**RESOLVED FURTHER THAT** any of the Director(s) of the Company be and are hereby authorized to do all such acts, deeds and things which are necessary to give effect to the aforesaid resolution.”



## SPECIAL BUSSINESS.

### Adoption of New Articles of Association.

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

**“RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof), if any, the new set of Articles of Association of the Company as per Companies Act, 2013, as available for inspection in the registered office of the Company, be and is hereby approved and adopted as the new set of Articles of Association of the Company, in substitution for the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** any of the directors of the Company be and are hereby authorized to take all actions and do all such acts, deeds, matters and things as may be necessary or desirable in connection with or incidental to give effect to the above resolution.”

### Payment of remuneration to Mr. Srikrishna Bhamidipati.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the rules made there under (including statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Act and Articles of Association of the Company, the consent of the members of the Company be and is hereby accorded for payment of Remuneration to **Mr. Srikrishna Bhamidipati** (DIN No. 02083384), the Managing Director of the company upon the terms and conditions, set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits in any financial year), with liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and **Mr. Srikrishna Bhamidipati**.

**RESOLVED FURTHER THAT** the board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

For **Avance Technologies Limited**

Sd/-

**Srikrishna Bhamidipati**

**Chairman & Managing Director**

**DIN: 02083384**

**Date:** 04.09.2015

**Place:** Mumbai.

**NOTES:**

---

---

The relevant Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013, in respect of the special business under item no. 4 is annexed hereto.

Pursuant to the requirements on corporate governance under clause 49 of the listing agreement, a statement giving the relevant details of the Directors seeking re-appointment is annexed hereto.

**A MEMBER ENTITLED TO VOTE 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 INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING IN ORDER TO BE EFFECTIVE. A BLANK PROXY FORM IS ENCLOSED.**

Pursuant to rule 20 of Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members of the Company and the Share Transfer Books of the Company shall remain closed from **22<sup>nd</sup> September, 2015 to 28<sup>th</sup> September, 2015** (both days inclusive).

Members are requested to intimate to the Company's Registrars and Share Transfer Agents viz., **M/s. Purva Sharegistry (India) Private Limited** in respect of shares held in physical form and to their Depository Participants in respect of shares held in electronic form;

a) any change in their addresses;

b) details about their e-mail address, so that all notices and other statutory documents can be sent to their e-mail addresses, as a measure of "Green Initiative".

Members are requested to:

- bring their copy of Annual Report to the Meeting,
- bring the Attendance Slip sent herewith, duly filled in,
- bring their Folio Number / DP and Client ID and quote it in all correspondence,
- avoid being accompanied by non-Members and children,
- inform your e-mail ids, if not already registered with the Registrar,
- consider converting their physical holding to dematerialized form to eliminate all risks associated with physical shares and ease of portfolio management, and
- write to the Company for seeking clarification on queries, if any, with regard to the Accounts.

All documents referred to in the accompanying Notice and explanatory statements are open for inspection at the registered office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of the Annual General Meeting.

Notice, Annual Report and instructions for participating in e-voting along with Attendance Slip and Proxy Form, are being sent by electronic mode to all Members whose e-mail addresses are registered with the Company/Depository Participant(s). For Members who have not registered their e-mail addresses, physical copy of the aforesaid documents are being sent by the permitted mode.

The annual report of the Company circulated to the members of the company, will be made available on the Company's website at [www.avance.in](http://www.avance.in)

#### **Voting through electronic means.**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 31<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Service provided by Central Depository Services Limited (CDSL). The instructions for remote e-voting are as under:

The voting period begins on **25<sup>th</sup> September, 2015** at **9.00 Hrs** and ends on **27<sup>th</sup> September, 2015** at **17.00 Hrs**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized

form, as on the cut-off date **21<sup>st</sup> September, 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The Board of Directors at their meeting have appointed **M/s. Mayank Arora & Co.**, Practicing Company Secretary as the scrutinizer for e-voting to unblock the votes in favour or against, if any, and to report forthwith to the Chairman. The scrutinizer will be responsible to conduct e- voting in a fair and transparent manner.

Vote once cast by the member cannot be changed /altered.

**THE INSTRUCTIONS FOR E-VOTING ARE AS UNDER.**

**In case of members receiving e-mail.**

If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on “Shareholders” tab to cast your votes.

Now, fill up the following details in the appropriate boxes.

	<b>For Members holding shares in Demat Form</b>	<b>For Members holding shares in Physical Form</b>
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company.
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders).	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in CAPITAL followed by the 8 digits of the folio/client id number in the PAN field.

In case the folio number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.

- i. Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT”.
- ii. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to

mandatorily enter their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & \*). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

• If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Click on the relevant EVSN on which you choose to vote.

- iii. On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- iv. Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- v. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- vi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- vii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

**In case of members receiving the physical copy of Notice of AGM.**

Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.

**Note for Non – Individual Shareholders and Custodians.**

- Non-Individual shareholders (i.e. other than individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

- Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Share Transfer Department of the Company for consolidation into a single folio.

- ⊕ Non-Resident Indian Members are requested to inform the Share Transfer Department of the Company of:
- (a) Change in Residential Status on return to India for permanent settlement.
  - (b) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with the Pin Code number.
- Duplicate attendance slip shall not be issued at the Annual General Meeting Venue. However the same shall be issued at the Registered Office of the Company up to two days preceding the day of AGM.
  - In case of Joint holders attending the Meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
  - Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting of the Company.

***EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013.***

---

---

**Item No. 4.**

The existing Articles of Association are in line with the erstwhile Companies Act 1956, which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several articles of the existing Articles of Association of the Company require alteration / deletions. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles.

It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013. Hence the Board of Directors at its meeting held on **4<sup>th</sup> September, 2015** decided to adopt new set of Articles in place of existing Articles of Association of the Company and seek shareholders' approval for the same.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, except Saturdays, between 11.00 a.m. to 6.00 p.m.

None of the Directors, Key Managerial Personnel of Company and their relatives are concerned or interested in the said resolution.



## Item No. 5.

**Mr. Srikrishna Bhamidipati** was appointed as Managing Director of the Company for a period of five years in the previous Annual General Meeting held on 4<sup>th</sup> October, 2014. Mr. Srikrishna Bhamidipati is a techno commercial entrepreneur with over 20 years of cross functional experience in the fields of Information Technology, Telecom and Real time money markets. Prior to being an entrepreneur he had worked with multi nationals like CNN, Dowjones and Asian CERC. He is a graduate in B Tech from IIT Mumbai and a management post graduate from JBIMS Mumbai. Considering his knowledge of various aspects relating to the Company's affairs and long business experience and his potential, the Board proposes to pay him remuneration (which shall be determined by the Board from time to time), within the maximum limits set forth under the applicable provisions of the Companies Act, 2013 and as per the Remuneration Policy of the Company in the following manner:

**i. Salary.**

Up to Rs. Rs. 5,00,000/- (Rupees Five Lakhs) per annum, as may be determined by the Board.

**ii. Commission or performance linked Incentive or Bonus.**

Not Exceeding 1% of the net profit of the Company in any financial year as the Board may determine from time to time but shall not exceed the amount equivalent to the salary for the relevant period; it may be paid pro-rata on a monthly basis at the absolute discretion of the Board.

**iii. Perquisites.**

Company's contribution to Provident fund and Superannuation Fund or Annuity Fund, Gratuity Payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

**iv. Annual Leaves.**

Earned/Privilege leave on full pay and allowances as per rules of the company but not more than 30 days for every twelve months of service. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

**v.** Mr. Srikrishna Bhamidipati shall be entitled to be reimbursed the travelling and entertainment expenses actually and properly incurred by him in or about the business of the Company and approved by the Board.

**vi.** In the event of absence or inadequacy of profits in any year the Board shall determine the minimum remuneration payable to Mr. Srikrishna Bhamidipati for that year in accordance with the provisions of the Companies Act, 2013.

**vii.** The Board shall have the discretion and authority to modify the foregoing terms of remuneration within the parameters of the applicable provisions of the Companies Act, 2013.

Except, Mr. Srikrishna Bhamidipati, none of the Directors and Key managerial Personnel of the Company and their relatives is concerned or interested (financially or otherwise) in the resolution set out at Item no. 5.

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

**Sd/-**

**Srikrishna Bhamidipati**

**Chairman and Managing Director**

**DIN: 02083384**

**Date:** 04.09.2015

**Place:** Mumbai

***Annexure pursuant to Clause 49 of the Listing Agreement with the Stock Exchange***

Particulars of Directors proposed to be appointed/re-appointed at the proposed Annual General Meeting.

Name of the Director/ appointee	Mr. Deepak Manki
Date of Birth	15 <sup>th</sup> November, 1966
Date of Appointment	4 <sup>th</sup> October, 2014
Nationality	Indian
Qualification	Commerce graduate
Experience	20 years of experience in Senior Management profile
Chairman/Directorship in other companies	NIL
No. of Shares held	NIL

There are no inter-se relations between the Board Members.

By Order of the Board of Directors  
For Avance Technologies Limited  
Sd/-  
Srikrishna Bhamidipati  
Chairman & Managing Director  
DIN: 02083384

Date: 04.09.2015

Place: Mumbai

# DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 31<sup>st</sup> Annual Report and the Company's Annual Financial statement for the financial year ended March 31, 2015.

## 1. Financial Results

The Company's financial performance, for the year ended March 31, 2015 is summarized below.

Amount in (Rs)

Particulars	2014-15	2013-14
Net Sales/ Income from Business Operations	1,065,515,781	885,694,138
Other Income	10,359,764	6,669,782
<b>Total Income</b>	<b>1,075,875,545</b>	<b>892,363,920</b>
Less: Expenditure	1,086,780,003	925,365,778
<b>Profit before Depreciation</b>	<b>-10,904,458</b>	<b>-33,001,858</b>
Less: Depreciation	661,359	709,638
<b>Profit after Depreciation and Interest</b>	<b>-11,565,817</b>	<b>-33,711,496</b>
Less: Current Income Tax	259,084	-
Less: Previous year adjustment of Income Tax	-	-
Less: Deferred Tax	-664,654	-
<b>Net Profit after Tax</b>	<b>-11,160,247</b>	<b>-33,711,496</b>
Amount transfer to General Reserve		
Balance Carried to Balance Sheet		
Earning per Share (Basic)	-0.006	-0.053
Earning per share (Diluted)	-0.009	-0.053

## 2. Operations and Business Performance

During the year under review, your company has been able to generate revenue from sale of Rs.107,58,75,545/- in FY 2014-15 as compared to previous year of Rs. 89,23,63,920/-. The operating loss of the company reduced from Rs.3,37,11,496/- in FY 2014-15 to Rs. 1,11,60,247/- in FY 2014-15.

The increase in operational revenue is attributable mainly to due to increase in income from sale of IT products and Computer peripheral by 20.3% to Rs. 106,55,15,781 in FY 2014-15 as against Rs.88,56,94,138 in FY 2013-14.

### **3. Dividend**

Your Directors after considering year's financial performance of the Company have not recommended any Dividend for the year under review.

### **4. Capital Structure**

Capital Structure of the Company as on 31<sup>st</sup> March, 2015 consisting followings:

**Authorized share Capital** , Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided in to 200,00,00,000 equity shares of Re. 1 /- each.

**Issued, Subscribed and Paid-up Share Capital** , Rs. 1,981,917,430 divided in to 1,981,917,430 equity shares of Re. 1 /- each.

During the year under review, Company has increased its Authorized share capital from Rs. 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 100,00,00,000 equity shares of Re. 1 /- each to Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided in to 200,00,00,000 equity shares of Re. 1 /- each.

Further, during the year Company has also increased its Paid-up shares capital by issuing 134,15,29,930 Equity Shares of Face Value of Rs. 1/- each on preferential basis.

### **5. Auditors and Auditor's Report.**

#### **➤ Statutory Auditor**

**M/s. Tejas Nadkarni & Associates**, Chartered Accountants, were appointed as statutory auditors of the Company in the Adjourned Annual General Meeting held on 4th October, 2014, to hold office for the term of three consecutive years, from conclusion of Annual General Meeting for the year 2014-15 till the conclusion of this Annual General Meeting for the year 2015-16.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of **M/s. Tejas Nadkarni & Associates**, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has already received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **➤ Statutory Auditor's Report**

The Statutory Audit Report for FY 2014-15 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 Auditors in his report read together with notes to Accounts are self-explanatory and hence do not call for any further comments.

➤ **Secretarial Auditor**

M/s SG & Associates, Practicing Company Secretaries were appointed to conduct the secretarial audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

➤ **Secretarial Auditor's Report**

The Secretarial Audit Report for FY 2014-15 issued by M/s SG & Associates, Secretarial Auditor of the Company forms part of the Board's report as **"Annexure 5"**.

➤ **Internal Auditor**

Pursuant to Section 138 of the Companies Act 2013, read with rule 13 of the Companies (Accounts) Rules 2014, the internal records maintained by the Company are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s. Bipin B Shah & Co., Chartered Accountants (Firm Registration No.101511W) to audit the cost accounts of the Company for the year 2014-15.

**6. Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The provision of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid during the year.

**7. Management's Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement, is presented in a separate section forming part of the Annual Report.

**8. Subsidiaries, Joint Ventures and Associate Companies**

The Company does not have any Subsidiary Company, Form AOC-1 explaining financial position and performance of each of the associates and joint venture companies is forming part of this report as **Annexure 1**.

**9. Directors Responsibility Statement**

In accordance with provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility statement:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit and loss of the company for that period;



- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## **10. 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 Listing Agreement 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 8**”.

## **11. Particulars of 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 at the link :  
<http://www.avance.in/pdf/Policy%20on%20Related%20Party%20Transactions.pdf>.

Kindly refer the Note 26.3 to the financial statements which sets out related party disclosures.

## **12. 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. Hence, the company has not developed and implemented any Corporate Social Responsibility initiatives during the year under review.

## **13. Directors and Key Managerial Personnel**

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

### Re-appointments

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Deepak Manki director of the Company, retire 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 sixdirectors, out of which three are 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 Appointent
1	Ms. Pooja Srivastava	06966012	4 <sup>th</sup> October, 2014	5 Years
2	Anand Choudhary	02688871	4 <sup>th</sup> October, 2014	5 Years
3	Bimal Kamdar	02828913	4 <sup>th</sup> October, 2014	5 Years

### Resignation of Director

During the year 2014-15, **Mr. Randhir Marwa** resigned as Non-Executive Independent Director with effect from **22nd August, 2014**.

**Mr. Deepak Goyal** was Executive Director of company and liable to retire by rotation. Members of the Company in the last Annual General Meeting held on 4th October, 2014 expressed their unwillingness to re-appoint him.

### Declaration by Independent Directors of the Company.

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 Clause 49 of the Listing Agreement with the Stock Exchanges.

### 14. Meetings of the Board

Eight 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.

### 15. Annual evaluation by the board of its own performance and that of its committees and individual directors.

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013, a comprehensive exercise for evaluation of the performances of every individual director, of the Board as a whole and its Committees and of the Chairperson of the Company has been carried by your company during the year under review as per the evaluation criteria approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013.

For the purpose of carrying out performance evaluation exercise, four types of Evaluation forms were devised in which the evaluating authority has allotted to the individual Director, the Board as a whole, its Committees and the Chairperson appropriate rating as Excellent, Very Good, Good or Satisfactory depending upon the performance.

Such evaluation exercise has been carried out

- (i) of Independent Directors by the Board
- (ii) of Non-Independent Directors by all the Independent Directors in separate meeting held for the purpose
- (iii) of the Board as a whole and its Committees by all the Independent Directors in separate meeting held for the purpose on 24<sup>th</sup> January, 2015,
- (iv) of the Chairperson of your Company by the Independent Directors in separate meeting held on 24<sup>th</sup> January, 2015 after taking into account the views of the Executive/Non-Executive Directors
- (v) of individual Directors by the Nomination and Remuneration Committee
- (vi) of the Board by itself

Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

#### **16. 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.

#### **17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & 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 3"**.

#### **18. Particulars of Loans, Guarantees, security and acquisition under Section 186 of the Companies Act, 2013**

Pursuant section 134(3)(g) of the Companies Act, 2015 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

#### **19. 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 7"** and is attached to this Report.

#### **20. Deposits**

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

## **21. 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 6"**.

## **22. Disclosure of Composition of Audit Committee and providing Vigil Mechanism**

The Audit Committee comprises Directors namely **Mr. Anand Choudhary (Chairman)**, **Mr. Bimal Kamdar** and **Mr. Deepak Manki** as other members. All the recommendations made by the Audit Committee were accepted by the Board.

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <http://avance.in/pdf/Whistle%20Blower%20Policy.pdf>

## **23. Significant and Material Orders Passed By the Regulators or Courts**

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.

## **24. Acknowledgements**

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For **Avance Technologies Limited**

Sd/-

**Srikrishna Bhamidipati**

**Chairman & Managing Director**

**(DIN: 02083384)**

**4<sup>th</sup> September, 2015**

**Mumbai,**

**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)

	<b>Name of Associate/Joint Ventures</b>	<b>Rewant Investments Pvt. Ltd .</b>
<b>1</b>	<b>Latest Audited Balance Sheet Date</b>	31/03/2014
<b>2</b>	<b>Shares of Associate/Joint Ventures held by the Company on the year end</b>	
	No. of shares	2900000
	Amount of investment in Associate/Joint Venture	29000000
	Extent of Holding %	24.40
<b>3</b>	<b>Description of how there is significant influence</b>	Due to Share Holding More Than 20%
<b>4</b>	<b>Reason why the associate/joint venture is not consolidated</b>	There is no Subsidiary as on 31/03/2015

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: N.A

**For Avance Technologies Limited**

Sd/-

**Srikrishna Bhamidipati**

**Chairman**

**(DIN: 02083384)**

**FORM NO. 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.

**Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at Arm's length basis:

There were no contracts or arrangements or transactions entered with related parties during the year ended 31st March, 2015, which were not at Arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

There were no contracts or arrangements or transactions entered with related parties during the year ended 31st March, 2015, which were at Arm's length basis.

**For Avance Technologies Limited.**

**Sd/-**

**Srikrishna Bhamidipati**

**Chairman & Managing Director**

**DIN: 02083384**



**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo pursuant to provisions of section 134 of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014.**

**1. Conservation of Energy:**

I. the steps taken or impact on conservation of energy	N.A
II. the steps taken by the company for utilizing alternate sources of energy	N.A
III. the capital investment on energy conservation equipments	N.A

**2. Technology Absorption.**

I. the efforts made towards technology absorption	<b>Avance Technologies</b> uses latest technology and equipment in their business. <b>Avance</b> not engaged in any manufacturing therefore effort made towards technology absorption, import of technology and expenditure incurred in Research and Development is not applicable.
II. the benefits derived like product improvement, cost reduction, product development or import substitution	
III. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- a) the details of technology imported b) the year of import; c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
IV. the expenditure incurred on Research and Development	

**3. Foreign Exchange Earnings and Outgo.**

Particulars	2014-15	2013-14
Foreign Exchange Earnings	NIL	NIL
Foreign Exchange Outgo	NIL	NIL

For **Avance Technologies Limited.**

Sd/-

**Srikrishna Bhamidipati**

**Chairman & Managing Director**

**DIN: 02083384**

## NOMINATION AND REMUNERATION POLICY

### **Preamble**

- A. The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board") and for Key Managerial Personnel ("KMP") and the Management Personnel ("MP") of the Company (collectively referred to as "Executives"). The expression KMP shall have the same meaning as defined under the Companies Act, 2013; "management personnel" means personnel of the company excluding Board of Directors comprising such levels of managerial personnel as may be decided from time to time. This Policy also provides a framework for identification of persons who are qualified to become directors and who may be appointed as senior management for recommendation of their appointment to the board. "Senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- B. This Policy has been framed by the Nomination and Remuneration Committee of the Board of Directors and based on its recommendation, approved by the board of directors of the Company.
- C. The policy may be reviewed by the Nomination and Remuneration Committee of the Board of Directors.

### **Introduction**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMP) has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonies the aspirations of human resources consistent with the goals of the Company.

### **Definitions:-**

- ✓ "Board":- Board means Board of Directors of the Company as constituted from time to time.
- ✓ "Director":- Director means Directors of the Company.
- ✓ "Committee":- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- ✓ "Company":- Company means Avance Technologies Limited.
- ✓ "Independent Director":- As provided under Clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent Director' shall mean a Non Executive Director, other than a Nominee Director of the Company:
  - a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;  
  
(ii) Who is not related to promoters or Directors in the Company, its holding, subsidiary or associate Company;

- c) apart from receiving Director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives —
  - I. holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - II. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - A. a firm of Auditors or Company Secretaries in practice or Cost Auditors of the Company or its holding, subsidiary or associate Company; or
    - B. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - III. holds together with his relatives two per cent or more of the total voting power of the Company; or
  - IV. is a Chief Executive or Director, by whatever name called, of any non profit organisation that receives twenty five per cent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
  - V. is a material supplier, service provider or customer or a lesser or lessee of the Company;
- f) who is not less than 21 years of age.

✓ **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-

- i. the Chief Executive Officer or the Managing Director or the Manager and their absence the Whole Time Director;
- ii. the Company Secretary;
- iii. the Chief Financial Officer; and
- iv. such other officer as may be prescribed under the applicable statutory provisions/ regulations.

✓ **“Senior Management Personnel”**:- The expression “Senior Management Personnel” (SMP) means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Applicability.-

The Policy is applicable to:

- Directors (Executive and Non Executive)
- Key Managerial Personnel (KMP)
- Senior Management Personnel (SMP)

### Purpose.-

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, KMP and officials comprising the SMP. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, KMP and SMP.

### Accountabilities.-

- i. The Board is ultimately responsible for the appointment of Directors and KMP.
- ii. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, KMP and the SMP of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

### Appointment of Directors/ KMP's/ SMP :-

#### **a) General Appointment Criteria.**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his/ her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ SMP shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force. iii. The Director/ Independent Director/ KMP/ SMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.

#### **b) Additional Criteria for Appointment of Independent Directors.**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Clause 49 of the Listing Agreement (as amended from time to time) and Companies Act, 2013.

#### **a) Term/ Tenure :**

The Term/ Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

**b) Removal .**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

**c) Letters of Appointment .**

Each Director/ KMP/ SMP is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

**Criteria for Evaluation/ Assessment of Directors/ KMP's/ SMP of the Company.-**

The evaluation/ assessment of the Directors, KMPs and the SMP of the Company are to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement.

For the purpose of carrying out performance evaluation exercise, four types of Evaluation forms were devised in which the evaluating authority has allotted to the individual Director, the Board as a whole, its Committees and the Chairperson appropriate rating as Excellent, Very Good, Good or Satisfactory depending upon the performance.

Such evaluation exercise has been carried out

(vii) of Independent Directors by the Board;

(viii) of Non-Independent Directors by all the Independent Directors in separate meeting held for the purpose;

(ix) of the Board as a whole and its Committees by all the Independent Directors in separate meeting held for the purpose on 24<sup>th</sup> January, 2015;

(x) of the Chairperson of your Company by the Independent Directors in separate meeting held on 24<sup>th</sup> January, 2015 after taking into account the views of the Executive/Non-Executive Directors;

(xi) of individual Directors by the Nomination and Remuneration Committee

(xii) of the Board by itself

**Remuneration to directors**

**I. Director/ Managing Director:**

**a) Base Compensation (fixed salaries).**

Fixed salary rewards the executives for their day-to-day job performance and ensures a balanced overall remuneration package. The fixed salary shall comprise of basic salary and allowances as per the rules of the Company.

**b) Variable salary:**

The Nomination and Remuneration Committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and nonfinancial metrics.

**II. Non Executive Independent Directors:**

Non Executive directors may be paid remuneration by way of fee and reimbursement of expenses for participation in the Board and other meetings and commission and/or such other payments as may be permitted by the law applicable to such payments. Such payments shall be subject to the provisions of Companies Act, 2013.

**III. KMPs/ SMP etc :**

The remuneration payable to the KMP and the SMP shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

**Review and Modification:**

Effectiveness of the Managerial Remuneration Policy is ensured through periodical review. The Nomination and Remuneration Committee of **Avance Technologies Limited** may amend or modify this Policy in whole or in part at any time.

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015.**

**Form No. MR-3**

**Secretarial Audit Report**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

**Secretarial Audit Report**

For the Financial Year ended 31<sup>st</sup> March, 2015

**To,**  
**The Members,**  
**Avance Technologies Limited,**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Avance Technologies Limited (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- V. Other laws applicable to the Company as per the representations made by the Company. We have also examined compliance with the applicable clauses of the following:
- a) Secretarial Standards by the Institute of Company Secretaries of India. The same was not notified by the ICSI till 31<sup>st</sup> March, 2015.
  - b) The Listing Agreements entered into by the Company with BSE.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. The Company is in process of appointing a Company Secretary and filing necessary forms.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority of the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:



- i. Public / Rights / debentures / sweat equity.
- ii. Buy-Back of securities.
- iii. Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- iv. Merger / amalgamation / reconstruction etc.
- v. Foreign technical collaborations.

This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this Report.

**For SG and Associates,  
Company Secretaries**

**Sd/-**

**Suhas Ganpule,**

**Proprietor,**

**Membership No. 12122**

**C. P No, 5722**

**Date.** 11<sup>th</sup> August, 2015

**Place.** Mumbai

## Annexure A

To,  
The Members,  
**Avance Technologies Limited.**  
Mumbai.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

For **SG & Associates**

Sd/-

**(Suhas S. Ganpule)**

**Practising Company Secretary**

**Proprietor**

**Membership No. 12122 /CP No. 5722**

Date: 11<sup>th</sup> August, 2015

Place: Mumbai

**PARTICULARS OF EMPLOYEES**

**a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

➤ During the year under review, no remuneration was paid to any Director or Key Managerial Personnel. Thus disclosure pursuant to Rule 5(1) (i),(ii),(vi),(viii),(ix),(x)and (xi) is not applicable, other disclosure pursuant to said rule is as under:

1. The Median Remuneration of Employees (MRE) was Rs.17,887/- and Rs.23,350/- in FY 2013-14 and FY 2014-15 respectively. The increase in MRE in FY 2014-15, as compared to FY 2013-14 is 30.5%
2. The number of permanent employees on the rolls of the Company as of March 31, 2015 is 5.
3. The revenue growth during FY 2014-15 over FY 2013-14 was 20.5% and loss reduced by 65.7%. The aggregate remuneration of employees excluding Managing director grew by 27.4% over the previous FY.2014-15. This was based on the recommendation of the nomination and remuneration committee to revise the remuneration as per industry trend.
4. **Avance's** market capitalization decreased by 22.6% to RS. 3,96,38,348/- as of March 31, 2015 from Rs. 5,12,31,000/- as of March 31, 2014.
5. The Price Earnings Ratio was 1.17 as of March 31, 2015 which was decreased by 89.7 %, as compared to March 31, 2014.
6. The Company's variable compensation philosophy for its managerial personnel is to ensure it is competitive in the global markets in which it operates, for attracting and retaining the best talent. In future, the nomination and remuneration committee plans to use a performance-based stock to align senior employee compensation with shareholder value.

**b) Information as per Rule 5(2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

There was no Employees who;

- are in receipt of remuneration for the financial year 2014-15, in the aggregate, was not less than sixty lakh rupees;
- are in receipt of remuneration for any part of the financial year 2014-15, at a rate which, in the aggregate, was not less than five lakh rupees per month;

- are in receipt of remuneration in the financial year 2014-15, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

**For Avance Technologies Limited.**

**Sd/-**

**Srikrishna Bhamidipati**

**Managing Director**

**DIN: 02083384**

From MGT-9

## Extract of Annual Return

As on financial year ended on 31th March, 2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

i	CIN	L51900MH1985PLC035210
ii	Registration Date	30th January, 1985
iii	Name of the Company	<b>Avance Technologies Limited</b>
iv	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government Company
v	Address of the Registered office & contact details	D-603, 6th Floor, Crystal Plaza Premises Co-op Soc Ltd, Opp Infinity Mall, New Link Road, Andheri (W), Mumbai - 400 053
vi	Whether listed company	Listed on BSE Limited
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	<b>PurvaSharegistry (India) Pvt Ltd</b> Add: Unit No. 9, Shiv Shakti Ind. Estt., J.R. BorichaMarg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai - 400 011. Tel.: 022-23016761, Fax: 022-23012517 Email: busicomp@vsnl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Software & Hardware Resale	51510	100

### III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Rewant Investments Pvt Ltd.	U65990GJ1991PTC015231	Associate	24.40	-

### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

#### I. Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 1st April, 2014				No. of Shares held at the end of the year 31st March, 2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	3940266	0	3940266	0.20	0.20
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other (Directors)	3940266	0	3940266	0.62	13500000	0	13500000	0.68	0.07
<b>SUB TOTAL (A) (1)</b>	<b>3940266</b>	<b>0</b>	<b>3940266</b>	<b>0.62</b>	<b>17440266</b>	<b>0</b>	<b>17440266</b>	<b>0.88</b>	<b>0.26</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)- (A)(1)+(A)(2)</b>	<b>3940266</b>	<b>0</b>	<b>3940266</b>	<b>0.62</b>	<b>17440266</b>	<b>0</b>	<b>17440266</b>	<b>0.88</b>	<b>0.26</b>
<b>B. PUBLIC SHAREHOLDING</b>									

(1) Institutions									
a) Mutual Funds									
b) Banks/FI	45000	0	45000	0.01	45000	0	45000	0.00	0.00
C) Cenntralgovt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (A body incorporated under the state govt)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1).</b>	<b>45000</b>	<b>0</b>	<b>45000</b>	<b>0.01</b>	<b>45000</b>	<b>0</b>	<b>45000</b>	<b>0.00</b>	<b>0.00</b>
(2) Non Institutions									
a) Bodies corporates	61045750	82577500	143623250	22.43	1389344433	77500	1389421933	70.10	47.68
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakhs	165497346	2901880	168399226	26.30	211342142	2794880	214137022	10.80	-15.49
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	283024501	8200000	291224501	45.48	327545603	0	327545603	16.53	-28.95
c) Others (specify)								0.00	0.00
i) N.R.I. (Repat& Non-Repat)	5363686	0	5363686	0.84	7416584	0	7416584	0.37	-0.46
ii) Trust	5000	0	5000	0.00	5000	0	5000	0.00	0.00
iii) Hindu Undivided Family	27043602	0	27043602	4.22	24024935	0	24024935	1.21	-3.01
iv) Clearing Member	742969	0	742969	0.12	1881087	0	1881087	0.09	-0.02
<b>SUB TOTAL (B)(2).</b>	<b>542722854</b>	<b>93679380</b>	<b>636402234</b>	<b>99.38</b>	<b>1961559784</b>	<b>2872380</b>	<b>1964432164</b>	<b>99.12</b>	<b>-0.26</b>
<b>Total Public Shareholding (B)- (B)(1)+(B)(2)</b>	<b>542767854</b>	<b>93679380</b>	<b>636447234</b>	<b>99.38</b>	<b>1961604784</b>	<b>2872380</b>	<b>1964477164</b>	<b>99.12</b>	<b>-0.26</b>
							<b>4</b>		
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>546708120</b>	<b>93,679,380</b>	<b>640,387,500</b>	<b>100.00</b>	<b>1979045050</b>	<b>2872380</b>	<b>1981917430</b>	<b>100.00</b>	

## II. SHARE HOLDING OF PROMOTERS

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Deepak Satyaprakash Goyal	3940266	0.62	0.00	3940266	0.20	0.00	32.311513
2	Srikrishna Bhamidipati				13500000	0.68		68.115855
	<b>Total</b>	<b>3940266</b>	<b>0.62</b>	<b>0.00</b>	<b>17440266</b>	<b>0.88</b>	<b>0.00</b>	

## III. CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Deepak Satyaprakash Goyal</b>				
	At the beginning of the year	3940266	0.62	3940266	0.62
	Increase/Decrease during the year	0	0.00	3940266	0.62
	At the end of the year	3940266	0.62	<b>3940266</b>	<b>0.62</b>
2	<b>Srikrishna Bhamidipati</b>				
	At the beginning of the year	0	0.00	0	0.00
	Equity Shares allotted on Preferential basis on 28.10.2014	13500000	0.68	13500000	0.68
	At the end of the year	13500000	0.68	<b>13500000</b>	<b>0.68</b>



**IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS & HOLDERS OF GDRS & ADRS)**

Sl. No		Shareholding at the end of the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	GOLDING MERCANTILE PVT LTD #	147900000	7.46	-	-
2	ROHO REAL ESTATE PVT LTD #	122586660	6.19	-	-
3	AALYYA TRADERS PVT LTD #	120766660	6.09	-	-
4	INDIVAR TRADERS PVT LTD #	101466660	5.12	-	-
5	DIZZYSTONE TRADING PVT LTD #	101120000	5.10	-	-
6	WELLMAN TRADELINKS PVT LTD#	96706660	4.88	-	-
7	KINITA REAL ESTATE PVT LTD#	95366660	4.81	-	-
8	ROLL-ON ADVERTISEMENT & MARKETING SERVICES PVT LTD#	81466660	4.11	-	-
9	INTERTICK DEVELOPERS PVT LTD#	59866660	3.02	-	-
10	MARISHA REAL ESTATE PVT LTD#	54133330	2.73	-	-
11	JABEEN TRADELINK PRIVATE LIMITED@	-	-	28500000	4.45
12	VIAGGIO ENTERTAINMENT PVT LTD@	-	-	27500000	4.29
13	SKR SUPREME ELECTRONICS AND TRADING PRIVATE LIMITED@	-	-	25000000	3.90
14	RAJEEV ANAND@	-	-	8821750	1.38
15	PRASHANT TIBRAWALLA@	-	-	5355000	0.84
16	BHAVANA MASTER@	-	-	5040447	0.79
17	CHAMPALAL CHOUHAN@	-	-	5000000	0.78
18	AMITKUMAR SAMARNATH YADAV@	-	-	5000000	0.78
19	VINAY MADHUKAR CHAVAN@	-	-	5000000	0.78
20	RAMESHKUMAR THAKUR@	-	-	5000000	0.78

@ Top 10 shareholders only as on April 01, 2014

# Top 10 shareholders only as on March 31, 2015

## V. SHAREHOLDING OF DIRECTORS & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
1	<b>Srikrishna Bhamidipati</b>				
	At the beginning of the year	0	0.00	0	0.00
	Equity Shares allotted on Preferential basis on 22.10.2014	13500000	0.68	13500000	0.68
	At the end of the year			<b>13500000</b>	<b>0.68</b>

## V. INDEBTEDNESS

The Company has not availed any secured loan/Unsecured loan/Deposit during the year.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Company does not pay any remuneration to its Directors and Key Managerial Personnel

A. Remuneration to Managing Director: N.A

B. Remuneration to other directors: N.A

C. Remuneration to Key Managerial Personnel Other Than Md/Manager/Wtd: N.A

Board of directors of your company has appointed **Mr. Srinivas Rachkonda** as CFO of the company in their meeting held on **12<sup>th</sup> November, 2014**; however your company does not pay any remuneration to other Key Managerial Personnel.

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
<b>Penalty</b>	Nil	Nil	Nil	Nil	Nil
<b>Punishment</b>	Nil	Nil	Nil	Nil	Nil
<b>Compounding</b>	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					

<b>Penalty</b>	Nil	Nil	Nil	Nil	Nil
<b>Punishment</b>	Nil	Nil	Nil	Nil	Nil
<b>Compounding</b>	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
<b>Penalty</b>	Nil	Nil	Nil	Nil	Nil
<b>Punishment</b>	Nil	Nil	Nil	Nil	Nil
<b>Compounding</b>	Nil	Nil	Nil	Nil	Nil

For Avance Technologies Limited

Sd/-

Srikrishna Bhamidipati

Director

DIN: 02083384

Date: 4<sup>th</sup> September, 2015

Place: Mumbai

**AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
Avance Technologies Limited

We have examined the compliance of conditions of Corporate Governance by **Avance Technologies Limited** for ("the Company") the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India. The compliance of conditions of Corporate Governance is the responsibility of the management.

Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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.

**For M/s. Tejas Nadkarni & Associates.**

Firm Reg. No.:- 123638W

Chartered Accountants

sd/-

**Tejas Nadkarni**

Membership No. 122993

(Proprietor)

**Date.** 28<sup>th</sup> May, 2015.

**Place.** Mumbai

## ***Certification of Financial Statements***

---

To  
The Board of Directors  
Avance Technologies Limited

I, the undersigned, in my capacity as a CFO of Avance Technologies Limited ("the Company"), to the best of my knowledge and belief certify that:

- a I have reviewed the financial statements and the cash flow statement for the Financial Year ended March 31, 2015 and based on my knowledge and belief, I state that:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c I hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d I am responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- e I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. Significant changes, if any, in the internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies made during the year and the same has been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

**Sd/-  
Srinivas Rachakonda  
Director  
DIN: 02402002**

**Date.** 4<sup>th</sup> September, 2015

**Place.** Mumbai

## REPORT ON CORPORATE GOVERNANCE

*“Good corporate governance is about 'intellectual honesty' and not just sticking to rules and regulations, capital flowed towards companies that practiced this type of good governance.”*

*- Mervyn King (Chairman. King Report)*

### Company's Philosophy.

Your Company's philosophy on Corporate Governance over the years lays increasing emphasis on fairness, transparency and integrity of the management, thereby inspiring and strengthening investor confidence and their commitment to the Company. **Avance** believes in creating wealth for all its stakeholders. In pursuit of this objective, the Policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term stakeholder value. At **Avance**, corporate governance has transformed into corporate integrity and accountability. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards to meet the aspirations of every stakeholder.

### Board of Directors.

A concrete principle of corporate governance is a key to maintaining the trust of investors. The Board of Directors of the Company has adopted these corporate governance practices to promote the effective functioning of the Board, its committees and the Company. The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company.

#### ➤ Composition.

The Company has built an effective Board by bringing together the right combination of individuals with diversified skill and experience and by promoting the right dynamic among these individuals. The Board currently comprises of six Directors out of which three (i.e. 50%) are Non-Executive Directors. The Company has three Executive Chairman and the three Independent Directors comprise half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the Clause 49 of the Listing Agreement and Section 149 of the Act. The composition of Board of Directors as on March 31, 2015 is given below:

### BOARD OF DIRECTORS OF THE COMPANY.

NAME OF DIRECTOR	CATEGORY OF DIRECTORS	DIN	DATE OF APPOINTMENT
<b><u>EXECUTIVE DIRECTORS</u></b>			
Mr. Srikrishna Bhamidipati	Chairman & Managing Director	02083384	15/01/2002
Mr. Srinavas Rachakonda #	Executive Director & CFO	02402002	28/09/2014

Mr. Deepak Manki#	Executive Director	06966008	28/09/2014
Mr. Deepak Goyal*	Executive Director	01755263	26/11/2003
<b><u>NON-EXECUTIVE DIRECTORS</u></b>			
Mr. Bimal Kamdar	Non-Executive Independent Director	02828913	20/02/2010
Mr. Anand Choudhary	Non-Executive Independent Director	02688871	15/05/2008
Ms. Pooja Srivastava#	Non-Executive Independent Director	06966012	28/09/2014
Mr. Randhir Marwa**	Non-Executive Independent Director	02425231	02/04/2007

**ATTENDANCE OF DIRECTORS AT BOARD MEETINGS, LAST ANNUAL GENERAL MEETING (AGM) AND NUMBER OF OTHER DIRECTORSHIPS AND CHAIRMANSHIPS / MEMBERSHIPS OF COMMITTEES OF EACH DIRECTOR IN VARIOUS COMPANIES:**

NAME OF DIRECTOR	ATTENDANCE AT PREVIOUS AGM	ATTENDANCE AT BOARD MEETING		DIRECTORSHIP IN OTHER COMPANIES	MEMBERSHIP OF COMMITTEES OF OTHER COMPANIES
		HELD	ATTENDED		
Mr. Srikrishna Bhamidipati	Yes	8	8	3	3
Mr. Srinavas Rachakonda#	No	8	4	0	0
Mr. Deepak Manki#	No	8	4	0	0
Mr. Deepak Goyal*	Yes	8	4	N.A.	N.A.
Mr. Bimal Kamdar	Yes	8	8	0	0
Mr. Anand Choudhary	Yes	8	8	0	0
Ms. Pooja Srivastava#	No	8	4	0	0
Mr. Randhir Marwa**	No	8	4	N.A.	N.A.

1. The Directorships, held by Directors as mentioned above, do not include directorships in foreign companies
2. Memberships/Chairmanships of only Audit Committees, Stakeholders' Relationship Committees and Nomination and Remuneration Committee in all public limited companies (excluding Avance Technologies Limited) have been considered.

\* **Mr. Deepak Goyal** Executive Director of the Company was appointed on 26<sup>th</sup> November, 2003 and ceased to be director w.e.f. 4<sup>th</sup> October, 2014.

\*\* **Mr. Randhir Marwa** Non Executive Independent Director of the Company was appointed dated 02<sup>nd</sup> April, 2007 and ceased to be director w.e.f. 22<sup>nd</sup> August, 2014.

# Directors appointed w.e.f. 28<sup>th</sup> September, 2014.

### Meetings of the Board of Directors.

During the Financial Year 2014-201, **Eight** Board Meetings were held on the following dates:

Sr. No	Date of Board Meeting	Chairman of the Meeting	Venue of the Board Meeting	No. of Days lapse from previous Board Meeting
1	27 <sup>th</sup> May, 2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	103
2	11 <sup>th</sup> August,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	75
3	3 <sup>rd</sup> September,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	22
4	5 <sup>th</sup> September,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	1
5	22 <sup>nd</sup> October,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	46
6	28 <sup>th</sup> October,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	6
7	12 <sup>th</sup> November,2014	Mr. Srikrishna Bhamidipati	Registered office of the Company	14
8	11 <sup>th</sup> February,2015	Mr. Srikrishna Bhamidipati	Registered office of the Company	90

### Committees of the Board of Directors

The Board of Directors of the Company is the top most authority constituted by shareholders for overseeing the Company's overall functioning. The Board of Directors of the Company has constituted various committees like Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee to evaluate the Company's strategic direction, management policies and their effectiveness, and ensures that shareholders' long term interests are being served.

Details of the Board Committees and their composition are provided hereunder:

Sr. No	Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee	Risk Management Committee
1	Anand Choudhary	Anand Choudhary	Srikrishna Bhamidipati	Anand Choudhary
2	Bimal Kamdar	Bimal Kamdar	Bimal Kamdar	Bimal Kamdar
3	Deepak Manki	Deepak Manki	Anand Choudhary	Deepak Manki



## **A) Audit Committee .**

### **1) Brief Description of Terms of Reference.**

The primary objective of the committee is to monitor and provide effective supervision of the Management's financial reporting process to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor, and notes the processes and the safeguards employed by each. The committee has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor in accordance with the law. All possible measures must be taken by the committee to ensure the objectivity and independence of the independent auditor

### **Powers of Audit Committee.**

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## 2) Meetings and Composition of the Committee.

Name of the Committee Member	Category of Directorship	Designation	No. of meetings	
			Held	Attended
Mr. Anand Choudhary	Independent Non- Executive	Chairman	5	5
Mr. Deepak Manki	Executive	Member	5	2
Mr. Bimal Kamdar	Independent Non- Executive	Member	5	5
Mr. Deepak Goyal •	Executive	Member	5	3

\* Mr. Deepak Goyal ceased to be the Director of the Company from 04/10/2014. Hence, Mr. Deepak Manki was appointed as a member of the audit committee w.e.f. 04/10/2014.

The attendance of each Committee Members is as under:

Name of the Committee Member	Meeting Dated				
	12 <sup>th</sup> May, 2014	25 <sup>th</sup> July, 2014	20 <sup>th</sup> August, 2014	28 <sup>th</sup> October, 2014	24 <sup>th</sup> January, 2015
Mr. Anand Choudhary	✓	✓	✓	✓	✓
Mr. Deepak Manki	N.A	N.A	N.A	✓	✓
Mr. Bimal Kamdar	✓	✓	✓	✓	✓
Mr. Deepak Goyal	✓	✓	✓	N.A	N.A

#### **B) Nomination and Remuneration Committee.**

##### **Terms of reference.**

Your Company's policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. Pursuant to section 178(4) of the Companies Act, 2013 and Clause 49(IV) (B) (4) of the Listing Agreement, the nomination and remuneration committee is constituted to ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

##### **Role of Nomination and Remuneration Committee**

- I. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- II. Formulation of criteria for evaluation of Independent Director and the Board
- III. Devising a policy on Board diversity.
- IV. Identify persons who are qualified to become Director and persons who may be appointed in KMP and SMP positions in accordance with the criteria laid down in this policy.
- V. Recommend to the Board, appointment and removal of Director, KMP and SMP.

### Meetings and Composition of the Committee.

Name of the Committee Member	Category of Directorship	Designation	No. of meetings	
			Held	Attended
Mr. Srikrishna Bhamidipati	Executive	Chairman	1	1
Mr. Anand Choudhary	Independent Non- Executive	Member	1	1
Mr. Bimal Kamdar	Independent Non- Executive	Member	1	1

One meeting during the year 2014-2015 was held i.e on 24<sup>th</sup> August, 2014.

### Remuneration Policy.

A Nomination and Remuneration Policy was reviewed and approved by the Committee and annexed to Board Report as "Annexure 4".

### C) Stakeholders Relationship Committee.

#### Terms of Reference

Your Board of Directors has constituted Stakeholders and Relationship Committee to specifically look into the shareholders' and investors' redressed of complaints on matters relating to:

- Transfer of shares,
- Non-receipt of annual report,
- Non-receipt of new share certificate,
- Non-receipt of dividend,
- Payment of unclaimed dividends, etc.

In addition, the Committee also looked into matters that can facilitate better investor services and relations, to look into matters that can facilitate better security-holders services and relations

In compliance with the provisions of section 178 of Companies Act, 2013 and new clause 49 of the Listing Agreement, the Board re-named the Committee as '**Stakeholders Relationship Committee**'.

### Composition and Meetings

During the year 2014-2015, the Committee met following **five** times:

- 12<sup>th</sup> May, 2014;
- 25<sup>th</sup> July, 2014;
- 20<sup>th</sup> August, 2014;
- 28<sup>th</sup> October, 2014; &
- 3<sup>rd</sup> February, 2015.

The attendance of each Committee members is as under:

Name of the Committee Member	Category of Directorship	Designation	No. of Meetings held	No. of Meetings attended
Mr. Anand Choudhary	Independent Non-Executive	Chairman	5	5
Mr. Deepak Manki	Executive	Member	5	2
Mr. Bimal Kamdar	Independent Non-Executive	Member	5	5
Mr. Deepak Goyal*	Executive	Member	5	3

\* Mr. Deepak Goyal ceased to be the Director of the Company from 04/10/2014. Hence, Mr. Deepak Manki was appointed as a member of the audit committee w.e.f. 04/10/2014.

#### Investors Complaints status

Sr. No	Particular	Numbers
1	No. of Shareholder's received so far.	1
2	No. of Shareholder's Complaint resolved.	1
3	No. of Complaint nor solved to the satisfaction of shareholder	0
4	No. of pending compliance.	0

#### D) Risk Management Committee

During the year, adhering the requirement of Listing agreements and Companies Act, 2013, your Board of Directors have constituted a Risk Management Committee on 22<sup>nd</sup> October, 2014, which has been entrusted with the responsibility to assist the Board in. (a) monitoring and reviewing of the risk management plan; and (b) Overseeing that all the risks that the organization faces such as strategic, operational, financial, credit, market, liquidity, security, property, legal, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks. A Risk Management Policy was reviewed and approved by the Committee.

#### Role and Objective of the Committee includes followings.

1. Providing a framework that enables future activities to take place in a consistent and controlled manner.
2. Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.
3. Contributing towards more efficient use/ allocation of the resources within the organization.
4. Protecting and enhancing assets and company image.

5. Reducing volatility in various areas of the business.
6. Developing and supporting people and knowledge base of the organization.
7. Optimizing operational efficiency.

#### Meetings and Composition of the Committee .

Name of the Committee Member	Category of Directorship	Designation	No. of meetings	
			Held	Attended
Mr. Anand Choudhary	Independent Non-Executive	Chairman	1	1
Mr. Deepak Manki	Executive	Member	1	1
Mr. Bimal Kamdar	Independent Non-Executive	Member	1	1

One meeting during the year 2014-2015 was held i.e on 24<sup>th</sup> January, 2015.

#### E) Meeting of Independent Director.

During the financial year 2014-15, board of directors of the company adhering to Clause 49 II (B) (6) of the Listing Agreement hold a separate meeting of the Independent directors. The meeting attended by following Independent directors of the Company:

Mr. Anand Chaudhary : Chairman  
 Ms. Pooja Srivastava : Member  
 Mr. Bimal Kamdar : Member

The meeting of Independent Directors held on **9<sup>th</sup> March, 2015** to transact following agenda:

- To review the performance of Non-Independent Director and Board as whole.
- To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## GENERAL BODY MEETING

Company's Annual General Meetings and their date and time and the special resolution(s) passed thereat during the preceding three years, are as follows:

Year	Type of the Meeting.	Date	Time	Place	Special Resolution Passed
2013-14	Annual General meeting.	27 <sup>th</sup> September, 2014	11.00 a.m.	D/604, 6th Floor, Crystal Plaza Premises, Co-operative Society Limited, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053	No Special Resolution was passed in the meeting
2013-14	Adjourned Annual General meeting. *	4 <sup>th</sup> October, 2014	11.00 a.m.	D/604, 6th Floor, Crystal Plaza Premises, Co-operative Society Limited, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053	No Special Resolution was passed in the meeting
2012-13	Annual General meeting	30 <sup>th</sup> September, 2013	9.00 a.m.	D/604, 6th Floor, Crystal Plaza Premises, Co-operative Society Limited, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053	No Special Resolution was passed in the meeting
2011-12	Annual General meeting	27 <sup>th</sup> September, 2012	9.00 a.m.	Office No. 209, 2 <sup>nd</sup> Floor, Kapadia Chambers, 599 J.S.S. Road, Marine Lines (East), Mumbai- 400002	Commencement of business stated in the objects clause of the memorandum of association of the company.

*\* 30<sup>th</sup> Annual General Meeting of the Company dated 27<sup>th</sup> September, 2014 was adjourned on account of absence of requisite quorum, the adjourned Annual General Meeting of the Company was held on 4<sup>th</sup> October, 2014.*

## Postal Ballot

During the financial year 2014-15, the members of the Company have approved following resolution by passing a Special Resolution through postal ballot under section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014:

- Increase in Authorized share capital of the Company from Rs. 100,00,00,000 /- (Rupees One Hundred Crores only) divided into 100,00,00,000 equity shares of Re. 1 /- each to Rs. 200,00,00,000/- (Rupees Two Hundred Crores only) divided in to 200,00,00,000 equity shares of Re. 1 /- each.
- Issue and allotment of 134,15,30,000 Equity Shares of Face Value of Rs. 1/- each on preferential basis.

The resolution declared passed as special resolution on 22<sup>nd</sup> October, 2014.

The Board had appointed **Mayank Arora & Associates**, a Practicing Company Secretaries, Mumbai as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The Scrutinizer submitted his report to Chairman after Completion of the scrutiny of the postal ballot (including e-voting). The combined results of the postal ballot via ballot form and e-voting facility was declared on 22<sup>nd</sup> October, 2015 and communicated to stock exchange and displayed on Company's website [www.avance.in](http://www.avance.in) . The results were published in the **"The Financial Express"** (English Language) and in **"Apla Mahanager"** (Vernacular Language). The details of the voting pattern is given below:

### Voting Pattern

- 1) To Increase in Authorized share capital of the Company from Rs. 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 100,00,00,000 equity shares of Re. 1 /- each to Rs. 200,00,00,000/- (Rupees Two Hundred Crore only) divided in to 200,00,00,000 equity shares of Re. 1 /- each.

Promoter/ Public	No. of Shares Held (1)	No. of votes Polled (2)	% of Votes Polled on outstandi ng Shares (3) $-\frac{(2)}{(1)} \times 100$	No. of Votes in Favour (4)	No. of Vote s agai nst (5)	% of Votes in Favour on valid votes (6) $-\frac{(4)}{(2)} \times 100$	% of votes against on valid votes (7) $-\frac{(5)}{(2)} \times 100$
Promoter and Promoter Group	3940266	0	0.00	0	0	0.00	0.00
Public Institutional holders	45000	0	0.00	0	0	0.00	0.00
Public Others	636402234	20737401	3.26	20737401	0	100.00	0.00
<b>Total</b>	<b>640387500</b>	<b>20737401</b>	<b>3.24</b>	<b>20737401</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>

- 2) To Issue and allotment of 134,15,30,000 Equity Shares of Face Value of Rs. 1/- each on preferential basis.



Promoter/ Public	No. of Shares Held  (1)	No. of votes Polled  (2)	% of Votes Polled on outstanding Shares (3) $-\frac{[(2)/(1)] \cdot 100}{100}$	No. of Votes in Favour  (4)	No. of Votes against (5)	% of Votes in Favour on valid votes (6) $-\frac{[(4)/(2)] \cdot 100}{100}$	% of votes against on valid votes (7) $-\frac{[(5)/(2)] \cdot 100}{100}$
Promoter and Promoter Group	3940266	0	0.00	0	0	0.00	0.00
Public Institutional holders	45000	0	0.00	0	0	0.00	0.00
Public Others	636402234	20737401	3.26	20737401	0	100.00	0.00
<b>Total</b>	<b>640387500</b>	<b>20737401</b>	<b>3.24</b>	<b>20737401</b>	<b>0</b>	<b>100.00</b>	<b>0.00</b>

At present, there is no business proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

#### Procedure for Postal Ballot

Your board of directors, adhering provision of Clause 35B of the Listing agreement and section 108, 110 and other applicable provision of the Companies Act, 2015 read with rule 20 and 22 of The Companies (Management and Administration) Rules, 2014, provides electronic voting facility to all its members, to enable them to cast their vote electronically. The Company engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or e-voting. Following is procedure for postal ballot adopted by Company:

- The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date.
- The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding).
- The Company publishes a notice for postal ballot in the newspaper.

- The Company also publishes a declaration in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.
- Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.
- Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period.
- Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.
- The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorized officer. The results are also displayed on the website of the Company, [www.avance.in](http://www.avance.in)
- The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

#### GENERAL SHAREHOLDERS INFORMATION

Particulars	Details	
Annual General Meeting	Date : 28 <sup>th</sup> September, 2015 Time : 9.30 a.m. Place : D-603, 6 <sup>th</sup> Floor, Crystal Plaza Premises Co-operative Society Limited, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai- 400053.	
Corporate Identification Number (CIN)	L51900MH1985PLC035210	
Financial Calendar	Adoption of Quarterly Financial Results for the Quarter ending	Tentative date of the Meeting of the Board of Directors
	June 30, 2015	11.08.2015
	September 30, 2015	On or before 14.11.2015
	December 31, 2015	On or before 14.02.2016
	March 31, 2016	On or before 15th May, 2016 or 30th May, 2016.
Book Closure Dates	From, 22 <sup>nd</sup> September, 2015 to 28 <sup>th</sup> September, 2015 (both days inclusive).	
Listing on Stock Exchange	The BSE Ltd. (Bombay Stock Exchange) Add.-Phiroze JeeJeeBhoy Towers, Dalal Street,	

	Mumbai- 400001.															
<b>Scrip Code and ISIN</b>	Scrip Code: <b>512149</b> ISIN No for Dematerialization of Shares: <b>INE758A01049</b>															
<b>Payment of Listing Fees</b>	The Listing Fees for Financial Year 2015-2016 has already been paid to the Stock Exchanges.															
<b>Dematerialization of Shares and liquidity</b>	The Company's Equity Shares are admitted with the Depository System of National Security Depository Limited (NSDL) and Central Depository (India) Limited (CDSL), as an eligible Security under the Depository Act, 1956 as such, facilities for dematerialization of the Company's Equity. Shares are available vide <b>ISIN No.: INE758A01049</b> at both the Depositories.															
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Shares</th> <th>% of total Issued Capital</th> </tr> </thead> <tbody> <tr> <td>CDSL</td> <td>139,90,31,076</td> <td>70.59</td> </tr> <tr> <td>NSDL</td> <td>58,00,13,974</td> <td>29.27</td> </tr> <tr> <td>Physical</td> <td>28,72,380</td> <td>0.14</td> </tr> <tr> <td><b>Total</b></td> <td><b>198,19,17,430</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Particulars	Shares	% of total Issued Capital	CDSL	139,90,31,076	70.59	NSDL	58,00,13,974	29.27	Physical	28,72,380	0.14	<b>Total</b>	<b>198,19,17,430</b>	<b>100.00</b>
	Particulars	Shares	% of total Issued Capital													
	CDSL	139,90,31,076	70.59													
	NSDL	58,00,13,974	29.27													
Physical	28,72,380	0.14														
<b>Total</b>	<b>198,19,17,430</b>	<b>100.00</b>														
<b>Compliance officer of the Company</b>	<b>Mr. Srikrishna Bhamidipati</b>															
<b>Registrar and Share Transfer Agent</b>	<b>Purva Sharegistry India Private Limited</b> <b>Add.</b> -Unit No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel, Mumbai- 400011.															
<b>Correspondence details</b>	<b>Avance Technologies Limited</b> D-603, Crystal Plaza Premises Co-Operative Society Limited, Opp. Infinity Mall, Link Road, Andheri (West), Mumbai- 400053. Telephone No.: 022-65652123 Email Address: <a href="mailto:info@avance.in">info@avance.in</a> <a href="mailto:avancetechnologiesltd@gmail.com">avancetechnologiesltd@gmail.com</a>															

### Share Transfer System.

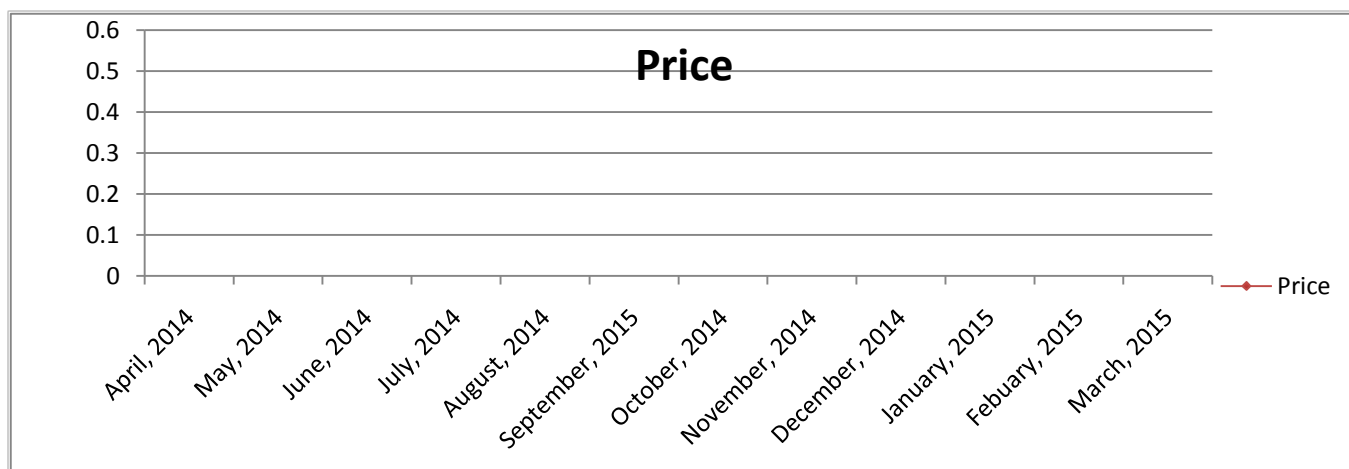
Share transfers are processed and share certificates duly endorsed are delivered within an average period of fifteen days from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the Managing Director of the Company, A summary of transfer/transmission of securities of the Company so approved by the Managing Director is placed at every Stakeholder's Relationship Committee.

As required by clause 47 (c) of the Listing Agreements entered into by the Company with the Stock Exchanges, a certificate is obtained every six months from a Practicing Company Secretary with regard to, inter alia, effecting transfer, transmission, sub-division, consolidation, renewal and exchange of equity shares within fifteen days of their lodgment. The certificate is also forwarded to BSE where the equity shares of the Company are listed.

**Stock Market Data.**

Month	Bombay Stock Exchange (BSE)	
	High (Rs.)	Low (Rs.)
Mar-14	0.11	0.08
Apr-14	0.13	0.08
May-14	0.14	0.12
Jun-14	0.26	0.12
Jul-14	0.21	0.15
Aug-14	0.39	0.21
Sep-14	0.59	0.39
Oct-14	0.47	0.36
Nov-14	0.37	0.22
Dec-14	0.26	0.17
Jan-15	0.21	0.13
Feb-15	0.28	0.12

**Performance of share Price on BSE Sensex**



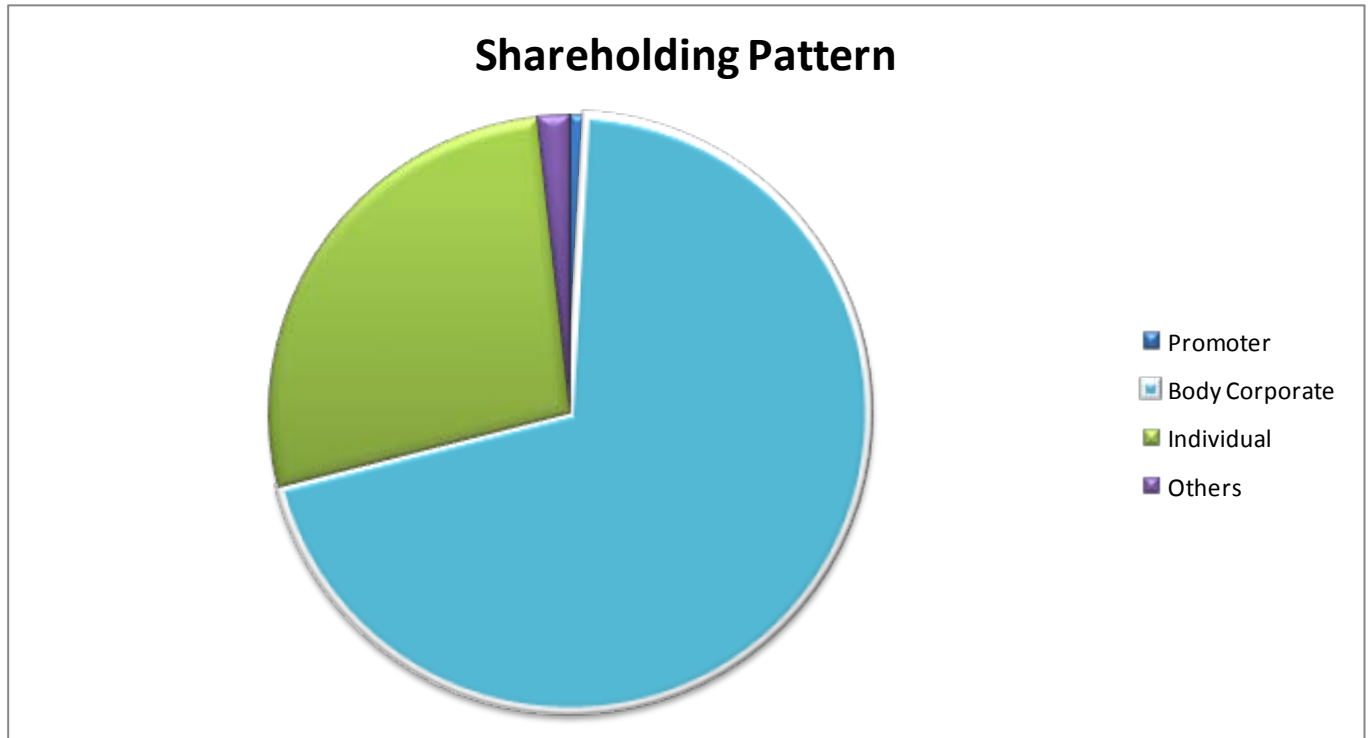
Distribution of Shareholding as on 31st March 2015.

Range	No. of Shareholders	% of total shareholders	No. of Shares held	% of shareholding
Upto 5,000	9650	53.39	20251200	1.02
5,001-10,000	2447	13.54	21564509	1.09
10,001-20,000	1659	9.18	26578209	1.34
20,001-30,000	1039	5.75	27120974	1.37
30,001-40,000	427	2.36	15589228	0.79
40,001-50,000	638	3.53	31057943	1.57
50,001-1,00,000	1114	6.16	90498365	4.57
1,00,000 and above	1099	6.08	1749257002	88.26
<b>Total</b>	<b>18073</b>	<b>100.00</b>	<b>1981917430</b>	<b>100.00</b>

Shareholding Pattern as on 31st March 2015.

Category of Shareholder	No. of Shareholders	No. of Shares	% of Shareholding
<b>(A) Shareholding of Promoter Group</b>			
<b>(1) Indian</b>			
Individual/Hindu Undivided Family	1	3940266	0.20
Directors	1	13500000	0.68
<b>(2) Foreign</b>		-	-
<b>Sub Total (A)</b>	<b>2</b>	<b>17440266</b>	<b>0.88</b>
<b>(B) Public Shareholding</b>		-	-
<b>(1) Institutions</b>		-	-
Financial Institution/ Banks	1	45000	0.01
<b>(2) Non-Institutions</b>			
Bodies Corporate	320	1389421933	70.10
Individuals.			
Individual shareholders holding nominal share capital up to Rs. 1 lakh	16118	214137022	10.80
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	929	327545603	16.53
Non Resident Indians	81	7416584	0.37
Trust	1	5000	0.00
Hindu Undivided Family	606	24024935	1.21
Clearing Members	15	1881087	0.09
<b>Sub Total (B)</b>	<b>18071</b>	<b>1964477164</b>	<b>99.12</b>

<u>Total (A)+(B)</u>	<u>18073</u>	<u>1981917430</u>	<u>100.00</u>
(C) Shares held by Custodians and against which DRs have been issued		-	-
(1) Promoter and Promoter Group		-	-
(2) Public		-	-
<u>Sub Total(C)</u>		-	-
<u>Total (A)+(B)+(C)</u>	<u>18073</u>	<u>1981917430</u>	<u>100.00</u>



Shareholders holding more than 5% share in the Company.

Sr. No	Name of the Shareholders	No. of Share	Shares as a percentage of total Shares.
1	Golding Mercantile Private Limited	147900000	7.46
2	Roha Real Estate Private Limited	122586660	6.19
3	Aalyya Traders Private limited	120766660	6.09
4	Indivar Traders Private Limited	101466660	5.12
5	Dizzystone Trading Private Limited.	101120000	5.10
<b>Total</b>		<b>593839980</b>	<b>29.96</b>

### Means of Communication

The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual results and announces forthwith results to all the Stock Exchanges, where the shares are listed. The results are published normally in Free Press Journal and Navshakti.

The results are also displayed on the Company's website at [www.avance.in](http://www.avance.in) and also uploaded on the website of the Bombay Stock Exchange Ltd.

All information and matters which are material and relevant to shareholders are intimated to the BSE Limited, where the securities of the Company are listed.

### Outstanding GDRs/ADRs/Warrants or any convertible Instruments

As of date the Company has not issued these types of securities.

### Reconciliation of Share Capital Audit Report

As required under Regulation 55A of SEBI (Depositories and Participants), Regulations, 1996, the Reconciliation of Share Capital on the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Ltd. ("CDSL") and in physical form for each of the quarters in the financial year ended 31 March, 2015 was carried out by a Practicing Company Secretary whose reports were submitted with the Stock Exchanges at the end of every quarter. The reports were also placed periodically before the Board of Directors at its Board Meetings.

For Avance Technologies Limited

Sd/-

Srikrishna Bhamidipati

Director

DIN: 02083384

Date: 4<sup>th</sup> September, 2015

Place: Mumbai

# ***MANAGEMENT DISCUSSION AND ANALYSIS***

---

---

## **ECONOMY:**

The Global economic outlook in the year under review was divergent, with growth in the United States, weaker recoveries in Europe and Japan, while emerging economies like China slowed down in growth rates. According to International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. However, Global recovery will continue to be moderate and uneven. While developed economies are expected to strengthen, aided by lower oil prices and low interest rates, most emerging economies are expected to slow down moderately, due to country specific reasons- with India being an exception. The Indian economy is expected to grow by 7.5% in 2015-16. Most economists believe that the Indian economy is at an inflexion point and is set for sustained growth in coming years. Lower oil prices, contained inflation, stable financial sector and policy actions will support growth this year.

## **INDUSTRY STRUCTURE, DEVELOPMENT AND OPPORTUNITIES:**

Technology continues to change the way we live and do business at a dramatic rate. We have entered a world where change is taking place at an astounding pace. Technology breakthroughs play a remarkable role in redefining consumer experience and determining how we lead our life. Consumers are becoming increasingly sophisticated and demanding. They are relying more and more on their mobile phones to operate every part of their professional and personal life.

In 2014, India topped as world's fastest growing smart phone market. Fuelled by the availability of low-cost smart phones and dropping data plan tariffs the absolute number of internet connections is at a record high. However, the total internet penetration in India stands at about 19 percent, which is still lower compared to internet penetration across other countries.

The pick-up of the "e-commerce revolution" has raised the demand for mobiles as well as computers, computer peripherals and software products. The comfort to use computers for entering into commercial transactions and personal entertainment has been on the rise not only in the urban areas but also in rural India. This coupled with increasing per capita income and literacy will boost the appetite of the Indian Technology Consumers. The demand for these products is expected to amplify many times with technological advances and changing consumer preferences.

On the other hand, advancement in technology and processes makes it imperative for businesses to upgrade their IT infrastructure. In today's competitive environment, being stuck with old and outdated technology can prove fatal to any organization's existence. Businesses across the world have realized the importance and benefits of upgrading technology at regular intervals. This presents an ongoing opportunity for the Company to distribute its offerings to new and existing customers.



**Mobile Value Added Services (MVAS)**, MVAS is one of the hottest market segments in telephony today. It has witnessed significant growth due to increasing funding for mobile governance applications from the government. The Indian MVAS market is expected to grow at a CAGR of 18.5% during the period 2015–2020. The consumer VAS and enterprise VAS market is expected to grow at a CAGR of 19.7% and 19.3% during the period from 2015 to 2020, respectively.

Given the mounting penetration of mobile phones, especially in the rural belts of the country, the demand for the Mobile- Value Added Services is expected to accelerate.

Today, there are several areas that present significant opportunities for the mobile industry as a whole.

- **Disruption from mobile-first services.** every sector is being redefined through the mobile lens. Traditional sector such as transportations and food ordering are now being disrupted by mobile-first services. As this wave of disruption continues, the mobile industry and the companies, which are following a mobile-first approach will benefit.
- **Mobile messaging.** In the mobile space, mobile messaging is without a doubt the space which has seen the most growth in previous two years and which has the highest engagement with end users. In China, mobile users use WeChat not only for chatting but also ordering concert tickets and even food. Mobile messaging is at the center of the mobile disruption. Plugging into those new ecosystems present an opportunity for countless mobile players who will be able to take advantage of this change in customer behaviors.
- **Mobile monetization.** A few years ago, there were concerns about monetizing mobile, in particular the effectiveness of mobile ads were questioned. Today, Facebook makes more money from mobile than the web. Monetization on mobile is real and very strong. Businesses are very serious about advertising on mobiles and exploring various channels for online and mobile marketing.

Avance facilitates the clients to synchronize their online and offline offerings to their customers. Its main offerings include Short Code Services, Enterprise Mobile Marketing, Mobile marketing solution suit, E-mail & web integration, Ad insertion program, Wireless Application Protocol, Mobile Coupons Page Elements, OBD/IBD, email Marketing, Call Conferencing Platform and Subscriber Management Platform. With increasing use of mobiles and smart phones, it is criminal for any organisation to ignore the potential of mobile marketing. The budgets for the mobile marketing have seen a substantial rise in the last few years and it is expected to further swell. Avance being an experienced player in this niche segment shall leverage its expertise to provide innovative products and services to its customers.

#### **CHALLENGES:**

The mobile industry continues to be extremely competitive and there are several challenges that are affecting the entire industry or selected players within the industry.

- **Regulation and policies.** Regulation is making it difficult for traditional VAS providers to operate. For instance, the dual confirmation process for service activation that has been introduced in a number of markets created a cumbersome user experience that led to a fall in activation of traditional VAS services.

While the impact of this particular policy is now absorbed, new policies can constantly make it more difficult to operate for traditional VAS providers as well as OTT providers.

- **Mobile Messaging Services.** Mobile messaging services pose a serious challenge to traditional voice and messaging services. They are both an opportunity and a threat. As those services keep growing, they can either become more inclusive (like social networking services which open their platforms) or more exclusive.

### **FINANCIAL PERFORMANCE.**

Company was able to push the revenues beyond the one hundred crores milestone in the financial year under review. Your Company has achieved a top line growth of 20.5% year on year and squeezed the annual loss by 65% year on year. This was a very significant achievement especially in a very competitive environment and a slow economy. In the year under review, the Company raised Rs. 2,01,22,94,895/- through issues of 134,15,29,930 shares of Re. 1/- (Rupee One only) each at a price of Rs. 1.50/- per share, being the price calculated as per provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, on preferential basis.

### **OUTLOOK.**

The rise of digital technologies– such as big data, internet of things and robotics– has created anxiety as well as a sense of opportunity in today’s market place. Products ranging from tractors to coffee makers have become networked objects generating constant streams of data. The internet will increasingly become the fabric that connects cities, homes and products we use, and the distinction between offline and online will become imperceptible. It will become one of the basic necessities of life enabling people to do all their tasks online. The rising literacy rate, increasing per capita income, changing consumer preferences, technological changes, user friendly computers and smart phones, roll out of 4G services and many other factors shall accelerate the expansion of the digital world to the rural areas. This would lead to huge rise in demand for the hardware and software products, IT infrastructure, MVAS services and advertising spends.

### **RISKS AND CONCERNS.**

Avance Operates in a very competitive market with competition from both legacy VAS companies and over the top services.

In the MVAS business, most of the business-to-business contracts follow a revenue share model in which the revenue is share between the mobile operator, the content owners and the VAS service providers. As a consequence, the revenue will accrue to the company only if customer’s end user subscribers use or subscribe to the services offered by them. As a result, the Company’s revenue will be subject to uncertainties that are beyond its control.

Further, with uncertainty looming over global and domestic economy may force businesses to cut down on IT spends thereby affecting company’s ability grow at a healthy rate.

## **RISK MANAGEMENT**

The board is responsible for determining the nature and extent of the significant risks, the Company has to manage these significant risks in order to achieve its strategic objectives. The board believes in the maintenance of sound risk management and internal control systems. Every year, the board reviews the effectiveness of the Company's risk management and internal control system, which cover all material financial, operational, compliance, legal, reputational and sustainable development risks. This review relies on assessments undertaken by the audit committee and such assessments occurred throughout the financial year 2014-15.

Risk Management committee at their meeting held on 24<sup>th</sup> January, 2015, reviewed the annual risk management policy and the risk management framework which are used by the board and management to identify and scrutinise key risks facing the group, and considered whether those risks are appropriately managed. The committee has laid down following risk management framework:

Risk Management comprises three key components which are as below:

1. Risk identification
2. Risk assessment and mitigation
3. Risk monitoring and assurance

The Risk Management Committee has identified the following major risks associates with company:

1. Credit Risk
2. Market Risk
3. Operational Risk

The risk mitigation plans are reviewed regularly by the Audit Committee of your Company

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes which consist of adopting appropriate management systems and implementing them are followed. These are aimed at giving the Audit Committee a reasonable assurance on the reliability of financial reporting and statutory & regulatory compliances, effectiveness and efficiency of your Company's operations. The Internal Control Systems are reviewed periodically and revised to keep in tune with the changing business environment.

## **HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATION FRONT:**

Being in the business of technology and business of people, to ensure sustainable business growth and become future ready, over the years your Company has been focusing on strengthening its talent management and employee engagement processes and through the year, organisation's engagement scores has improved to highest percentile in the entertainment sector. Your Company continues to build talent pipeline by hiring

fresh talent from renowned campuses and nurturing them and identifying / training top performing resources. The Company values the safety of its employees and constantly raises the bar in ensuring a safe work place.

CAUTIONARY STATEMENT: Statement in this “Management Discussion and Analysis” describing the Company's objectives, projections, estimates, expectations or predictions 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 global and Indian demand and supply conditions, finished goods prices, input materials availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

**For Avance Technologies Limited**

**Sd/-**

**Srikrishna Bhamidipati**

**Chairman & Managing Director**

**DIN: 02083384**

**Date:** 4<sup>th</sup> September, 2015

**Place:** Mumbai

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AVANCE TECHNOLOGIES LTD**

**Report on the Financial Statements**

We have audited the accompanying financial statement of Avance Technologies Limited ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's board of directors is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("Act") with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the company in accordance with the Accounting Principle generally accepted in India including Accounting Standards Specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accounts of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the according principles generally accepted in India.

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2015;
- (ii) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure hereto a statement on the matters specified in paragraphs 3 and 4 of the said order, to the extent applicable.
2. As required by Section 227 (3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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 those books;
  - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement Comply with the Accounting Standards specified in section 133 of the Act read with rule 7 of the Companies (Accounts) Rules,2014;
  - e. On the basis of written representations received from the directors of the company, as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of section 164(2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- (ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Tejas Nadkarni & Associates**

**Chartered Accountants**

**Firm.Reg.No.135197W**

**Sd/-**

**(Tejas Nadkarni)**

**Proprietor**

**M. No. 122993**

**Place: Mumbai,**

**Date: 28<sup>th</sup> May 2015**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

Particulars	Note No.	As on		As on	
		31.03.2015		31.03.2014	
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholder's Funds					
(a) Share Capital					
(i) Equity Share Capital	1	1981917430		64,03,87,500	
(b) Reserves and Surplus	2	1,893,269,361	3,875,186,791	1,23,36,64,643	1,87,40,52,143
(2) Share application money			-		-
(3) Non-Current Liabilities					
(a) Deferred tax liabilities (Net)	3	-		5,83,998	
(b) Other Long term liabilities	4	-	-	3,25,000	9,08,998
(4) Current Liabilities					
(a) Short-term borrowings	5	-		2,01,22,95,000	-
(b) Trade payables	6	721,450,561		909846369	
(c) Other current liabilities	7	-		-	
(d) Short-term provisions	8	1,690,050	723,140,611	14,58,373	2,92,35,99,742
<b>Total Equity &amp; Liabilities</b>			<b>4,598,327,403</b>		<b>4,79,85,60,883</b>
<b>II. ASSETS</b>					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	9	533,028		11,94,387	
(b) Non-current investments	10	1,967,925,577		1,76,36,75,577	
(c) Deferred Tax Assets		80,657		-	
(d) Long term loans and advances	11	2,308,416,674		2,52,81,83,011	
(e) Other non-current assets	12	-	4,276,955,936	-	4,29,30,52,975
(2) Current assets					
(a) Current investments	13	2,953,186		3,03,90,012	
(b) Inventories	14	193,074,222		18,18,68,527	
(c) Trade Receivables	15	119,123,634		25,78,19,318	
(d) Cash and cash equivalents	16	3,501,930		3,33,00,480	
(e) Other current assets	17	2,718,493	321,371,464	21,29,570	50,55,07,907
<b>Total Assets</b>			<b>4,598,327,403</b>		<b>4,79,85,60,883</b>

This is the Balance Sheet referred to in our Report of even date

For		
Tejas Nadkarni & Associates	For and on Behalf of the Board of Directors	
Chartered Accountants		
Firm Reg No. : 135197W		
Sd/-	Sd/-	Sd/-
Tejas Nadkarni	Srikrishna Bhamidipati	Srinivas Rachkonda
Membership No. 122993	Chairman & Managing Director	CFO & Executive Director
(Proprietor)		
Date: 28.05.2015	Date: 28.05.2015	
Place: Mumbai	Place: Mumbai	



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No	As on 31.03.2015	As on 31.03.2014
Revenue from Operations			
I. Revenue from Sales	18	1,065,515,781	88,56,94,138
II. Other Revenue Income	19	10,359,764	66,69,782
<b>Total Revenue from Operations</b>		<b>1,075,875,545</b>	<b>89,23,63,920</b>
III. Expenses.			
Cost of materials			
Purchase of Stock-in-Trade	20	1,071,865,511	88,48,16,087
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(11,205,695)	(5,47,842)
Employee benefit expense	22	766,638	4,93,095
Financial costs	23	36,717	18,969
Depreciation and amortization expense	24	661,359	7,09,638
Other expenses	25	25,316,832	4,05,85,469
<b>Total Expenses</b>		<b>1,087,441,362</b>	<b>92,60,75,417</b>
IV. Profit before exceptional and extraordinary items and tax		(11,565,817)	(3,37,11,497)
V. Profit before tax		<b>(11,565,817)</b>	<b>(3,37,11,497)</b>
VI. Tax expense.			
Current Tax		259,084	
Deferred tax	26	(664,654)	-
VII. Profit/(Loss) for the period		<b>(11,160,247)</b>	<b>(3,37,11,497)</b>
VIII. Earning per equity share.			
(1) Basic		(0.006)	(0.053)
(2) Diluted		(0.006)	(0.053)

**This is the Statement of Profit & Loss Referred to in our Report of even date**

**This is the statement of Profit and Loss referred to in our Report of even date**

For

Tejas Nadkarni & Associates

Chartered Accountants

Firm Reg No. . 135197W

Sd/-

Tejas Nadkarni

Membership No. 122993

(Proprietor)

Date: 28.05.2015

Place: Mumbai

For and on Behalf of the Board of Directors

Sd/-

Srikrishna Bhamidipati

Chairman & Managing Director

Date: 28.05.2015

Place: Mumbai

Sd/-

Srinivas Rachkonda

CFO & Executive Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars		31 <sup>st</sup> March 2014 (Rs)	31 <sup>st</sup> March 2014 (Rs)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax and Extraordinary Items		(11,565,817)	(3,37,11,497)
Adjustments for :			
Deferred revenue expenses		-	12,630
Depreciation		661,359	7,09,638
Less : Amount included of other head			
Interest Received		(2,937,685)	(5,455,358)
Dividend from Company		(225,000)	(225,000)
Short Term Profit on Quoted Shares		(7,197,079)	(989,424)
Loss on Purchase of Property		15,000,000	-
Loss on Un-Quoted Shares		5,025,000	-
Shares Sale/Purchase Expenses		55,412	-
<b>Operating Profit before working capital changes</b>	<b>A</b>	<b>(1183810)</b>	<b>(39659010)</b>
Adjustments for :			
Change in Loans & Advances		219,766,337	30,58,11,151
Current Liabilities			
Short-term borrowings		-	-
Trade payables		(188,395,808)	(75,12,49,496)
Other current liabilities		(325,000)	(13,74,76,732)
Short-term provisions		(27,514)	30,407
Sundry Debtors		138,695,684	61,90,79,960
Inventories		(11,205,695)	(5,47,842)
Other Current Assets		(588,923)	(6,95,550)
<b>Change in Working Capital</b>	<b>B</b>	<b>157,919,082</b>	<b>3,49,51,899</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>C-(A+B)</b>	<b>156,735,272</b>	<b>(4,707,112)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sales / ( Purchase ) of Investment		(176,813,174)	2,64,88,377
Interest Received		2937685	5455358
Dividend from Company		225000	225000
Short Term Profit on Quoted Shares		7197079	989424
Loss on Purchase of Property		(15000000)	-
Loss on Un-Quoted Shares		(5,025,000)	-
Shares Sale/Purchase Expenses		(55,412)	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>D</b>	<b>(186,533,822)</b>	<b>33158159</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>E</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash &amp; Cash Equivalent</b>	<b>C + ( A + B + D )</b>	<b>(29,798,550)</b>	<b>2,84,51,047</b>
Opening Cash & Cash Equivalent		33,300,480	48,49,433
Closing Cash & Cash Equivalent		3,501,930	3,33,00,480

This is the statement of Cash flow referred to in our Report of even date

For

Tejas Nadkarni & Associates

Chartered Accountants

Firm Reg No. : 135197W

Sd/-

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Tejas Nadkarni Membership No. 122993 (Proprietor) Date: 28.05.2015 Place: Mumbai	Srikrishna Bhamidipati Chairman & Managing Director Date: 28.05.2015 Place: Mumbai	Srinivas Rachkonda CFO & Executive Director
--	---	--

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**Note. 1 SHARE CAPITAL**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
	<b>AUTHORISED SHARE CAPITAL</b>		
	200,00,00,000 equity shares of Re. 1/- each	2,000,000,000	1,00,00,00,000
	(Previous year : 100,00,00,000 equity shares of Rs. 1/- each)		
	<b>Total</b>	<b>2,000,000,000</b>	<b>1,00,00,00,000</b>

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
1.	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
	640387500 (31 <sup>st</sup> March 2013: 640387500 ) equity shares of Re. 1/- each fully paid up *	64,03,87,500	64,03,87,500
	Add: Addition during the Year	1341529930	
	<b>Total issued, subscribed and fully paid up shares capital</b>	<b>1,981,917,430</b>	<b>64,03,87,500</b>

**DISCLOSURES**

Reconciliation of Shares Outstanding

**i. Equity shares**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March 2014 (Rs)
	At the beginning of the period	64,03,87,500	64,03,87,500
	Add: Addition during the Year	1,341,529,930	-
	<b>Outstanding at the end of the period</b>	<b>1,981,917,430</b>	<b>64,03,87,500</b>

**ii. Shareholders holding more than 5% of equity shares as at the end of the year:**

Name of the shareholders	As at 31-03-2015		As at 31-03-2014	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Golding Mercantile Pvt Ltd	147900000	7.46	NIL	NIL
Roho Real Estate Pvt Ltd	122586660	6.19	NIL	NIL
Aalya Traders Pvt Ltd	120766660	6.09	NIL	NIL

Indivar Traders Pvt Ltd	101466660	5.12	NIL	NIL
Dizzystone Trading Pvt Ltd	101120000	5.1	NIL	NIL

**Note. 2 RESERVES AND SURPLUS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
<b>A.</b>	<b>Security premium account</b>		
	Balance at beginning of the year	640,387,500	1,00,00,00,000
	Less: Capitalization for issue of Bonus Shares	-	-
	Add: During the year	67,07,64,965	
	Balance at the end of the year	<b>1,670,764,965</b>	<b>1,00,00,00,000</b>
<b>B.</b>	<b>Forfeiture Reserve</b>		
	Balance as per the last financial statements	279,040,000	27,90,40,000
	Add: Forfeiture During the year	-	-
	<b>Closing Balance</b>	<b>279,040,000</b>	<b>27,90,40,000</b>
<b>C.</b>	<b>Surplus-Balance in statement of Profit and Loss</b>		
	Balance at beginning of the year	(45,375,357)	(1,16,63,860)
	Less: Current year loss	(11,160,247)	(3,37,11,497)
	Balance at the end of the year	<b>(56,535,604)</b>	<b>(4,53,75,357)</b>
	<b>Total reserves and surplus ( A+B+C )</b>	<b>1,893,269,361</b>	<b>1,23,36,64,643</b>

**Note 3. DEFERRED TAX LIABILITY (NET)**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
1	Deferred Tax Liability	-	583998
	<b>Total</b>	<b>-</b>	<b>583998</b>

**Note. 4 NON CURRENT LIABILITIES – LONG TERM BORROWINGS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
1	Long Term Borrowings	-	325000
	<b>Total</b>	<b>-</b>	<b>325000</b>

**Note. 5 SHORT TERM BORROWINGS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs.)	31 <sup>st</sup> March 2014 (Rs)
	Unsecured Loans from Related Party	-	20250000
	Unsecured Loan from Others	-	1992045000
	<b>Total</b>	<b>-</b>	<b>2012295000</b>

**Note. 6 TRADE PAYABLE**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Trade Creditors	721,450,561	909,846,369
	<b>Total</b>	<b>721,450,561</b>	<b>909,846,369</b>

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2014 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL.

**Note. 7 OTHER CURRENT LIABILITIES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Other Advance	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

**Note. 8 SHORT TERMS PROVISIONS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Statutory Provisions	1,690,050	1458373
	<b>Total</b>	<b>1,690,050</b>	<b>1458373</b>

\* The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

Note No. 9, FIXED ASSETS	Name of Asset	Depreciation Rate	Gross Block				Depreciation				Net Block	
			As at 01.04.14	Additions	Deletions	As at 31.03.15	As at 01.04.14	For the Year	Deletions	As at 31.03.15	As at 31.03.15	As at 31.03.14
<b>A.TANGIBLE ASSETS</b>												
	Air- Conditioner	4.75%	90,000	-	-	90000	63540	26460	-	90,000	-	-
	Office Equipments	4.75%	51397	-	-	51397	26246	25151	-	51397	-	25151
	Kodak Camera	6.33%	505378	-	-	505378	-	-	-	-	505378	505378
	Lamination Machine	9.5000%	27650	-	-	27650	-	-	-	-	27650	27650
	Furniture and Fixtures	16.21%	373283	-	-	373283	373283	-	-	373283	-	-
	Vehicles	0.00%	3152471	-	-	3152471	31206902	317809	-	3152471	-	317809
	Computer System		291939	-	-	291939	-	291939	-	291939	-	291939
	<b>Total (Current Year)</b>		<b>3408595</b>	<b>9</b>	<b>-</b>	<b>3408595</b>	<b>32891572</b>	<b>661359</b>	<b>-</b>	<b>33552931</b>	<b>533028</b>	<b>1194387</b>
	<b>(Previous Year)</b>		<b>3408595</b>	<b>9</b>	<b>-</b>	<b>3408595</b>	<b>31451707</b>	<b>730226</b>	<b>-</b>	<b>32181933</b>	<b>1904026</b>	<b>2634252</b>

**Note. 10 NON CURRENT INVESTMENTS**

Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
		<b>(Rs)</b>
<b>NON CURRENT INVESTMENTS</b>		<b>Current Year</b>
Investment in Shares - Quoted		
95500 Equity Shares of G Tech Info Training Ltd.Rs.1	675,798	675798
76300 Equity Shares of Interworld Digital Digital Ltd.Rs.1	223,461	223461
2148100 Equity Shares of Emporis Project Limited Rs.1	236,291,000	236,291,000
1380300 Equity Shares of Emporis Project Limited Rs.1	151,833,000	151,833,000
Investment in Shares of Unlisted Company		
10000 Equity Shares of Adequate Properties P. Ltd Rs.10	5,000,000	5,000,000
10000 Equity Shares of Adequate Trading P. Ltd Rs.10	5,000,000	5,000,000
285000 Equity Shares of Akshara Ent Pvt Ltd Rs.10	28,500,000	28,500,000
160000 Equity Shares of Amygdale Infotech Pvt Ltd Rs.10	80,000	80,000
125000 Equity Shares of Aramid Textiles Pvt. Ltd. Rs.10 Each	25,000,000	-
14000000 Equity Shares of Arya Tollways Pvt Ltd Rs.10 Each	140,000,000	-
55000 Equity Shares of Bonjour Estates Pvt. Ltd. Rs.10 Each	5,500,000	-
125000 Equity Shares of Chakri Industries Pvt Ltd Rs.10 Each	11,500,000	-
5000 Equity Shares of Dev Chemicals and Pharmaceuticals Pvt Ltd Rs.10 Each	5,050,000	-
4000 Equity Shares of Ethan Construction Pvt Ltd Rs.10 Each	1,000,000	1,000,000
3000 Equity Shares of Ethos Elite Garments Pvt Ltd Rs.10 Each	1,500,000	-
4000 Equity shares of Ethos Elite Garments Pvt Ltd Rs.10 Each	2,000,000	-
9000 Equity Shares of Ethos Elite Garments Pvt Ltd Rs.10 Each	4,500,000	-
500000 Equity Shares of Euro Plus Capital Ltd Rs.10 Each	16,350,000	-
20000 Equity Shares of Europlus One Reality Pvt Ltd Rs.10 Each	3,200,000	-
8000 Equity Shares of Greek Soft Inst. Of Fin Market P. Ltd. Rs.10 Each	2,000,000	2,000,000
30000 Equity Shares of Green Himalaya Biosciences Pvt Ltd. Rs.10 Each	-	6000000
30000 Equity Shares of Handsome Sales Pvt. Ltd.Rs.10 Each	15000000	15000000
20000 Equity Shares of HPS Greens Infrastructure Pvt Ltd.Rs.10 Each	10000000	10000000
225000 Equity Shares of Invar Steels Pvt Ltd Rs.10 Each	22500000	-
40000 Equity Shares of Jasmine Steel Trading Ltd. Rs.10 Each	10000000	10000000
60000 Equity Shares of Jasmine Steel Trading Ltd. Rs.10 Each	24000000	24000000
100000 Equity Shares of JPS Balaji Reinforce Rs.10 Each	10000000	-
8000 Equity Shares of Jyoti Buildtech P. Ltd Rs.10 Each	10000000	10000000
25000 Equity Shares of Kasturi Projects Pvt Ltd Rs.10 Each	5000000	-
10000 Equity Shares of Maruthi Plastics & Packaging Chennai P.L.Rs.10	10100000	-
88000 Equity Shares of Meritorious Reality Pvt Ltd. Rs.10 Each	23800000	-
5000 Equity Shares of Mico Plast Industries Pvt Ltd Rs.10 Each	5050000	-
46500 Equity Shares of Midpoint Trade Link P.Ltd.Rs.10 Each	12300000	-
225000 Equity Shares of Navnidhi Steel Engg.Co.Ltd Rs.10 Each	90000000	90000000
250000 Equity Shares of Neminath Trade Pvt.Ltd Rs.10 Each	33000000	33000000
27500 Equity Shares of Osia Realty Pvt Ltd Rs.10 Each	2750000	-
2500000 Equity Shares of Populance Estates Pvt Ltd Rs.10 Each	25000000	-
150000 Equity Shares of Prestige Feed Mills Limited Rs.10 Each	15000000	15000000
15000 Equity Shares of Prestige Feed Mills Limited Rs.10 Each	1500000	1500000

255000 Equity Shares of Punarvasu Entp. Pvt. Ltd. Rs.10 Each	25500000	-
Prateek Bulls & Bears Pvt Ltd	15000000	15000000
500000 Equity Shares of Pyramid Tradelinks P. L. Rs.10 Each	21500000	21500000
60000 Equity Shares of Ranjita Infrastructure Pvt Ltd. Rs.10 Each	30000000	30000000
2900000 Equity Shares of Rewant Investments Pvt Ltd Rs.10 Each	29000000	-
62000 Equity Shares of Ruia Alloys Trade P. Ltd.Rs.10 Each	3100000	3100000
37500 Equity Shares of Shree Sai Steel Indu. India P. Ltd. Rs.10 Each	15375000	15375000
50000 Equity Shares of Shubh Laxmi Cold Storage and Ice Rs. 10 Each	5000000	5000000
1550000 Equity Shares of Signet Industries Limited Rs.10 Each	12050000	-
100000 Equity Shares of Sparkle Financial Services P. Ltd. Rs.10 Each	10000000	10000000
10000 Equity Shares of Spice Commotrade Pvt. Ltd. Rs.10 Each	5000000	5000000
100000 Equity Shares of Splendid Capital Advisors Pvt. Ltd. Rs.10 Each	10000000	10000000
100000 Equity Shares of Sruti Filatex Pvt. Ltd. Rs. 10 Each	1000000	1000000
5000 Equity Shares of Ssmn Properties Pvt Ltd Rs.10 Each	5050000	-
100000 Equity Shares of Suksham Finlease and Investment Rs.10 Each	10000000	10000000
483900 Equity Shares of Team Work Studios Pvt. Ltd. Rs.10 Each	936000	936000
58000 Equity Shares of Vision Steel Ltd Rs.10 Each	14500000	-
Share Application Money in Unlisted Company	750,006,318	989,956,318
Investment in Pref Shares of Unlisted Company		
347050 Equity Shares of Aakarshan Realtors Pvt.Ltd.Rs.10	34705000	34705000
<b>Total</b>	<b>1,967,925,577</b>	<b>1,76,36,75,577</b>

**Note. 11 LONG TERM LOAN AND ADVANCES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Loans & Advances	191,739,826	52792167
	Trade Advances	1,770,084,488	1858943584
	Receivable - Others	346,592,360	616447260
	<b>Total</b>	<b>2,308,416,674</b>	<b>2528183011</b>

**Note. 13 CURRENT INVESTMENTS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	<b>Current Investment (Non-trade)</b>		
	Investment in Shares - Quoted	2,953,186	7090012
	Investment in Shares - Un-Quoted	-	3750000
	Investment in Shares - Share Applied	-	19550000
	<b>Total</b>	<b>2,953,186</b>	<b>30390012</b>

**Note. 14 INVENTORIES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	<b>Inventories (valued at lower of cost and net realizable value)</b>		
	Stock-in-trade	193,074,222	181868527
	<b>Total</b>	<b>193,074,222</b>	<b>181868527</b>



**Note. 15 TRADE RECEIVABLES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Over Six Months	18,360,153	40536351
	Trades Receivable- Sales	100,763,481	217282967
	Sundry Debtors-Other	-	-
	<b>Total</b>	<b>119,123,634</b>	<b>257819318</b>

**Note. 16 CASH AND CASH EQUIVALENTS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Cash on Hand	104	2232530
	Balance with bank in current account	3,501,826	31067950
	<b>Total</b>	<b>3,501,930</b>	<b>33300480</b>

**Note. 17 OTHER CURRENT ASSETS**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Deposit with Black Horse Media & Ent. Pvt Ltd	200000	200000
	Anju Bhatia (Rent Deposit)	100000	-
	Sonam Rane Rent Deposit	-	150000
	Prepaid Income Tax	1,533,368	1269261
	VAT Refundable	835,125	510309
	Staff Advance	50000	-
	<b>Total</b>	<b>2,718,493</b>	<b>21,29,570</b>

**Note. 18 REVENUE FROM SALES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Income from Sales of traded goods (IT Products and Computer Peripheral)	1,065,515,781	88,56,94,138
	<b>Total</b>	<b>1,065,515,781</b>	<b>88,56,94,138</b>

**Note. 19 OTHER REVENUE INCOME**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Interest Received	2937685	54,55,358
	Dividend from Company	225000	2,25,000
	Short Term Profit on Quoted Shares	7197079	-
	Short Term Profit on Quoted Share	-	989424
	<b>Total</b>	<b>10,359,764</b>	<b>66,69,782</b>

**Note. 20 PURCHASE OF STOCK IN TRADE**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Purchase Of Traded Goods	1071865511	88,48,16,087
	<b>Total</b>	<b>1,071,865,511</b>	<b>88,48,16,087</b>

**Note. 21 STOCK-IN-TRADE**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Opening Stock	181868527	18,13,20,685
	Closing Stock	193074221.65	18,18,68,527
	<b>Changes in Inventory</b>	<b>(11,205,695)</b>	<b>(5,47,842)</b>

**Note. 22 EMPLOYEE BENEFIT EXPENSES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Staff Expenses	1426	12,042
	Salary Expenses	729,962	4,81,053
	Bonus to Staff	35250	-
		<b>766,638</b>	<b>4,93,095</b>

**Note. 23 FINANCIAL COST**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Bank Charges	36716.92	18,969
	<b>Total</b>	<b>36,717</b>	<b>18,969</b>

**Note. 24 DEPRECIATION AND AMORTIZATION EXPENSES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Depreciation	661,359	7,09,638
	<b>Total</b>	<b>661,359</b>	<b>7,09,638</b>

**Note. 25 OTHER EXPENSES**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Legal Advertisement Expenses	55701	58,726
	Auditor's Remuneration	30000	25,000
	Communication Expenses	11045	3,366
	Conveyance Expenses	2212	8,662
	Electricity Expenses	37057	4,396

	Listing & ROC Fees	761134	2,69,243
	Office Expenses	-	99,270
	Printing & Stationery	3894	19,858
	Professional Fee and Legal Fees	212660	7,680
	Loss on Sales of Investment		-
	Rates and Taxes	263858	32,500
	Repairs & Maintenance - Others	1100	2,240
	Rounded Off	5	-
	Sundry Balance Written Off		-
	Preliminary Expenses Written Off.	-	12,630
	Shares Trading Expenses	-	2,814
	Courier & Postage Expenses	110	15,517
	Housekeeping Expenses	-	1,900
	Office Rent	282,500	1,05,000
	Loss on Commodity Future	-	1,980
	Loss on Quoted Shares	-	3,99,14,688
	Loss on Purchase of Property	15000000	-
	Loss on Un-Quoted Shares	5,025,000	-
	Sundry Balance W/O	3,575,143	-
	Shares Sale/Purchase Expenses	55412.22	-
	<b>Total</b>	<b>25,316,832</b>	<b>4,05,85,469</b>

**Note. 26 DEFERRED TAX**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Defered Tax Provision	(664,654)	-
	<b>Total</b>	<b>(664,654)</b>	<b>-</b>

**Note 27.1 CONTINGENT LIABILITIES & COMMENTS**

Income Tax Liability Rs.222,78,678/- ( Previous Year Rs.222,78,678/- .) Company has filed appeals in Appellate Tribunals and expect the decision in favour of company.

**Note 27.2 AUDITORS REMUNERATION**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Audit Fees	15000	12,500
	Tax Audit Fees	15000	12,500
	Other Services	-	-
	<b>Total</b>	<b>30,000</b>	<b>25,000</b>

**Note 27.3 Earning Per Shares**

Sr. No.	Particulars	31 <sup>st</sup> March, 2015 (Rs)	31 <sup>st</sup> March 2014 (Rs)
	Net Profit for the year attributable to the Ordinary Shareholders	(11,160,247)	(33,711,497)
	Weighted average number of Equity Shares of Re 1/- each	198191743	640387500
	Basic and Diluted Earnings Per Share of Re 1/- each	(0.056)	(0.053)

**Note 27.4** The Previous year figures have been regrouped, rearranged whenever necessary.

**STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**1 Accounting Convention**

1.1 Financial statements are prepared in accordance with generally accepted accounting principles including accounting standards in India under historical cost convention except so far as they relate to revaluation of certain land and buildings.

1.2 All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Revised Schedule VI to the companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has determined its operating cycle as twelve months for the purpose of current- non current classification of assets and liabilities.

1.3 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances, actual result could vary from estimates and any such differences are dealt with in the period in which the result are known/materialize.

**2 Fixed Assets**

Fixed assets are stated at cost of acquisition for assets installed and put to use less accumulated Depreciation.

**3 Investments**

Investments are classified into Current investments and long-term investments. Current Investments are carried at lower of cost or market value and provision is made to recognize any decline in the carrying value. Long-term investments are carried at cost and provision is made to recognize any decline, other than temporary, in the value of such investment.

**4 Inventory**

Inventories are valued at cost or net realizable value whichever is lower, computed on a FIFO basis, after providing for cost of obsolescence and other anticipate losses, wherever considered necessary. Finished goods include costs of conversion and other costs incurred in bringing the inventories to their present location and condition as certified by the management.

**5 Expenditure**

Expenses are accounted on accrual basis and provision is made for all known losses and liabilities.

## **6 Segment Reporting**

The Company has only one segment of activity of dealing in IT products during the period, hence segment wise reporting as defined in Accounting Standard-17 is not applicable.

7 In the opinion of board of directors, current assets, loans and advances, have at least the value as stated in the balance sheet, if realized in the ordinary course of the business.

8 The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006 ) claiming their status as on 31st March 2015 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL

## **9 Revenue Recognition**

9.1 Revenue from sale of products is stated net off discounts and any applicable duties and taxes on dispatch of goods in accordance with terms of sales.

9.2 Other operating revenues comprise of income from ancillary activities incidental to the operation of the company and is recognized when the right to receive the income is established as per the terms.

## **10 Research and Development**

Expenses incurred on research and developments are charges to revenue in the same year. Fixed assets purchased for research and development purpose are capitalized and depreciated as per Company's policy.

## **11 Retirement Benefits**

In view of the number of employees being below the stipulated numbers, the Provident Fund, ESIC, Bonus and payment of Gratuity Act are not applicable to the company for the year.

## **12 Taxation**

Income-tax comprises current tax and deferred tax expense or credit.

### **Current tax**

Provision for current tax is recognised in accordance with the provisions of the Indian Income Tax Act, 1961 and is made annually based on the tax liability after considering adjustment for tax allowances and exemptions.

### **Deferred tax**

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

### **13 Provisions and Contingent Liabilities**

The Company recognizes a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liabilities made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29-‘Provisions, Contingent Liabilities and Contingent Assets’ is made.

### **14 Earnings per share (‘EPS’)**

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

### **15 Cash Flow Statement**

Cash Flow Statement has been prepared in accordance with the Accounting standard Issued by Institute of Chartered Accounts of India on indirect method.

As per our Report of Even Date Attached

<b>For</b>		
<b>Tejas Nadkarni &amp; Associates</b>	<b>For and on Behalf of the Board of Directors</b>	
<b>Chartered Accountants</b>		
<b>Firm Reg No. : 135197W</b>		
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Tejas Nadkarni</b>	<b>Srikrishna Bhamidipati</b>	<b>Srinivas Rachkonda</b>
<b>Membership No. 122993</b>	<b>Chairman &amp; Managing Director</b>	<b>CFO &amp; Executive Director</b>
<b>(Proprietor)</b>		
<b>Date. 28.05.2015</b>	<b>Date. 28.05.2015</b>	
<b>Place. Mumbai</b>	<b>Place. Mumbai</b>	

**AVANCE TECHNOLOGIES LIMITED**

(CIN NO: L51900MH1985PLC035210)

**Registered Office:** D/603, Crystal Plaza Premises Co-Operative Society Limited, Opp Infinity Mall, New Link Road, Andheri (West) Mumbai - 400 053.

Email: [info@avance.in](mailto:info@avance.in) [avancetechnologiesltd@gmail.com](mailto:avancetechnologiesltd@gmail.com); Website: [www.avance.in](http://www.avance.in); Tel. No.: 022-65652123

**31<sup>st</sup> ANNUAL GENERAL MEETING**

Monday, September 28, 2015 at 9.30 a.m.

**ATTENDANCE SLIP**

I/ We hereby record my/ our presence at the Annual General Meeting of the Company to be held on Monday, the 28<sup>th</sup> September, 2015 at 9.30 a.m. at Regd. Off: D/603, Crystal Plaza Premises Co-Operative Society Limited, Opp Infinity Mall, New Link Road, Andheri (West) Mumbai - 400 053.

DP ID No.*:	L. F. No.:
Client ID No.*:	No. of Shares held:
Name and address of the Shareholder(s):	
If Shareholder(s), Please sign here	If Proxy, Please sign here



## AVANCE TECHNOLOGIES LIMITED

(CIN NO: L51900MH1985PLC035210)

**Registered Office:** D/603, Crystal Plaza Premises Co-Operative Society Limited, Opp Infinity Mall, New Link Road, Andheri (West) Mumbai - 400 053.

Email: [info@avance.in](mailto:info@avance.in) [avancetechnologiesltd@gmail.com](mailto:avancetechnologiesltd@gmail.com); Website: [www.avance.in](http://www.avance.in); Tel. No.: 022-65652123

### 31<sup>st</sup> ANNUAL GENERAL MEETING

Monday, September 28, 2015 at 9.30 a.m.

## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio/ DP ID /Client ID No.: \_\_\_\_\_

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her;

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her;

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Monday, September 28, 2015 at 9:30 a.m. at Registered office of the Company at D/603, Crystal Plaza Premises Co-Operative Society Limited, Opp Infinity Mall, New Link Road, Andheri (West) Mumbai - 400 053 and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Resolution	Optional*	
		For	Against
1.	Receive, consider and adopt the Balance Sheet as at 31st March, 2015, Statement of Profit and Loss for the financial year ended as on that date, and the Report of the Directors and Auditors thereon.		
2.	Re-appointment of <b>Mr. Deepak Manki</b> as a Director, who retires by rotation.		

3.	Rectification of Appointment of <b>M/s.Tejas Nadkarni &amp; Associates</b> , Chartered Accountants, as Statutory Auditors of the Company.		
<b>Special Business.</b>			
4.	Adoption of new set of articles of association of company inter-alia pursuant to the companies act, 2013.		
5.	Payment of remuneration to Mr. Srikrishna Bhamidipati.		

\* It is optional to put an 'X' in the appropriate column against the Resolutions indicated in the Box.

If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**Note.** Notwithstanding the above, the Proxies can vote on such other items which may be tabled at the meeting by the members present.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder \_\_\_\_\_

Affix Re 1
Revenue
Stamp

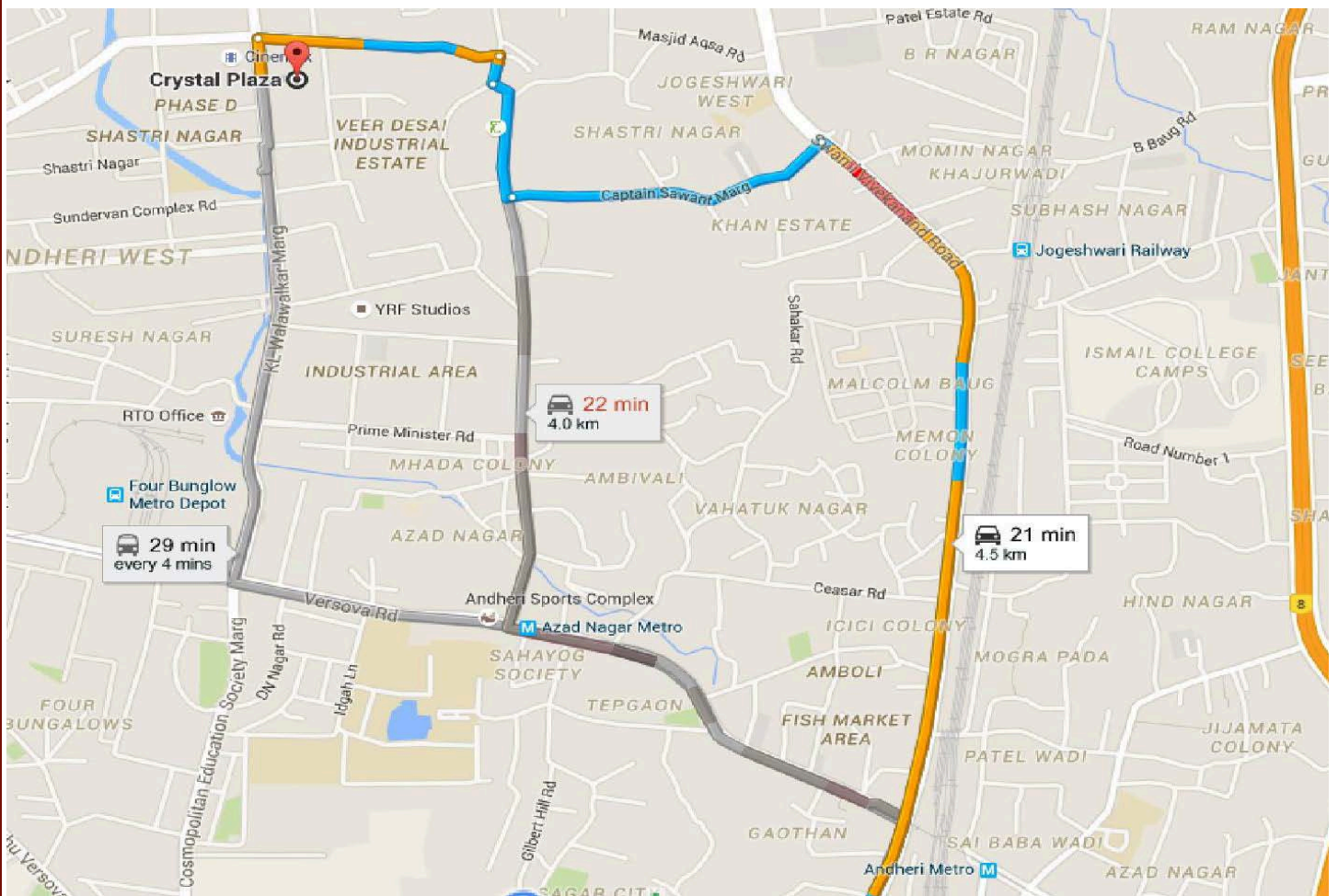
**NOTE**

*This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

# AGM INFORMATION

Date : 28<sup>th</sup> September, 2015  
Day : Monday  
Time : 9:30 a.m.  
Address : D-603, 6<sup>th</sup> Floor, Crystal Plaza  
Infinity Mall, New Link Road,  
Andheri (West), Mumbai 400 053.  
Land Mark : Opposite Infinity Mall.

## ROUTE MAP:



## Avance Technologies Limited

Regd. Office : D-603, 6<sup>th</sup> Floor, Crystal Plaza  
Infinity Mall, New Link Road,  
Andheri (West), Mumbai 400 053.

E-mail : [info@avance.in](mailto:info@avance.in) , [avancetechnologiesltd@gmail.com](mailto:avancetechnologiesltd@gmail.com)

## BOOK POST



### Avance Technologies Limited

Regd. Office : D-603, 6<sup>th</sup> Floor, Crystal Plaza  
Infinity Mall, New Link Road,  
Andheri (West), Mumbai 400 053.

E-mail : [info@avance.in](mailto:info@avance.in) , [avancetechnologiesltd@gmail.com](mailto:avancetechnologiesltd@gmail.com)