

CORPORATE GOVERNANCE REPORT

(2011-2012)

The Company is committed to doing business in an efficient, responsible, honest and ethical manner. Good Corporate Governance goes beyond compliance and involves a Companywide commitment. This commitment starts with the Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence and in the best interests of all the stakeholders, in particular shareholders, employees and customers in a balanced fashion with long term benefits to all.

1. Board of Directors:

a) Composition and category of Directors:

The Board of Directors of the Company consists of three Directors. The composition and the category of Directors are as under:

No. of Board Meetings:

Five Meetings of the Board of Directors, were held during the year 2011-2012 on the following dates:

17.05.2011, 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012.

b) Attendance of Directors at Board Meetings and the last Annual General Meeting.

Names of the Directors	Category	Dates of Board Meetings and attendance	Dates of General Meeting and attendance
Shri S. Srinivasan	Non-Executive / Independent	17.05.2011, 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012	22.09.2011 Attended
Shri M.S. Bhardwaj	Non-Executive / Independent	17.05.2011, 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012	22.09.2011 Attended
Shri Phulchand Agarwal	Chairman and Managing Director	17.05.2011, 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012	22.09.2011 Attended

Category	Name of the Directors	Name of Other Director-Ships	No. of Memberships of other Board Committees	No. of other Board/ Committees of which the Director is a Chairperson
Chairman and Managing Director	Shri Phulchand Agarwal (w.e.f. 31.10.2009)	1	1 (Audit)	-
Non-Executive Director /Independent	Shri S. Srinivasan	3	2 (Audit)	1
Non-Executive Director/Independent	Shri M.S. Bhardwaj	1	1 (Audit)	-

The Audit Committee was constituted during the year 2004-2005 in view of the requirements of SEBI Regulations comprising two independent Directors and the Managing Director.

The terms of reference of the Audit Committee are:

- To review financial statements and pre-publication announcements before submission to the Board;
- To ensure compliance of internal control systems and action taken on internal audit reports;
- To apprise the Board on the impact of accounting policies, accounting standards and legislation;
- To hold periodical discussion with statutory auditors on the scope and content of the audit.
- To review the Company's financial and risk management policies.

2. Meetings of Management Audit Committee:

During the year, four meetings of Management Audit Committee were conducted on 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012 as per Clause 49 of the Listing Agreement.

Names of the Directors	Category	Dates of Committee Meetings and attendance
Shri S. Srinivasan	Chairman, Non-Executive / Independent	30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012
Shri M.S. Bhardwaj	Non-Executive	30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012
Shri Phulchand Agarwal	Chairman and Managing Director	30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012

3. Shareholders' Grievance Committee:

Names of the Directors	Category	Dates of Committee Meetings and attendance
Shri S. Srinivasan	Chairman, Non-Executive / Independent	30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012
Shri M.S. Bhardwaj	Non-Executive / Independent	30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012

The Shareholders' Grievance Committee was constituted during the year 2004-2005 in view of the requirements of SEBI Regulations comprising two Directors of the Company.

A meeting of the Shareholders' Grievance Committee was held on 30.05.2011, 12.08.2011, 11.11.2011 and 06.02.2012 where Members of the Committee were present. It was reported in the Meeting that no complaint was received.

To expedite the process of Share Transfers, the board has delegated powers of Share Transfers to Share Transfer Agents and they are attending to the share transfer formalities at least once in a fortnight.

4. Details of Remuneration paid to Directors:

Sr. No.	Name of the Directors	Relationship with other Directors	Sitting Fee for Board & Committee Meetings	Salary/ Perquisites & Commission
1.	Shri.S. Srinivasan	NIL	Rs. 32,000/-	NIL
2.	Shri M.S. Bhardwaj	NIL	Rs. 30,000/-	NIL

5. General Body Meetings:

Year	AGM	Location	Date	Time
2008-09	20 th	Registered Office	30.09.2009	11.00 a.m.
2009-10	21 st	Registered Office	31.07.2010	11.00 a.m.
2010-11	22 nd	Registered Office	22.09.2011	11.00 a.m.

6. Disclosures:

- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

In terms of Section 299 (3) of the Companies Act, 1956, the General Notices of disclosure of interest are obtained from the Directors and accordingly, the Register of Contracts under Section 301 of the Companies Act, 1956 is tabled and signed.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

In the year 2001, the shares of the Company were put under suspension by the Bombay Stock Exchange. The suspension in trading of equity shares of the company has been revoked with effect from 1st October, 2011.

Otherwise, no strictures and penalties have ever been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on matters related to capital markets.

7. Means of Communication:

Quarterly/Half Yearly Financial Results of the Company are forwarded to the Ahmedabad and Mumbai Stock Exchanges as and when taken on record by the Board and Audit Committee. The Company has its website www.advance.net.in and all the relevant financial information has been displayed on the same.

8. Management Discussion and Analysis Report:

Overall Review, Industry Structure and Developments

Gujarat is amongst the fastest growing states in India. It is attracting maximum investments from Indian and Foreign business groups. This has led to higher GDP growth and fueled the demand for residential and commercial real estate. In Ahmedabad, real estate market has been growing steadily over the past few years. Gujarat is also a culturally and politically important state and hence business prospects are favourable in the region.

Opportunities and Threats

Gujarat offers tremendous business opportunities in real estate and infrastructure sector mainly on account of proactive and business friendly government policies, enterprising public and excellent infrastructure. Real Estate business is highly susceptible to changes in external environment viz. interest rates, government policies, economic scenario etc.

Segment wise Performance

During the year under review, the Company was engaged in trading in clothes and ventured into real estate development.

Outlook

Because of entry of TATA's with NANO Car project in Ahmedabad, business environment is favourable and real estate and infrastructure business looks viable.

Internal Control System

We have availed the services of Chartered Accountant for carrying out internal audit and internal control of systems followed by the Company.

Human Relations

As the business activities will increase in the coming years, the company will employ more people. The Company was a Sick Unit and was discharged from BIFR in June 2006.

Caution

From the prevailing business environment, it is felt to keep the external debts low since servicing of principals by payment of interest will not be prudent.

9. General Shareholder Information:

1.	Registered Office	F.F.7-9, Advance Plaza, Shahibaug Road, Outside Delhi Gate, Ahmedabad – 380004
2.	Date, Time and Venue of the 23 rd Annual General Meeting (AGM)	28 th September, 2012 at 11.00 a.m. at the above address
3.	Dividend for F.Y. 2011-2012	NIL
4.	Book Closure Date	20.09.2012 to 28.09.2012 (Both days inclusive)
5.	Financial Calendar Financial reporting for Quarter ending June 30, 2012 Quarter ending Sept. 30,2012 Quarter ending Dec. 31, 2012 Year ending March, 31, 2013	 First week of August, 2012 First week of November, 2012 First week of February, 2013 Last week of May, 2013
6.	The equity shares of Rs.10/- each are listed at	Ahmedabad Stock Exchange Kamdhenu, Panjara Pole, Ahmedabad – 380015 Bombay Stock Exchange Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001
7.	Listing Fees	Listing Fees have been paid for both the Stock Exchanges for 2011-2012
8.	Stock Market data	BSE- Listed w.e.f. 1 st October, 2012 ASE- No trade has taken place
9.	Stock Exchange Security Code and other related information	
	Bombay Stock Exchange Limited	521048
	Ahmedabad Stock Exchange Limited	02000
10.	Corporate Identification Number (CIN)	L17110GJ1988PLC011139

Distribution of Shareholding as on 31st March, 2012:

No. of Equity Shares Held	31 st March, 2012			31 st March, 2011		
	No. of Shares	No. of Share-holders	% of Share-holders	No. of Shares	No. of Share-Holders	% of Share-holders
1 - 500	406557	6602	13.06	408835	6611	97.27
501 - 1000	86917	123	2.79	87626	123	1.81
1001 - 2000	36153	26	1.16	46883	33	0.49
2001 - 3000	25616	11	0.83	25716	11	0.16
3001 - 4000	7800	2	0.25	7900	2	0.03
4001 - 5000	32460	7	1.04	32460	9	0.10
5001 - 10000	19032	2	0.61	28032	3	0.05
10001 & above	2498340	6	80.25	2475423	6	0.09
Total	3112875	6779	100.00	3112875	6798	100.00

10. Dematerialization of Shares:

The Shares of the Company are already approved by the National Securities Depository Limited (NSDL), Mumbai for dematerialization and the ISIN No. allotted to the company is **INE900E01015**. The shares are also approved by Central Depository Services (India) Limited (CDSL) with ISIN No. **INE900E01015**. The promoters' shareholding has been dematerialised before 31st December, 2011.

a) Shareholding Pattern as on March 31, 2012

Category	No. of shares held	Percentage of Shareholding
A. Promoters holding		
Individuals	1689849	54.29
Bodies Corporate	774604	24.88
Foreign	NIL	NIL
Total Promoter's Shareholding (A)	2464453	79.17
B. Public Shareholding		
Financial Institutions/ Banks	265	0.01
Insurance Companies	238	0.01
Sub-Total (B)(1)	503	0.02
Bodies Corporate	39308	1.26
Individuals-		
I. Individual shareholders holding	608611	19.55
Sub-Total(B)(2)	647919	20.81
Total Public Shareholding (B)	648422	20.83
GRAND TOTAL (A)+(B)	3112875	100.00