

ADVENT

**28th
ANNUAL REPORT
2013**

ADVENT COMPUTER SERVICES LIMITED

BOARD OF DIRECTORS

Shri Michael Arul

Shri R.Mohanlal (upto 21st May, 2013)

Shri Shaji John Abraham

Shri Suvash Biswas

Shri Madhavraj Suresh (upto 8th November, 2012)

Shri. DariusMinooBelgamvala

Smt. PirojaDariusBelgamvala

Chairman & Managing Director

Director (Independent)

Director (Independent)

Director (Independent)

Director (Independent)

Additional Director

Additional Director

AUDITORS

VIVEKANANDAN ASSOCIATES

Chartered Accountants

Ground Floor, Murugesanacker Office Complex,
81, Greaves 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 Eighth Annual General Meeting of the members of Advent Computer Services Limited will be held on Saturday, the 28th September, 2013 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 Year ended 31st March, 2013 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 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, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Shri. Darius Minoo Belgamvala, who was appointed as Additional Director of the Company by the Board of Directors in November, 2012 & who holds office upto the date of this Annual General Meeting & in respect of whom, the Company has received a notice in writing proposing his candidature for office of Director u/s 257 of the Companies Act, 1956, be & is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Piroja Darius Belgamvala, who was appointed as Additional Director of the Company by the Board of Directors in November, 2012 & who holds office upto the date of this Annual General Meeting & in respect of whom, the company has received a notice in writing proposing her candidature for office of Director u/s 257 of the Companies Act, 1956, be & is hereby appointed as a Director of the Company, liable to retire by rotation."

Place: Chennai
Date: 30th May, 2013

For and on behalf of the Board of Directors

MICHAELARUL
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 20th September, 2013 to 28th September, 2013 (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. BSE 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 retires by rotation and being eligible, offer himself for re-appointment.

The brief background of the Directors proposed for reappointment/appointment are given below:

Shri. Shaji John Abraham is aged 59 years. He is B.E. He is having rich experience and having his own business. He is not in the Board of any other public limited company. He was Chairman of Audit Committee and Shareholder/Investors grievances Committee of Advent Computer Services Limited. He is not holding any shares of the company.

Shri. Darius Minoo Belgamvala is aged 71 years. He is Electrical Engineer (AMIE) from Madras University. He is having rich experience and having his own business. He is not in the Board of any other public limited company. He was member of Shareholders /Investors grievances Committee of Advent Computer Services Limited. His wife Smt. Piroja Darius Belgamvala is also a Director of Advent Computer Services Limited. He is not holding any shares of the company.

Smt. Piroja Darius Belgamvala is aged 57 years. She is B.Sc (Honours) from Calcutta University and Certificate course from XLRI Jamshedpur. She is having a work experience with reputed companies. She is not in the Board of any other public limited company. She is wife of Darius Minoo Belgamvala, Director of Advent Computer Services Limited. She is not holding any shares of the company.

EXPLANATORY STATEMENT:**Item No. 4**

AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Shri. Darius Minoo Belgamvala was appointed as Additional Director of the Company by the Board of Directors on 8th November, 2012. According to the provision of section 260 of the Companies Act, 1956, he holds office upto the date of ensuing Annual General Meeting.

A notice has been received from a member along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956, proposing Shri. Darius Minoo Belgamvala as candidature for the office of the Director.

Item No. 5

AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Smt. Piroja Darius Belgamvala was appointed as Additional Director of the Company by the Board of Directors on 8th November, 2012. According to the provision of section 260 of the Companies Act, 1956, she holds office upto the date of ensuing Annual General Meeting.

A notice has been received from a member along with a deposit of Rs.500/- as required under Section 257 of the Companies Act, 1956, proposing Smt. Piroja Darius Belgamvala as candidature for the office of the Director.

Place: Chennai
Date: 30th May, 2013.

For and on behalf of the Board of Directors

MICHAELARUL
Chairman & Managing Director

DIRECTORS' REPORT

To The Members,

Your directors are pleased to present the 28th Annual Report and the Audited Accounts for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

	CURRENT YEAR	PREVIOUS YEAR
	2013	2012
	(Rs. In Lacs)	(Rs. In Lacs)
Sales & Services	27.52	18.67
Other Income	0.00	0.20
Total Income	27.52	18.87
Total Expenditure	32.68	35.34
Profit / (Loss) for the period	(5.16)	(16.47)
Balance Carried Forward	(5.16)	(16.47)

DIVIDEND

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

BUSINESS OUTLOOK OF THE COMPANY

The company has identified two major opportunities in the US market where existing profit making companies are available for acquisition with major control of 51% of equity via exchange of shares of our company. We will be deciding on whether we can do both or just one depending on the value they will bring to our company. Once we reach a basic understanding of such a transaction with these target companies we will enter into a suitable Memorandum of Understanding (MOU) for doing a valuation of the company based on which a suitable Share Purchase (Swap) Agreement will be negotiated with the target companies in the USA subject to shareholders and other statutory approvals.

We see good outlook for the company if these proposed transactions are completed as planned. The company is poised to grow through such mergers/acquisitions both in the domestic and international markets.

All these acquisitions are being planned in the area of Information Technology and in Healthcare which are high margin growth areas.

The criteria we are evaluating for selection of such opportunities is based on the parameters like profitability and debt profile of target company.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSIONANALYSIS

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 DISCLOSURES

- Shri. Madhavraj Suresh resigned from Board of Directors of the Company on 8th November, 2012.
- The Board regrets about the sad demise of Shri. R. Mohanlal, Director of the Company on 21st May, 2013.
- Shri. Shaji John Abraham, who retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.
- In order to broad base the board, Shri. Darius Minoo Belgamvala & Smt. Piroja Darius Belgamvala were appointed as Additional Directors. The shareholders approval is being obtained in 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 31st March, 2013; 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 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 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 31st March, 2013, on a going concern basis.

OBSERVATIONS OF AUDITORS

As regards Item No.4 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.

As regards the observations of Auditors, in Item No.5(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.

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: 30th May, 2013

For and on behalf of the Board of Directors

MICHAELARUL
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

It is the endeavor of the Management to initiate steps to achieve business growth. In this direction, the process of identifying the overseas companies for acquisition through share swap has been initiated. The acquisitions are being planned in the areas of Information Technology and Health Care.

These initiatives would depend upon the availability of resources and suitable manpower.

OPPORTUNITIES AND THREATS

The Company envisages opportunities through acquisitions. However, the economic situation in India and policy decisions by the Government, are going to be critical for achieving the business objectives.

OUTLOOK

The Management is cautiously optimistic about the business outlook of the Company in view of adverse business situation prevailing in India.

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 any capital expenditure of Rs.13,997/-.

3. Inventories:

Not applicable

4. Sundry Debtors:

The sundry debtors as on 31st March, 2013 were Rs.4.23 lakhs as against sale of Rs. 27.52 lakhs for the year ended 31st March, 2013.

5. Financial Performance:

The net loss for the year was Rs. (5.16) lakhs as compared to net loss of Rs. (16.47) 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 employee's 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.