

**ADVENT**

**27<sup>th</sup>  
ANNUAL REPORT  
2012**

**ADVENT COMPUTER SERVICES LIMITED**

## **BOARD OF DIRECTORS**

<b>Shri Michael Arul</b>	Chairman
<b>Shri R.Mohanlal</b>	Director (Independent)
<b>Shri Shaji John Abraham</b>	Director (Independent)
<b>Shri Suvash Biswas</b>	Director (Independent)
<b>ShriMadhavaraj Suresh</b>	Director (Independent)

## **AUDITORS**

**VIVEKANANDAN ASSOCIATES**

Chartered Accountants

Ground Floor, Murugesanacker Office Complex,  
81,Greams Road, Chennai -600 006.

## **BANKERS**

Canara Bank,G.P. Road, Chennai

HSBC Ltd., Adyar, Chennai.

Deutsche Bank

## **REGD. OFFICE & WORKS**

New No.121. Old No.347

Pantheon Road, Egmore

Chennai – 600 008.

## **REGISTRAR & SHARE TRANSFER AGENT**

**Bigshare Services Pvt. Ltd.**

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

Sakinaka, Andheri(E),

Mumbai - 400 072

## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of Advent Computer Services Limited will be held on Saturday, the 29th September, 2012 at 10.00 a.m. at Selva Rajeswari Hall, D.K.Complex,Villivakkam,Chennai - 600099 to transact the following business:

### ORDINARY BUSINESS

- 1 To receive, consider and adopt the Audited Balance Sheet and Profit and Loss Account for the Year ended 31<sup>st</sup> March, 2012 and the Reports of Directors' and Auditors' thereon.
- 2 To appoint a Director in place of Shri. R.Mohanlal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company

"RESOLVED THAT M/s Vivekanandan Chartered Accountants, 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."

### SPECIAL BUSINESS

4. To consider and , if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1959, or any statutory modification thereof or any re-enactment of the said Act, consent of the Members be and is hereby accorded to the appointment of Mr. Michael Arul as Managing Director of the Company, not liable to retire by rotation, for a period of 5 years with effect from 14<sup>th</sup> August, 2012 without any remuneration."

**Place: Chennai**  
**Date: 14<sup>th</sup> August, 2012**

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

**MICHAEL ARUL**  
**CHAIRMAN**

**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 NEED NOT 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 21<sup>st</sup> September, 2012 to 29<sup>th</sup> September, 2012 (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-380015The 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 R. Mohanlal retires by rotation and being eligible, offer himself for re-appointment.

The brief background of the Director proposed for reappointment/appointment is given below;

Shri. R.Mohanlal is aged 68 years. He is a Diploma Holder in Automobile Engineering. He has got 29 years experience in Sales & Administration. He is not on the Board of any other Company. He is a member of Audit Committee, Remuneration Committee, Shareholders / Investor Grievances Committee and Share Transfer Committee of Advent Computer Services Limited. He is holding 120 equity shares of the Company.

**ANNEXURE TO NOTICE**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**

The Board of Directors appointed Mr. Michael Arul as Managing Director of the Company for a period of 5 years with effect from 14th August, 2012 without any remuneration. He obtained his Bachelor of Engineering (B.E.) from Guindy Engineering College, Chennai. He has over 40 years of experience in industry. He joined IBM Corporation in 1969 where he worked as a System Engineer. From 1974-1984 he worked for A.V. Thomas Research Company in Senior Management position ending up as Chief Executive Officer of the Company. He has been the Director of the Company since its inception.

In view of his vast industrial experience and expertise, the appointment of Mr. Michael Arul as Managing Director, would immensely benefit the Company. Your Board therefore recommends necessary Resolution for your approval.

Except Mr. Michael Arul no other Director is deemed to be interested or concerned in the Resolution. This along with relevant Resolution may be treated as an extract pursuant to Section 302 of the Companies Act, 1956.

For and on behalf of the Board of Directors

Place: Chennai

Date: 14th August, 2012

**MICHAEL ARUL  
CHAIRMAN**

## DIRECTORS' REPORT

To The Members,

Your directors are pleased to present the 27<sup>th</sup> Annual Report and the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS (STANDALONE)

	<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
	<b>2012</b>	<b>2011</b>
	<b>(Rs. In Lacs)</b>	<b>(Rs. In Lacs)</b>
Sales & Services	18.67	26.15
Other Income	0.20	0.40
Total Income	18.87	26.55
Total Expenditure	35.34	33.61
Profit / (Loss) for the period	(16.47)	(7.06)
Balance Carried Forward	(16.47)	(7.06)

### DIVIDEND

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

### BUSINESS OUTLOOK OF THE COMPANY

The current economic situation is extremely challenging and the Management is planning various business initiatives to achieve growth in the years to come. The availability of resources is big challenge in the current business scenario. Nevertheless the Management is in discussion with its business associates to start the business of Monitoring of Patients's Health Parameter. This area of business has a vast potential. Also the company is pursuing a Mobile Banking initiative for Rural India. There has been considerable delay in implementing various business due to downturn in economy and difficulty in availability of resources. However, the management is confident of commencing these initiatives in a year or two.

### 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. R.Mohanlal, 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 year ended 31<sup>st</sup> March, 2012; 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 year and of the loss of the Company for the year 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 year ended 31<sup>st</sup> March, 2012, 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. Since, all the dues from Debtors are collectable, Hence there is no necessity of making provision for Bad and Doubtful debts. 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 Vivekanandan Associates, 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 Vivekanandan Associates 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 year 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: 24<sup>th</sup> May, 2012**

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

**MICHAELARUL  
CHAIRMAN**

**MANAGEMENT DISCUSSION AND ANALYSIS**

The company is well poised to enter the very lucrative market space of providing remote monitoring of patient's health parameters. This is an opportunity that provides major benefits to hospitals, doctors, patients and the payers such as insurance companies. The company is planning to launch this service in India, South East Asia and the Middle East.

The company is also working to support the Government's initiatives to achieve financial inclusion in rural India by providing a mobile banking platform that is secure for financial transactions and can be used by cooperative and other rural banks. This is a long gestation project but has tremendous potential in the long term.

Both these services would leverage the telecom infrastructure in India and would derive its competitive advantage from advanced telecom technology sourced from Germany.

However these initiatives would depend upon the availability of resources to implement the same.

**OPPORTUNITIES AND THREATS**

The Company is able to see opportunities in the areas of advanced technologies, which will be exploited for the company's growth. As and when any such opportunities are materialized, the company would plan to raise their resources for the business.

**OUTLOOK**

The management is optimistic about the business outlook of the company subject to availability of funds and unforeseen circumstances.

**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 year company has incurred a capital expenditure of Rs.89156/-
3. **Inventories:**  
Not applicable
4. **Sundry Debtors:**  
The sundry debtors as on 31<sup>st</sup> March, 2012 were Rs.6.24 lakhs as against sale of Rs. 18.67 lakhs for the year ended 31<sup>st</sup> March, 2012.
5. **Financial Performance:**  
The net loss for the year was Rs. (16.47 ) lakhs as compared to net loss of Rs(7.06) lakhs in the previous year.
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 endeavor 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 year ended 31<sup>st</sup> March, 2012 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 5 members, comprising of 4 Non Executive and 1 Executive Director. Five Board Meetings were held during the year 01<sup>st</sup> April 2011 to 31<sup>st</sup> March, 2012 on the following dates:

30<sup>th</sup> May 2011, 9<sup>th</sup> Aug 2011, 5<sup>th</sup> Sept 2011, 8<sup>th</sup> Nov 2011 and 9<sup>th</sup> February 2012.

The Twenty Sixth Annual General Meeting was held on 30<sup>th</sup> September, 2011.

The Composition of the Board of Directors and their attendance at the Board Meetings during the year 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	Chairman	5	Yes	1	1	1
Mr. R. Mohanlal.	Non-Executive	5	Yes	1	4	1
Mr. Shaji John Abraham	Non-Executive	5	-	1	3	2
Mr. Suvash Biswas	Non-Executive	-	-	1	-	-
Mr.M.Suresh	Non-Executive	4	-	1	2	-

\*\* 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.

### 3. COMMITTEES OF THE BOARD

#### Audit Committee

The Audit Committee consists of 3 Non-Executive Directors namely Shri Shaji John Abraham Shri.M.Suresh and Shri R. Mohanlal, (being independent Directors). Shri R.Mohanlal is appointed as Chairman of the Committee. Two meetings were held during the year. The Audit Committee has been mandated with the terms of reference as are specified in Clause-49 of the Listing Agreement with the Stock Exchanges.