
**AVINASH INFORMATION
TECHNOLOGIES LIMITED**



ANNUAL REPORT

2009-10

AVINASH INFORMATION TECHNOLOGIES LIMITED

BOARD OF DIRECTORS :

PRAN S FULTARIYA

CHAIRMAN & NON- EXECUTIVE DIRECTOR

NEERAJ GOYAL

NON-EXECUTIVE & INDEPENDENT DIRECTOR

ASHISH BHAVSAR

NON-EXECUTIVE & INDEPENDENT DIRECTOR

AUDITORS :

INGIT MODI ASSOCIATES, C.A.

304-1, Panlee Complex,

Opp. Sardar Patel Seva Samaj Hall.

Navrangpura.Ahmedabad- 380009

Membership

Tel.: 26460960

REGISTERED OFFICE :

C-138, Shabri Apartment,

Opp. Nirman School,

Vastrapur,

Ahmedabad-380054

STOCK EXCHANGES :

The Bombay Stock Exchange, Mumbai

The Ahmedabad Stock Exchange, Ahmedabad

NOTICE

Notice is hereby given that the Annual General Meeting of the members of AVINASH INFORMATION TECHNOLOGIES LIMITED will be held on 30th September, 2010 at 11.00 A.M. at the Registered Office of the Company i.e. C- 318, Shabri Apartment, Opp. Nirman School, Vastrapur, Ahmedabad-380015 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2010, balance sheet as on that date, Director's Report and the Auditor's report thereon.
2. To appoint Director in place of Mr. Ashish Bhavsar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors of the Company from the Conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

For, Avinash Information Technologies Limited

Place : Ahmedabad
Date : 21/06/2010

Pran s Fultariya
DIRECTOR

Ashish Bhavsar
DIRECTOR

**NOTES :**

- a) A member entitled to attend and vote is entitled to appoint a proxy to attend vote instead of himself and the Proxy need not to be a member. The instrument appointing a proxy must be deposited at the registered office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) The Register of the members and the share transfer book of the Company will remain closed from 21st September, 2010 to 30th September, 2010 (both days inclusive).

For, Avinash Information Technologies Limited

Place : Ahmedabad
Date : 21/06/2010

Pran s Fultariya
DIRECTOR

Ashish Bhavsar
DIRECTOR

DIRECTORS' REPORT

To the Members
AVINASH INFORMATION TECHNOLOGIES LIMITED

The Board of Directors of your Company has the pleasure of presenting Annual Report of AVINASH INFORMATION TECHNOLOGIES LIMITED together with the Audited Statements of Accounts for the year ended the March 31, 2010

Financial Performance of the Company :

Rs. In Lacs

Particulars	As on 31/03/2010	As on 31/03/2009
Total Income	NIL	NIL
Total Expenditure	148.75	288.17
Profit/Loss for the year before interest, depreciation & Tax	(0.15)	(0.15)
Interest	125.12	264.54
Depreciation	23.48	23.48
Profit/Loss Before Taxation	(148.75)	(288.17)
Provision for Taxation	NIL	NIL
Profit/Loss After Taxation	(148.75)	(288.17)
Balance Carried to Balance Sheet	(1107.91)	(959.15)

Financial Performance of the Company :

The total income of your Company for the year 2009-10 stood at Rs. Nil mainly on account of lower profit from sale of shares, partly a deliberate decision to maximize returns which was not possible owing to market indices remaining at lower levels during the year.

Dividend :

Since the Company has incurred loss during the financial year, your Company does not recommend dividend for the year 2009-2010

Economics Scenario :

The year under review has witnessed overall slowdown in the world economy and tight liquidity position in the market as a result of Globalization and Liberalization leading to stiff competition in the market. The overall economic scenario has been badly affected due to the calamities like earthquakes, riots and also due to global depression. However, due to the sincere efforts of the management the Company has been able to the even in such adverse situation.

Fixed Assets :

The Company has not accepted any deposits falling within the purview of Companies Acceptance of Deposit Rules, 1975. Particulars of Employees

The Information as required u/s. 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988 amended by Companies (Particulars of Employees) Rules, 1999 is NIL.

Director :

Mr. Ashish Bhavsar, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement :

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

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have 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 or loss of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the annual accounts for the year ended on March 31, 2010 on a 'going concern basis'.

Auditors :

Ingit Modi Associates, Chartered Accountants, Ahmedabad, the retiring auditors being eligible offer themselves for re-appointment. Members are requested to appoint them as auditors of the company.

Reply to the Qualification Remarks by Statuary Auditors :

With reference to the observations made in the Auditors Report, the Notes on Accounts as contained in the Annual Accounts are self-explanatory and therefore, do not require for any further comments under section 217(3) of the Companies Act, 1956.

Management Discussion and Analysis :

(i) Global Scenario :

The global economy has been in the throes of a crisis after prolonged buoyancy by rising asset prices. The bankruptcy of different Companies triggered a bigger run on key funding markets, which led to large scale bank rescues, deposit and debt guarantee. Thus the Company is trying to cope up with the situations in the present scenario.

(ii) Initiatives of the Company :

The current crisis has revealed the 'procyclicality' created by the tendency of financial intermediaries to become less prudent during cyclical upturns and more prudent during downturns. Your Company has responded swiftly to the challenges in economic environment.

(iii) Opportunities, Threats and Future Outlook :

With an upswing in its performance, mood and commitment of the employees, your Company is well poised to expand its operations and performance in accordance with its business plan.

Your Company will explore possibilities for new business for short term and medium term.

The overall economic scenario continues to be subdued in the short term perspective and as such, till the overall economy gets an upward momentum, the credit off-take and pressure on yield would remain. Various measures announced are expected to provide positive impact on industries like Oil & Gas, Power, Construction, Textiles, Automobiles, Petrochemicals, Household Appliances and the like.

(iv) Risk Management :

Risk is an inherent part of the business. Your Company recognizes this and has taken strides to strengthen the risk management systems and practices.

(v) Public Deposits :

The Company has not accepted any deposit from the public during the year.

Corporate Governance :

A comprehensive report on corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and the same is annexed at the end of Corporate Governance Report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo :

As the Company's operations do not involve any manufacturing or processing activities, the particulars as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1998, regarding conservation of energy and technology absorption, are not applicable. The particulars regarding expenditure and earnings in foreign exchange are Nil.

For, Avinash Information Technologies Limited

Place : Ahmedabad

Date : 21/06/2010

Pran s Fultariya
DIRECTOR

Ashish Bhavsar
DIRECTOR

REPORT ON CORPORATE GOVERNANCE
(Pursuant to Clause 49 of the Listing Agreement)

1. Company's philosophy :

Corporate Governance is an integral part of value, ethics and best business practices followed by the Company. The core values of the Company are commitment to excellence and customer satisfaction, maximizing long-term value for stakeholders, socially valued enterprise and caring for people and environment.

AVINASH INFORMATION TECHNOLOGIES LIMITED is committed to good Corporate Governance in order to all stakeholders – Customers, suppliers, lenders, employees, the shareholders. The detailed report on implementation by the company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchanges, is set out below :

2. Board of Directors :**2.1 Composition of the Board :**

The Board of Directors as at 31st March, 2010 comprises of three directors comprises of a, all Director are non-executive directors. Mr. Pran S Fultariya, Active Director of the Company and he conducts the day to day management of the Company, subject to the supervision and control of the Board of Directors. The independent directors on the Board are senior, competent and highly respected persons from their receptive fields.

2.2 Responsibilities of the Board :

The responsibility such as policy formulation, performance review and analysis and control, direction and management of the affairs of the company is vested in the Board of Directors presided over by the Chairman and Managing Director. The Board has delegated some of its powers to the executives of the company. The Board reviews from time to time such delegated powers and their utilization for effective functioning of the Company.

2.3 Meeting and Attendance Record of Directors :

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the Financial year 2009-2010, 12 Board meeting were held during the year
21/04/2009, 23/05/2009, 16/06/2009, 21/07/2009, 19/08/2009, 09/09/2009, 20/10/2009, 17/11/2009, 29/12/2009, 21/01/2010, 16/02/2010 and 24/03/2010.

The composition, attendance and other memberships of the Board of Directors of the company is as follows: c. Attendance of Directors at Meetings of Board of Directors and last AGM :

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships in public Companies	Total No. of Committee membership	Total no. of Board Chairmanship
Pran s Fultariya	Director	Non Executive	12	Yes	0	0	0
Neeraj Goyal	Director	Non Executive	12	Yes	0	0	0
Ashish Bhavsar	Director	Non Executive	12	Yes	0	0	0

2.4 Details of Directors seeking re-appointment at the ensuing Annual General Meeting :

As per the provisions of the Companies Act, 1956, two third of the directors of a company should be retiring directors, of which one third of such directors are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Ashish Bhavsar, retire by rotation at the ensuing Annual General Meeting and offer him for re-appointment.

Profile of Mr. Ashish Bhavsar, Director being appointed u/s 256 of the Companies Act, 1956

Name : Ashiah Bhavsar
Date of Birth : 01/08/1972
Date of Appointment : 10/01/2002
No. of shares held in the company : Nil
Directorship in other company : Nil

2.5 Details of Directors who are as Chairman and Directors in other Public Companies :

None of the Directors on the Board is a member or Chairman of any Committees (as specified in Clause 49 (C) (ii) across all the Companies in which he is a director. The necessary disclosure regarding Directorship and Committee position have been made by the Directors who are on the Board of the Company as on 31st March, 2010 and the same is reproduced herein below:

Sr. No.	Name of Director	No. of Directorship in other Public Companies	No of. Committees positions held as Chairman on other public Companies	No. of Committees positions held as member in other public Company
1.	Pran s Fultariya	—	—	—
2.	Neeraj Goyal	—	—	—
3.	Ashish Bhavsar	—	—	—

3. COMMITTEE OF BOARD :

The Company had four Board Committees. These are

1. Audit Committee
2. Remuneration Committee
3. Sub-Committee (Quarterly Results Review Committee)
4. Share Transfer & Shareholders/Investor Grievance Committee

Moving with various committees formed and reported in the previous Annual Report and in line with the requirements of SEBI and Stock Exchanges, the Board has formally constituted the following committees of Directors.

3.1 Audit Committee :

The Audit committee constituted by the Board of directors as per the provisions of Clause 49 of the listing Agreements as well as in Section 292A of the Companies Act, 1956, comprises of two members viz. Mr. Neeraj Goyal, Member Director (Non-Executive) Mr. Ashish Bhavsar, Member (Non- Executive) who are aware with finance, accounts, management and corporate affairs. Two members constitute the quorum of the said Audit Committee Meeting.

The Audit Committee of the Board of Directors of the Company, Inter-aila, provides assurance to the Board on the adequacy of the internal control systems and financial disclosures.

The audit committee while reviewing the Annual Financial Accounts ensures compliance of the Accounting Standard (AS) issued by the Institute of Chartered Accountants of India.

- Review the financial reporting process and disclosure of its financial information
- Review with the management, Annual financial statements before submission to the Board
- Review with the management, statutory Auditors and Internal Auditors and adequacy of internal control systems
- Review the company's accounting and risk management policies
- Review the company's accounting and management reporting systems and updates the same from time to time.
- Recommend the appointment and removal of statutory and Internal Auditors and fixation of fees for the same.
- Review quarterly financial statement
- Review internal investigations made statutory/ Internal Auditors.
- Scope of Statutory/ Internal Audit.
- Review fixed deposits/repayment systems etc.
- Any other applicable functions as described in Corporate Governance.
- Review related party transactions.

The terms and reference of the Audit Committee covers the matters specified as per clause 49 of the Listing Agreement besides other terms as may be referred from time to time by the Board of Directors. The Audit Committee met 5 times during the year.

3.2 Remuneration Committee :**(a) Executive Directors :**

The Company has not set up a Remuneration Committee. The remuneration of Executive Director were fixed by the Board and approved by the Share Holders at the Annual General Meeting. During the year Company has not paid any remuneration to the Directors of the Company during the financial year 2009-2010 because of the no business of the Company.

(b) Non-Executive Directors :

Non-Executive Directors have not been paid any remuneration, they had paid only Sitting Fees, being a Non Executive director had not paid any Sitting Fees for the financial year.

No meeting of Remuneration Committee was held during the year.

3.3 Sub-Committee (Quarterly Results Review Committee) :

The Sub-Committee (Quarterly Results Review Committee) comprises as under:

Name	Designation
Mr. Neeraj Goyal	Non-Executive Director
Mr. Ashish Bhavsar	Non-Executive Director

The Committee is responsible for approving quarterly un-audited financial statements and monitoring the performance of the Company. 4 (Four) meetings were held on the following dates:

Financial reporting for the quarter ending March 31, 2009	End of April, 2009
Financial reporting for the quarter ending June 30, 2009	End of July, 2009
Financial reporting for the quarter ending September 30, 2009	End of October, 2009
Financial reporting for the quarter ending December 31, 2009	End of January, 2010

3.4 Share Transfer & Shareholders'/Investor Grievance Committee :

The Share Transfer & Shareholders'/Investor Grievance committee comprises as under:

1. Mr. Pran S. Fultariya
2. Mr. Neeraj Goyal
3. Mr. Ashish Bhavsar

The committee is responsible for approving and monitoring transfers, transmission, splitting and consolidation of shares issued by the Company. In addition to that, the committee also monitors redressal of complaints from shareholders relating to transfer of shares, non-receipt of balance sheet etc., No sitting fees is paid to the committee members. The Committee reviewed redressal of investors Grievances pertaining to share transfer, dematerialization of shares, replacement of lost, mutilated and old share certificates, change of address etc. The committee has also taken steps to strengthening investors relations.

The status of shareholders' complaints received so far/number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2010 is given below:-

Complaints Status: 01.04.2009 to 31.03.2010

- Number of complaints received so far : 0
- Number of complaints solved : 0
- Number of pending complaints : 0

4. DISCLOSURES :

Materially significant related party transactions:

There were no significant or material related party transactions that have taken place during the year which have any potential conflict with the interest of the company at large.

5. Share Transfer System :

The Company has an in-house share transfer department and has appointed M/s Linktime India Private Limited as Registrar and Transfer Agent.

6. Dematerialization of shares and liquidity :

The Company has registered itself with M/s Linktime India Private Limited agency for dematerialization of Companies securities.

7. Date, Time and venue of Annual General Meeting : 30th September, 2010 at 11.00 A.M.
C-138, Shabri Apartment,
Opp. Nirman School, Vastrapur, Ahmedabad-380054.

8. Book Closure Date : 21st September, 2010 to 30th September, 2010

9. CEO/CFO Certification :

Mr. Pran S. Fultariya, Director issued a certificate to the Board as Prescribed under sub-clause V of clause 49 of the listing agreement. The said certificate was placed before the meeting of Board of Directors held on 21/06/2010.

MEANS OF COMMUNICATIONS :

The half Yearly and quarterly results of the Company were not published in any news paper but regularly forwarded to the Mumbai Stock Exchange where the Company's share are listed. The Company has not considered it necessary to circulate half yearly results at the residence of shareholders as there is no significant up and down in the activities of the company having material impact on the shareholders interest.

Further the Company has not made any presentation to any financial institutional Investors/analysts or banks during the year.

Listing of Equity Shares on Stock Exchanges: Mumbai Annual listing fees for the financial Year upto 31-03-2010 has been paid.

Stock Code : BSE-531632. ASE- 35613

Demat ISIN number : INE452C01011

Market price data: The Company has nothing to report as no trade has been reported to take place.

Performance of the Company's shares in comparison with broad based indices as BSE's Sensex: The Company has nothing to report on the matter.

Registered and Transfer Agent: The Company has not appointed common agencies both in respect of shares. The Company is having in house share transfer set up for the transfer of shares which are still in physical mode.

Share Transfer System: All the transfers are received and processed by the Secretarial Department of the Company and approved by share transfer committee. Share Transfer requests received in physical form The Management discussion and analysis forms part of the Annual Report.

10. Dividend Payment Date : Not Applicable

11. Detail of last three Annual General Meeting :

Meeting	Year	Venue of AGM	Date	Time	Whether Special resolution passed
Annual General Meeting	2007	101/102, New York Complex, GNFC Tower, Sarkhej-Gandhinagar High Way, Bodakdev, Ahmedabad-380054	29 th September, 2007	11.00 A.M.	No
Annual General Meeting	2008	C-138, Shabri Apartment, Opp. Nirman School, Vastrapur, Ahmedabad-380054.	30 th September, 2008	11.00 A.M.	No
Annual General Meeting	2009	C-138, Shabri Apartment, Opp. Nirman School, Vastrapur, Ahmedabad-380054.	30 th September, 2009	11.00 A.M.	No

No Special Resolution was passed during the year under review.

Details for Special Resolution had passed in last three AGM:

2007 : NIL

2008 : NIL

2009 : NIL

12. High / Low of Monthly Market Price of the Companies Equity Shares traded on Bombay Stock Exchange during the financial year 2009-2010 are furnished below:

No trading of Securities took place during the year as the trading of the shares of the Company suspended.

13. Distribution of Shareholding as on March 31, 2010.

On the basis of shares held

No of Equity shares held	No. of shareholders	Percentage of Total shareholders	No. of Shares held	Percentage of total share held
Upto 5000	4476	97.71	2616100	14.53
5001 – 10000	4	0.09	32000	0.18
10001 – 20000	3	0.07	47000	0.26
20001 _ 30000	1	0.02	26500	0.15
30001 _ 40000	3	0.07	120000	0.67
40001 _ 50000	55	1.20	2743300	15.24
50001 _ 100000	13	0.28	946000	5.25
Above 100000	26	0.57	11474400	63.73
Total	4581	100.00	18005300	100.00

Shareholding pattern as on 31st March, 2010

Category	No. of share held	% of shareholding	
a. Promoters and persons who may be deemed to be acting in concert including promoter/directors group Companies	6100000		33.88%
b. Other bodies corporate	2900000		16.11%
c. Indian public	9005300		50.01%
Total	18005300		100%

Dematerialization of shares: As on 31-03-04 Demat shares accounted for 90,72,100 (Equity Shares) m of 1,80,05,300 total equity.

14. Listing on Stock Exchanges : (1) **The Stock Exchange – Mumbai**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400023
- (2) **Ahmedabad Stock Exchange**
Kamdhenu Complex, Near Polytechnic,
Opposite Shahajanand Arts & Commerce Colege,
Ambavadi, Ahmedabad, Gujarat 380015
15. Investor Correspondence : All enquiries, clarifications and Correspondence should be addressed to the compliance officer at the following address.
16. Compliance Officer : Mr. Pran S Fultariya
17. Address for Correspondence : C-3-13, GOYAL INTERCITY A-C-BLOCK, THALTEJ, THALTEJ-380054,
TAL. DASKROI, DIST. AHMEDABAD, AHMEDABAD GUJARAT-380054.
18. Compliance Certificate of the Auditors :

The statutory Auditors have certified that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchange and the same is annexed to the Directors Report and Management Discussion and Analysis.

The Certificate from the statutory Auditors will be sent to the listed stock exchange along with the annual return of the Company.

DECLARATION

As provided under clause 49 of the Listing Agreement with the Stock Exchange, all Board members and Senior Manager personnel have affirmed compliance with AVINASH INFORMATION TECHNOLOGIES LIMITED Code of Business conduct and ethics for the year ended March 31, 2010.

For, Avinash Information Technologies Limited

Date : 21/06/2010
Place : Ahmedabad

Pran S Fultariya
Chairman

COMPLIANCE CERTIFICATE

To,
The Members,
AVINASH INFORMATION TECHNOLOGIES LIMITED
C-318, Shabri Apartment,
Opp. Nirman School,
Vastrapur, Ahmedabad-380015

We have examined the compliance of Corporate Governance by AVINASH INFORMATION TECHNOLOGIES LIMITED for the year ended on 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 the corporate Governance. It is neither an audit nor an expression of to opinion on the financial statement 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 state that no investor grievance(s) is/ are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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. Ingit Modi Associates, C.A.

Place : Ahmedabad
Date : 23rd June, 2010

SD/-
(Proprietor)
M. No. 042822

AUDITORS' REPORT

To
The Shareholders,
AVINASH INFORMATION TECHNOLOGIES LIMITED
AHMEDABAD

1. We have audited the attached Balance Sheet of AVINASH INFORMATION TECHNOLOGIES LIMITED, AHMEDABAD, as at 31st March, 2010 and also Profit & Loss Account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2010, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that :
 - i) 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.
 - ii) In our opinion, proper books of Accounts as required by the law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting standard referred to in Section 211 (3C) of the Companies Act, 1956.
 - v) On the basis of written representations from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2010 and
 - b) In the case of Profit & Loss Account, of the Loss for the year ended on that date.
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

For, M/s. Ingit Modi Associates, C.A.

Place : Ahmedabad
Date : 23/06/2010

SD/-
(Proprietor)
M. No. 042822

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 our report of even date on the accounts for the year ended 31st March, 2010 of AVINASH INFORMATION TECHNOLOGIES LIMITED, AHMEDABAD.

- (i) The company has no fixed assets, so item (i) of paragraph 4 of the order is not applicable to the Company.
- (ii) The company has no inventories, so item (ii) of paragraph 4 of the order is not applicable to the Company.
- (iii) According to information and explanations given to us, the company has not taken or granted any secured or unsecured loans from/to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and for the sale. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
- (v) (a) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) According to information and explanations given to us, no transactions have been made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party.
- (vi) In our opinion, and according to information and explanations given to us, the Company has not accepted any deposits from the public. Under section 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975, during the year.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size and the nature of its business.
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed-statutory dues including Income-tax, Wealth Tax, sale-tax, custom duty and any other statutory due applicable to it;
(b) According to information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sale-tax, custom duty and excise duty etc. were outstanding as at 31.3.2010, for a period of more than six months from the date they became payable;
(c) According to the records of the company, there are no dues of income tax, wealth tax, sale-tax, custom duty and excise duty, which have been deposited on account of any dispute.
- (x) The accumulated losses of the company are not more than fifty per cent of its net worth. The company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year also.
- (xi) In our opinion and according to information and explanations given to us, the company not defaulted in repayment of dues to financial institution, bank or debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- (xiii) The company is not a Chit Fund, Nidhi or Mutual Benefit Society. Hence requirement of item (xiii) of paragraph 4 of the order is not applicable to the Company.
- (xiv) The company is dealing or trading in shares, securities, debenture and other investments. Based on our examination of documents and records, we are of the opinion that proper records have been maintained by the company and timely entries have been made therein. The shares, securities and other investments have been held by the company in its own name.
- (xv) As informed to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) As per information and explanations given to us, the company has not taken any fresh term loan during the year. However, The loan account of the Company, with Charotar Nagrik Sahkari Bank Limited, has been declared as NPA Loan account by the Bank.
- (xvii) According to information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. Similarly, no funds raised on long-term basis have been used for short-term investment.
- (xviii) According to information and explanations given to us, the company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The company has not issued any debenture. Hence requirement of item (xix) of paragraph 4 of the order is not applicable to the Company.
- (xx) The company has not raised any money through public issue. Hence requirement of item (xx) of paragraph 4 of the order is not applicable to the Company.
- (xxi) According to the information and explanations provided to us, a fraud on or by the company has not been noticed or reported during the year.

For, M/s. Ingit Modi Associates, C.A.

Place : Ahmedabad
Date : 23/06/2010

SD/-
(Proprietor)
M. No. 042822

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31-03-2010	AS AT 31-03-2009
SOURCES OF FUNDS :			
SHAREHOLDERS FUNDS			
- Share Capital	1	180053000	180053000
- Reserves & Surplus A/c		0	0
Loan Funds			
- Secured Loans	2	113744925	101232578
- Unsecured	3	27046902	27046902
Total		320844827	308332480
APPLICATION OF FUNDS :			
Fixed Assets :			
- Gross Block	4	108245735	108245735
- Less : Depreciation		41033852	38685615
		67211883	69560120
- Capital Work in Progress		48345031	48345031
- Investments	5	0	0
Current Assets, Loans & Advances :			
- Sundry Debtors	6	39424916	39424916
- Cash & Bank Balances	7	279673	279673
- Loans & Advances	8	38045202	38045202
		77749791	77749791
- Less : Current Liabilities & Provisions	9	4519696	4504696
- Net Current Assets		73230095	73245095
Miscellaneous Expenditure (To the extent not written off or adjusted)	10	3296563	3296563
Preliminary Expenses :			
PROFIT & LOSS ACCOUNT		110791243	95915659
Balance carried over			
Less : Balance of General Reserve adjusted		17970012	17970012
Total		320844827	308332480

As per Our report of even date

FOR, M/s. Ingit Modi Associates, C.A.

(Proprietor)
M. No. 042822Place : Ahmedabad
Date : 23/06/2010

For and on behalf of the Board

Pran Fultariya
DirectorAshish Bhavsar
DirectorPlace : Ahmedabad
Date : 21/06/2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2010

PARTICULARS	SCHEDULE	31-03-2010 AMOUNT RS.	31-03-2009 AMOUNT RS.
INCOME :			
Export Receipt		0	0
Training Fees		0	0
Misc. income		0	0
Total		0	0
EXPENDITURE :			
Salaries		0	0
Electric Expense		0	0
Communication Link Charges		0	0
Telecommunication Expense		0	0
Repairs & Maintenance		0	0
Security Expenses		0	0
Other Expenses	11	15000	15000
Interest Expenses		12512347	26454220
Depreciation		2348237	2348237
		14875584	28817457
PROFIT BEFORE TAX		-14875584	-28817457
Provision for Taxation		0	0
PROFIT AFTER TAX		-14875584	-28817457
APPROPRIATIONS :			
Less : Earlier year income tax			
Balance as per last year		-95915659	-67098202
Balance carried over to Balance Sheet		-110791243	-95915659
NOTES ON ACCOUNT	12		
As per our repost attached			

As per Our report of even date

FOR, M/s. Ingt Modi Associates, C.A.

(Proprietor)
M. No. 042822Place : Ahmedabad
Date : 23/06/2010

For and on behalf of the Board

Pran Fultariya
DirectorAshish Bhavsar
DirectorPlace : Ahmedabad
Date : 21/06/2010

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	AS AT 31-03-2010 RS.	AS AT 31-03-2009 RS.
SCHEDULE "1" : SHARE CAPITAL :		
AUTHORISED CAPITAL :		
20000000 (20000000) Equity Shares of Rs. 10/- Each	200000000	200000000
	<u>200000000</u>	<u>200000000</u>
ISSUED, SUBSCRIBED & PAIDUP CAPITAL :		
18005300 (18005300) Equity Shares of Rs. 10/- Each Fully paid up (includes 9000000 equity shares allotted otherwise than cash on amalgamation to the Shareholders of amagamating Company)	180053000	180053000
	<u>180053000</u>	<u>180053000</u>
SCHEDULE "2" : SECURED LOANS :		
Term Loan from Charotar Nagarik Sahakari Bank Ltd., against mortgage of building and hypothication of plant & machienary, furniture & fixture & equipments & personal Guarantee of directors	113744925	101232578
	<u>113744925</u>	<u>101232578</u>
SCHEDULE "3" : UNSECURED LOANS :		
From Directors	100000	100000
From Companies	26349902	26349902
From others	597000	597000
Sub- Total A	<u>27046902</u>	<u>27046902</u>

SCHEDULE "4" : FIXED ASSETS :

Sr. No.		GROSS BLOCK			DEPRECIATION		
		As on 1/4/2009	Addition	As On 31-03-2010	upto the previous year	During year	Total
1	Building	63730884.00	0.00	63730884.00	8825641.00	1038813.00	9864454.00
2	Plant & Machienaries	35372018.00	0.00	35372018.00	25459464.00	786306.00	26245770.00
3	Electric Installation	1645044.00	0.00	1645044.00	663860.00	78139.00	741999.00
4	Furniture, Fixture & Office Equipment	7497789.00	0.00	7497789.00	3736650.00	444979.00	4181629.00
	Current year Total	108245735.00	0.00	108245735.00	38685615.00	2348237.00	41033852.00

SCHEDULE "5" : INVESTMENT :

Non trade & Unquoted :

100 (100) Shares of Charotar Nagarik Sahakari Bank Limited Rs. 50/- each fully paid up	0	0
Share Linked Deposites with Charotar Nagarik Sahakari Bank Ltd.	0	0
	<u>0</u>	<u>0</u>

SCHEDULE "6" : SUNDRY DEBTORS :

(Considered good unless otherwise stated)

Debts exceeding six months	39424916	39424916
	<u>39424916</u>	<u>39424916</u>

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	AS AT 31-03-2010 RS.	AS AT 31-03-2009 RS.
SCHEDULE "7" : CASH & BANK BALANCE :		
Cash On Hand	279673	279673
Balance Bank	0	0
With Scheduled Bank on Current Accounts	<u>279673</u>	<u>279673</u>
SCHEDULE "8" : LOANS & ADVANCES :		
Advances recoverable in cash or kind for value to be received	37540386	37540386
Deposites	147670	147670
Prepaid Expenses	0	0
Accrued Income	357146	357146
	<u>38045202</u>	<u>38045202</u>
SCHEDULE "9" : CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities :		
Sundry Creditors		
Due to Small Scale Industrial Undertakings		
Due to Others	1115606	1100606
Other Liabilities	3404090	3404090
Provisions	0	0
	<u>4519696</u>	<u>4504696</u>
SCHEDULE "10" : MISCELLANEOUS EXP. (to the extent not written off or adjusted)		
Deferred Revenue Expenses	0	0
Public issue & Preliminary Expenses	3296563	3296563
	<u>3296563</u>	<u>3296563</u>
SCHEDULE "11" : OTHER EXP.:		
General Expenses	0	0
Printing & Stationary Expenses	0	0
Travelling Expenses	0	0
Membership & Subscription Expense	0	0
Rent, Taxes & Rates	0	0
Staff Welfare Expenses	0	0
Advertisement & Publicity Expense	0	0
Bank Charges	0	0
Audit Fees	10000	10000
Legal & Professional fee Expense	5000	5000
Listing Fees	0	0
Service Charges	0	0
Books & Periodicals	0	0
Store & Consumable Expenses	0	0
Conveyance Expense	0	0
Diesel & Oil Expenses	0	0
Vehicle Maintenance	0	0
Misc. Expense W/off	0	0
	<u>15000</u>	<u>15000</u>

SCHEDULE -12 : NOTES FORMING PART OF ACCOUTS :**1. SIGNIFICANT ACCOUTERING :****a. Basis of Accounting :**

The financial statements are prepared under the historical cost conversion on accrual basis.

b. Income & Expenditure :

All Income & Expenditure items having material bearing on the financial statements are recognized on accrual basis.

c. Fixed Assets :

Fixed Assets including capital expenditure are stated at cost of acquisition including taxes, duties, borrowing cost and other expenses.

d. Depreciation :

Deprecation on fixed assets is provided on the basis of straight line method at the rates prescribed in Schedule-XIV of the Companies Act, 1956 on pro rata basis.

e. Investments :

Investments are stated at cost.

f. Retirement Benefits :

Since none of the employees have completed the minimum specified periods for eligibility under the Payment of Gratuity Act, 1972, no provision for gratuity has been made.

g. Foreign Currency Transactions :

Foreign currency current assets and liabilities outstanding on the date of Balance Sheet not covered by forward exchange contracts are translated at the year exchange rates and the profit/loss so determined is recognized in the Profit & Loss Account of the concern.

h. Borrowing Cost :

Borrowing Cost directly attributable to the acquisition or construction fixed assets are capitalized as part of the cost of the assets upto the date the assets is put to use. Other Borrowing costs are charged to the Profit & Loss Account in the year in which they are incurred.

i. Deferred Revenue Expenses :

Preliminary Expenses & Public issue Expenses are amortised over the period of ten years.

Deferred revenue expenses incurred on training of medical transcriptions is not amortised during the year as the benefit thereof has yet not accrued during the year.

j. As certified by the management of the Company, there are municipal Corporation dues, association maintenance dues, Ahmedabad Electricity company due, pending and to be paid on the property. But the quantum of amount of dues still under dispute with the concerned authorities.

k. The loan account of the Company, with Charotar Nagrik Sahkari Bank Limited, has been declared as NPA Loan account by the Bank. The Matter with regard to settlement is lying with the higher authorities at State Government. We have recorded the interest entries as per current One Time Settlement scheme of the State Government. The interest may undergo change which shall be known only after the settlement achieved which may still take a few months.

l. Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

2. In opinion of the management Current Assets, Loan & Advances are approximately of the values stated if realized in ordinary course of business.

3. The company has not entered into any Related Parties transactions so not required to give the Related Party Disclosure as required as per Accounting Standard (As – 18) on “Related Party Disclosure” issued by the Institute of Chartered Accountants of India.

Payment to	2009-2010	2008-2009
Auditors :		
Audit Fee	10000	10000
Taxation Matters	5000	5000
Certification etc.,	0	0
Total	15000	15000

5. There is no outstanding to the creditors who are small scale industries undertaking as on 31st March, 2010.
6. Earnings in Foreign Currency :

	2009-2010	2008-2009
Export Receipts	0	0

7. Expenditure in Foreign Currency:

	2009-2010	2008-2009
Communication Link Exp.	0	0
Traveling Expenses	0	0

8. No Provision for Income Tax is made in absence of taxable income.
9. Previous year's figure have been regrouped or rearranged wherever considered necessary.

FOR, M/s. Ingit Modi Associates, C.A.

(Proprietor)
M. No. 042822

Place : Ahmedabad
Date : 23/06/2010

For and on behalf of the Board

Pran Fultariya
Director

Ashish Bhavsar.
Director

Place : Ahmedabad
Date : 21/06/2010

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. REGISTRATION DETAILS :

Registration No.	25023
State Code	4
Balance Sheet Date	31.3.2010

II CAPITAL RAISED DURING THE YEAR :

Public Issue	NIL
Bonus Issue	NIL
Right Issue	NIL
Private Placement	0

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (AMOUNT IN RS. THOUSANDS)

Total Liabilities	-
Total Assets	-

SOURCES OF FUNDS :

Paid up Capital	180053
Reserve & Surplus	0
Secured Loans	113744
Unsecured Loans	27047

APPLICATION OF FUNDS :

Net Fixed Assets	67211
Investments	0
Net Current Assets	73230
Misc. Expenditure	3296
Accumulated Losses	95915

IV. PERFORMANCE OF COMPANY : (AMOUNT IN RS. THOUSANDS)

Turnover (Other Income)	0
Total Expenditure	14875
Profit/(Loss) before Tax (+ for profit, - for loss)	-14875
Profit/(Loss) after Tax (+ for profit, - for loss)	-14875
Earning per share in Rs.	0
Dividend Rate%	NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY :

(AS PER MONETARY TERMS)	0.00
Product Description	Information Technology
Item Code No. (ITC Code)	NA

PROXY FORM

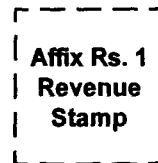
Registered Folio No. :

No of Shares held :

I/We _____ of _____ being Member / Members of Avinash Information Technologies Limited, hereby appoint Shri / Smt. _____ of _____ or failing him Shri / Smt. _____ of _____ as my / our proxy to vote for me/ us and on my/ us behalf at the Annual General Meeting of the Company to be held on 30th Day of September, 2010 at 11.00 a.m.

Signed by the said _____ day of _____ 2010.

Signature : _____



Applicable to the members holding shares in electronic form.

NOTE :

The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

ATTENDANCE SLIP

Please complete this Attendance slip and hand it over at the entrance of the Meeting Hall. It helps us to make proper arrangements. Failures to bring this Attendance Slip create unnecessary inconvenience to you. Please write below :

Reg. Folio No.:

I hereby record my presence at the Annual General Meeting of the Company held at C- 318, Shabri Apartment, Opp. Nirman School, Vastrapur, Ahmedabad-380015 on the 30th Day of September, 2010 at 11.00 a.m.

Full Name of the Members / Proxy _____

(In Block Letters, to be filled in if the proxy attends instead of the Member)

Members/ Proxy Signature

Application to the members holding shares in electronic form.

NOTES :

1. Members/ Proxy holders are requested to bring their copy of the Notice with them at the Meeting.
2. Please carry with you this Attendance Slip and hand over the same duly completed, stamped signed at the space provided, at the entrance of the Meeting Hall.
3. Shareholders / Proxy holders should bring their copy of the Annual Report for the meeting.

Book Post

To



AVINASH INFORMATION TECHNOLOGIES LIMITED
C-138, Shabri Apartment, Opp. Nirman School,
Vastrapur, Ahmedabad-380054.