

ADVENT

22nd Annual Report 2007

FOR ADVENT COMPUTER SERVICES LTD.



SR. MANAGER
CORPORATE AFFAIRS

ADVENT COMPUTER SERVICES LIMITED

BOARD OF DIRECTORS**Shri Michael Arul****Shri R.Mohanlal****Shri Shaji John Abraham****Shri Suvash Biswas****Shri V. N. Seshagiri Rao****Shri. N.C.Amarnath****Chairman & Managing Director****Director****Director****Director****Director (upto 24th March, 2008)****Director (upto 31st March, 2008)****AUDITORS****Pratapkarani Paul & 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, 1st Cross Street, R. K. Nagar,****Mandaveli,****Chennai-600028****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 Second Annual General Meeting of the members of Advent Computer Services Limited will be held on Monday, the 31st March, 2008 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 30th September, 2007 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.”

Report Junction.com

Place: Chennai
Date: 29th February, 2008

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 25th March, 2008 to 31st March, 2008 (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 & 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 53 years. He is B.E. He is highly experience and carrying his own business. He is not on the Board of any other company. He was a chairman of Share / Investors Grievances Committee of Advent Computer Services Limited. He is not holding any shares of the company.

Shri Suvash Biswas is aged 43 years. He is IT General Manager / Programme Director with 20 years IT experience including 14 years in Telecommunication Programming. He is not on the Board of any other Company. He is not holding any shares of the Company.

DIRECTORS' REPORT

Your Directors are pleased to present the 22nd Annual Report on the business and operations of your company together with the Audited Accounts for the period ended 30th September, 2007.

FINANCIAL RESULTS:

	CURRENT PERIOD	PREVIOUS PERIOD
	2007	2006
	15 Months	18 Months
	(Rs. In Lacs)	(Rs. In Lacs)
Sales of Software & Products	920.69	945.07
Other Income	6.66	9.97
Total Income	927.35	955.04
Total Expenditure	816.94	547.04
Profit / (Loss) for the period	110.41	408.00
Balance Carried Forward	110.41	408.00

DIVIDEND

In order to conserve resources for the operations of the company your Directors do not recommend any dividend for the period ended 30th September, 2007.

BUSINESS OUTLOOK OF THE COMPANY

There is a scope for rural banking in India to rope in rural masses to offer full banking services to the large un-banked population of India in rural areas. The Government of India is also keen to ensure that financial inclusion of Indian rural masses takes place at an accelerated rate. In this direction, banking services via mobile phones to the vast rural population via co-operative banks as well as rural branches of Regional Rural Banks and Commerce Banks, present a big business opportunity. The density of banks in rural India is rapidly increasing and the business model of mobile banking in rural areas looks feasible and attractive.

In this direction, our Company is in negotiations with several technological companies overseas to be able to offer solutions in mobile banking and commerce in rural India. Your Company expects to see major growth in its business arising from this business plan. Your Directors are hopeful about turning around the Company with these business opportunities

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. The relevant Auditors Certificate has also been annexed.

DIRECTORS

Mr. Shaji John Abraham & Mr. Suvash Biswas 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 30th September, 2007 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 period and of the profit 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 30th September, 2007 on a going concern basis.

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 company were in receipt of remuneration in excess of the limits specified in Section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1975 as amended.

ACKNOWLEDGEMENTS

Your Directors would like to take this opportunity to express their sincere gratitude for the assistance and cooperation received from the employees, Bankers, Customers, Vendors and Shareholders during the period under review.

For and on behalf of the Board of Directors

Place: Chennai

Date: 31st December, 2007

MICHAELARUL

Chairman & Managing Director

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. TECHNOLOGY ABSORPTION

The Company has develop expertise for technology required for its business and the same 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

For and on behalf of the Board of Directors

Place: Chennai

Date: 31st December, 2007

MICHAELARUL

Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

The Management is taking initiative to explore the business opportunities in the field of mobile banking in rural India, as stated in the Directors' Report. This is expected to improve business situation of the Company

OPPORTUNITIES AND THREATS

There are number of business opportunities in software business. At the same time, there are risks arising from the fast obsolescence and competition.

OUTLOOK

The future outlook of the Company would depend on the proposed business model of rural mobile banking envisaged by 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 30th September, 2007 were Rs.469.84 lakhs as against sale of Rs. 927.35 lakhs for the period ended 30th September, 2007.

5. Financial Performance:

The net profit for the period was Rs. 110.41 lacs as compared to net profit of Rs.408.00 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.