

# ADVENT

**CERTIFIED TRUE COPY**

**FOR ADVENT COMPUTER SERVICES LTD.**

*Jain P.M*

**SR. MANAGER  
CORPORATE AFFAIRS**

Report  nction.com

**24<sup>rd</sup>  
ANNUAL REPORT  
2009**

**ADVENT COMPUTER SERVICES LIMITED**

**BOARD OF DIRECTORS****Shri Michael Arul**

Chairman &amp; Managing Director

**Shri R.Mohanlal**

Director (Independent)

**Shri Shaji John Abraham**

Director (Independent)

**Shri Suvash Biswas**

Director (Independent)

**COMPANY SECRETARY**

Ulka V Panchal

**AUDITORS**

Pratapkarani Paul &amp; Co.

Chartered Accountants

63, Kamraj Avenue, First Street

Adyar,

Chennai-600020

**BANKERS**

Canara Bank, G.P. Road, Chennai

HSBC Ltd., Adyar, Chennai.

**REGD. OFFICE & WORKS**No.5, 1<sup>st</sup> Cross Street, R. K. Nagar,

Mandaveli,

Chennai-600028

**REGISTRAR & SHARE TRANSFER AGENT**

Bigshare Services Pvt. Ltd.

E-2&amp;3, Ansa Industrial Estate, Sakivihar Road,

Sakinaka, Andheri(E),

Mumbai - 400 072

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ADVENT COMPUTER SERVICES LIMITED

**NOTICE**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Advent Computer Services Limited will be held on Wednesday, the 30<sup>th</sup> September, 2009 at 10.00 a.m. at Selva Rajeswari Hall, D.K.Complex, Villivakkam, Chennai - 600 099 to transact the following business:

**ORDINARY BUSINESS**

- 1 To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the period ended 31<sup>st</sup> March, 2009 and the Reports of Directors' and Auditors' thereon.
- 2 To appoint a Director in place of Shri Shaji John Abraham who retires by rotation and being eligible, offers himself for re-appointment.
- 3 To appoint a Director in place of Shri Suvash Biswas who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Pratapkaran Paul & Co., Chartered Accountant, be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration plus service tax and out-of-pocket expenses and travelling expenses, as may be determined by the Board of Directors on the recommendation of the Audit Committee of the Board."

**Place: Chennai**

**Date: 31<sup>st</sup> August 2009**

**For and on behalf of the Board of Directors**

**MICHAEL ARUL**

**Chairman & Managing Director**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEEDNOT BE A MEMBER OF THE COMPANY.**
2. The instrument appointing proxy should be deposited at the Registered Office of the company not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the company will remain closed from 24<sup>th</sup> September 2009 to 30<sup>th</sup> September 2009 (Both days inclusive)
4. Members desiring any information regarding accounts are requested to write to the company at least seven days in advance of the Annual General Meeting so as to enable the Management to keep the information ready.
5. The Members are requested to bring their copies of the Annual Report to the meeting.
6. The equity shares of the company are listed on the following stock exchanges:
  - a. The Bombay Stock Exchange Ltd., P .J. Towers, Dalal Street, Mumbai - 400 001.
  - b. Madras Stock Exchange Ltd. 11, Second Line Beach, Chennai - 600 001.
  - c. The Ahmedabad Stock Exchange, Kamdhenu Complex Panjarapole, Ahmedabad-380015

The Listing fee is paid upto date to The Stock Exchanges, Mumbai, Chennai and Ahmedabad

**7. Re-appointment of Director:**

At this Annual General Meeting Shri Shaji John Abraham & Shri Suvash Biswas retires by rotation and being eligible, offer himself for re-appointment.

The brief background of the Directors proposed for reappointment are given below;

Shri.Shaji John Abraham is aged 55 Years . He is B.E. He is having rich experience and having his own business.he is not in the Board of any other company.He was Chairman of Share /Investors grievances Committee of Advent Computer Services Limited.He is not holding any shares of the company .

Shri.Suvash Biswas aged 43Years . He is B.E. IT General Manager /Programme Director with 20 Years IT Experience including 14 Years in Telecommunication Programming. He is not in the Board of any other company.He is not holding any shares of the company .

**DIRECTORS' REPORT**

To The Members,

Your directors are pleased to present the 24<sup>th</sup> Annual Report and the Audited Accounts for the financial period ended 31<sup>st</sup> March, 2009..

**FINANCIAL RESULTS (STANDALONE)**

	<b>CURRENT PERIOD</b>	<b>PREVIOUS YEAR</b>
	<b>2009,</b>	<b>2008,</b>
	<b>6 Months</b>	<b>12 Months</b>
	<b>(Rs. In Lacs)</b>	<b>(Rs. In Lacs)</b>
Sales & Services	9.50	100.90
Other Income	0.10	1.20
Total Income	9.60	102.10
Total Expenditure	28.35	105.40
Profit / (Loss) for the period	(18.75)	(3.30)
Balance Carried Forward	(18.75)	(3.30)

**DIVIDEND**

In view of losses, your Directors do not recommend any dividend for the period under review.

**BUSINESS OUTLOOK OF THE COMPANY**

Due the worldwide economic recession all the projects that the company was pursuing have been delayed. However, the company is optimistic about participating as an implementation partner in a major Mobile Banking Project for rural banks in India and other developing countries.

These projects are expected to start from early next year and should produce significant revenues and profits for the company.

Apart from these opportunities, the company is actively looking for suitable target companies for acquisition since the recession has resulted in many good companies being available at very attractive prices. The management is actively engaged in identifying suitable targets especially in high cost countries where after acquisition a lot of the overhead of the target company can be shifted to our Indian base thus reducing overheads considerably resulting in increase in the profits of the target company. The management has already shortlisted a few companies as suitable targets.

The Business Outlook for the company is good for the coming year subject to general economic situation and provided that any one of the above opportunities are realized.

**CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION ANALYSIS**

A separate report on the Corporate Governance and Management Discussion Analysis for the year under review, as stipulated in Clause-49 of the Listing Agreement with the Stock Exchanges, has been attached as part of this annual report.

**DIRECTORS**

Mr. Shaji John Abraham & Mr. Suvash Biswas, who retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- 1) That in the preparation of the accounts for the financial period ended 31<sup>st</sup> March, 2009; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 period and of the loss of the Company for the period under review.
- 3) 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.
- 4) That the Directors have prepared the accounts for the period ended 31<sup>st</sup> March, 2009, on a going concern basis.

**OBSERVATIONS OF AUDITORS**

As regards the observations of Auditors, in Item No.3(d) of their Report regarding amortization of technology fees, the Board wish to state that in view of inadequacy of profits and meltdown in business situation all over world, the technology fees have not been amortized and the same would be done as soon as adequate profits are available in future.

As regards Item No.3(f) of their Report regarding confirmation of account balances of customers and suppliers, the Management has taken necessary steps to obtain the confirmations. The Board is of the view that this would not have any material impact on the financial statement of the Company.

**AUDITORS**

The members are requested to appoint Auditors for the period from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting. M/s Pratapkaran Paul & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for reappointment. The Audit Committee of the Board has recommended their reappointment. M/s Pratapkaran Paul & Co. have furnished the Certificate of their eligibility for reappointment under Section-224(1) of the Companies Act, 1956. The requisite resolution is being placed for the shareholders' approval.

**DEPOSITS**

During the period under review, the Company has not accepted any fixed deposits from the public.

**PERSONNEL**

None of the employees of the was in receipt of remuneration in excess of the limits specified in Section-217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

**ACKNOWLEDGEMENT**

Your Directors would like to take this opportunity to express sincere gratitude for the assistance and co-operation from the employees, Bankers, Customers, Vendors and Shareholders during the year under review.

**ANNEXURE TO DIRECTORS' REPORT**

**INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

**A. CONSERVATION OF ENERGY**

The activities of the Company require minimal consumption of energy and every effort has been made to ensure the optimal use of energy. All possible measures have been taken to conserve energy.

**B. TECHNICAL ABSORPTION**

The Company has developed expertise for technology required for its business and the same has been fully absorbed.

**C. DETAILS OF POWER AND FUEL CONSUMPTION**

Not applicable due to nature of business

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings	NIL
Foreign Exchange outgo	NIL

Place: Chennai  
Date: 31<sup>st</sup> August, 2009

For and on behalf of the Board of Directors

**MICHAELARUL**  
Chairman & Managing Director



**MANAGEMENT DISCUSSION AND ANALYSIS**

The global economic meltdown has impacted business situation adversely. The Management is taking steps to implement the mobile banking project. However, it is expected to be delayed due to difficult business situation.

**OPPORTUNITIES AND THREATS**

Although there are business opportunities in software section, the economic slow down has impacted overall business.

**OUTLOOK**

Although the business situation is difficult, the Company is depending on the proposed business model of rural mobile banking to turnaround performance of the Company.

**INTERNAL CONTROL SYSTEM**

The company has in place adequate internal control systems commensurate with the size and nature of operations of the company.

**FINANCIAL PERFORMANCE**

1. **Financial Statements :**  
The financial statement have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India.
2. **Fixed Assets :**  
During the period company has not incurred any capital expenditure.
3. **Inventories:**  
Not applicable
4. **Sundry Debtors:**  
The sundry debtors as on 31st March, 2009 were Rs.15.47 lakhs as against sale of Rs. 9.51 lakhs for the period ended 31st March, 2009.
5. **Financial Performance:**  
The net loss for the period was Rs.18.75 lacs as compared to net loss of Rs3.30 lacs in the previous period.
6. **Risks and concern:**  
As is well known, the business of software is associated with various risks and competition. The fast obsolescence of technologies and the availability of advanced technologies at reasonable costs are also areas of concern. However, the Management would endeavour to overcome these risks and concerns with suitable steps at appropriate time.
7. **Human Resources:**  
  
The company is outsourcing required manpower and hence the employees strength is negligible. The company is not facing any human relationship problem.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates or expectations may be "forward looking" within the meaning of the applicable securities, laws and regulations. Actual results could differ substantially or materially from those expressed or implied. Important factors that would make a difference to the Company's operations include a downtrend in the global markets, changes in government policies and regulations, tax regimes, litigation and significant changes in the political and economic environment and such other factors.



## CORPORATE GOVERNANCE REPORT

In line with the requirement for providing "Report on Corporate Governance" as per clause 49 of the revised Listing Agreement of the Stock Exchanges applicable for the period ended 31<sup>st</sup> March, 2009 given below is a report on the Company's Corporate Governance norms

### 1. ADVENT'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency in all dealings, effective control and management of organization, investor friendly attitude towards shareholders has been the basic objective of the Corporate Governance of the Company.

### 2. BOARD OF DIRECTORS

At present the Board consists of 4 members, comprising of 3 Non Executive and 1 Executive Director. Two Board Meetings were held during the year 1<sup>st</sup> October 2008 to 31<sup>st</sup> March, 2009 on the following dates: 31<sup>st</sup> December, 2008, 31<sup>st</sup> March 2009..

The Twenty Third Annual General Meeting was held on 30<sup>th</sup> March, 2009..

The Composition of the Board of Directors and their attendance at the Board Meetings during the period and at last Annual General Meeting as also the number of other directorships and committee memberships are given below:

Name of the Director	Category of Director	No. of Board Meetings Attended	Attendance at last AGM	No. of Director ships **	Committee member ships +	Committee chairman ship +
Mr. Michael Arul	Executive Director-MD	2	Yes	1	-	1
Mr. R. Mohanlal.	Non-Executive	2	Yes	1	4	1
Mr. Shaji John Abraham	Non-Executive	2	Yes	1	3	2
Mr. Suvash Biswas	Non-Executive	-	-	1	-	-

\*\* including Directorships in Advent Computer Services Limited and excluding directorships of private Companies.

+ Committees considered are Shareholders/Investor's Grievances committee, Audit committee, Remuneration Committee, Share Transfer committee including in Advent Computer Services Limited.