

# **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, Murugesanicker 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.

Attendance of Directors at the Audit Committee Meeting held during the year.

Members	Meetings attended
Mr. R. Mohanlal	5
Mr. Shaji John Abraham	5
Mr.M.Suresh	4

#### 4. REMUNERATION COMMITTEE:

A Remuneration Committee consisting of three Independent Directors, Mr. Shaji John Abraham, and Shri. R.Mohanlal and Mr. Shaji John Abraham as the Chairman has been constituted. The Committee is appointed with the terms of reference of deciding the remuneration of the Executive Director and Non-Executive Directors. During the year, no meeting was held since the terms of remuneration payable to the Chairman & Managing Director as well as sitting fees payable to the Non-executive Directors for attending the Board Meetings and Committee meetings, remained the same as in the previous year.

Non-Executive Directors are not paid remuneration in any form, commission or otherwise. They are paid sitting fees of Rs. 500/- for every meeting of the Board attended. The sitting fees paid to Non-Executive Directors for year ended 31<sup>st</sup> March, 2012 is as under

Director	Sitting fees for Board meetings paid during the year
Mr. R. Mohanlal	Rs.2500/-
Mr. Shaji John Abraham	Rs.2500/-
Mr.M.Suresh	Rs.2000/-

#### Remuneration paid to the Managing Director

In view of adverse financial position of the Company. Mr. Michael Arul, Managing Director of the company has not drawn any remuneration during the year ended 31<sup>st</sup> March, 2012.

#### Shareholding of Non-Executive Directors

Sr. No.	Name of the Directors	No. of shares held
1.	Shri. R. Mohanlal	120

#### 5. SHARE HOLDERS/INVESTOR GRIEVANCE COMMITTEE

The Committee consists of 2 Non-Executive Directors namely Shri R.Mohanlal and Shri Shaji John Abraham.

Shri. Shaji John Abraham is the Chairman of this committee.

The Committee was constituted to redress shareholders'/ investors' complaints etc., relating to delay in transfer of shares, demat, non-receipt of annual accounts, delays in balance sheet, split, duplicate, transmission, etc. of the shares issued by the company.

Since the Company's shares are tradable only in demat form, only a few number of shares in physical form for transfer were received during the year. The Managing Director has been authorized by the Board to approve such transfer. This facilitates approval of transfer within the time stipulated under Listing Agreement. Further, the complaints of the above nature are promptly attended by the Compliance Officer.

During the year 5 letters/queries/complaints were received from the shareholders, all of which have been attended to and resolved to date.

Shri.R.Mohanlal is the Compliance Officer of the company.

## 6. Share Transfer Committee

The Company has had a share transfer committee since March, 1999 with a view to approve share transfers. It comprises of following Directors:

1. Mr. Michael Arul 2. Mr. R.Mohanlal 3.M.Suresh

Mr. Michael Arul is the Chairman.

The committee meets periodically to deal with matters relating to transfer/transmission of shares. During the period the share transfer committee held 24 meetings.

## 7. DETAILS OF GENERAL MEETINGS

Meeting	24 <sup>rd</sup> Annual General Meeting	25 <sup>th</sup> Annual General Meeting	26 <sup>th</sup> Annual General Meeting
DATE	30 <sup>th</sup> September, 2009	30 <sup>th</sup> September, 2010	30 <sup>th</sup> September, 2011
TIME	10.00 A.M.	10.00 A.M.	10.00 A.M
SPECIAL RESOLUTION	-	-	-
VENUE	Selva Rajeswari Hall, D.K. Complex, 21 <sup>st</sup> Main Road, Villivakkam, Chennai-600 099	Selva Rajeswari Hall, D.K. Complex, 21 <sup>st</sup> Main Road, Villivakkam, Chennai-600 099	Selva Rajeswari Hall, D.K. Complex, 21 <sup>st</sup> Main Road, Villivakkam, Chennai-600 099

**8. DISCLOSURES:****A. Materially Significant related party transactions**

There are no transactions between the Company and its related parties as per the Accounting Standard - 18 during the year.

**B. Management Disclosures**

The Senior Management Personnel have been making disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. Based on the disclosures received, none of the Senior Management Personnel has entered into any such transactions during the year.

**C. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years.**

The Company has complied with the requirement of the Listing Agreement with the Stock Exchanges as well regulations and guidelines prescribed by SEBI.

There were no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

**D. Risk Management Framework**

The Board of Directors has adopted the Risk Assessment Procedures. The procedures provide an approach by the top Management to identify potential events that may affect the Company, to manage the risk within the risk appetite and to provide reasonable assurance regarding the achievement of objectives of the Company. The Senior Management prioritizes the risk and finalizes the action plan for mitigation of the risks. The action plan is presented to the Board of Directors periodically.

**9. MEANS OF COMMUNICATION:**

The quarterly unaudited financial results were published in News Today (English) and Maalai Sudar (Tamil) newspapers. The quarterly results are uploaded on the SEBI website under Electronic Data Information Filing and Retrieval (EDIFAR). The Company does not send its quarterly report to each household of shareholders.

**10. GENERAL SHAREHOLDER INFORMATION:**

1	27 <sup>th</sup> Annual General Meeting Day, Date, Time and Venue	Saturday, 29 <sup>th</sup> September, 2012 10.00 A.M. Selva Rajeswari Hall, D.K. Complex, Villivakkam, Chennai – 600099
2	Financial Calendar  Financial Reporting for	Quarter ending 30 <sup>th</sup> June, 2012 - End 14 <sup>th</sup> August, 2012. Quarter ending 30 <sup>th</sup> September, 2012 - End 15 <sup>th</sup> November, 2012 Quarter ending 31 <sup>st</sup> December, 2012 - End 15 <sup>th</sup> February, 2013. Quarter ending 31 <sup>st</sup> March, 2013 - End 15 <sup>th</sup> May, 2013. The above dates are indicative.
3	Date of Book closure	21 <sup>st</sup> September, 2012 To 29 <sup>th</sup> September, 2012 (Both days Inclusive).
4	Listing on Stock Exchanges at	Madras Stock Exchange Limited, Chennai. Bombay Stock Exchange Limited, Mumbai. The Ahmedabad Stock Exchange Limited, Ahmedabad.
5	Stock Code & ISIN No.	Bombay Stock Exchange Limited, Mumbai (BSE). 531429. Demat ISIN No. in CDSL and NSDL - INE101C01022
6	Registrar And Transfer Agent	Bigshare Services Pvt. Ltd. , E-2 & 3, Ansa Industrial Estate, SakiVihar Road, Saki Naka, Andheri (East), Mumbai- 400072. TelNo. 02228476052/53,02240430200 Fax - 02228475207 E-mail- <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>
7	Dividend Payment Date	No dividend is declared for the year ended 31 <sup>st</sup> March, 2012.
8	Address for Correspondence	Regd. Office – New no. 121, Old no. 347, Pantheon Road, Egmore, Chennai-600008 Telefax- 044-42329004/09821 237531 E-mail: <a href="mailto:compliance.officer@adventcomputer.in">compliance.officer@adventcomputer.in</a>
9	Dematerialization o Shares	43.88% of the total equity capital is held in Dematerialized form with NSDL & CDSL as on 31 <sup>st</sup> March, 2012..
10	Outstanding ADRs/GDRs	The Company has not issued any ADRs/GDRs.

**11. Stock Price Data:**

High, Low, Market Price of Advent Computer Services Limited on The Stock Exchange, Mumbai during each month between April,2011 to March, 2012 (face value Rs.10/-per share)

Month	High (Rs.)	Low (Rs.)	BSE INDEX High	BSE INDEX Low
April, 2011	3.39	2.7	19811.14	18976.19
May, 2011	3.2	2.48	19253.87	17786.13
June, 2011	4.45	2.68	18873.39	17314.38
July, 2011	3.76	2.87	19131.7	18131.86
August, 2011	3.41	2.62	18440.07	15765.53
September, 2011	3.32	2.6	17211.8	15801.01
October, 2011	3.7	3.02	17908.13	15745.43
November, 2011	3.55	2.62	17702.26	15478.69
December, 2011	3.66	2.71	17003.71	15135.86
January, 2012	4.88	3.32	17258.97	15358.02
February, 2012	4.7	3.07	18523.78	17061.55
March, 2012	3.36	2.67	18040.69	16920.61

**12. Shareholding Pattern as on 31<sup>st</sup> March,2012**

	Category	No. of Shares	% of Shares
<b>A</b>	<b>Promoter's Holding</b>		
<b>1</b>	Indian Promoters	77	0
	Foreign Promoters	8760000	53.83
<b>2</b>	Persons acting in Concert	0	0
	<b>Sub Total</b>	8760077	53.83
<b>B</b>	<b>Non-Promoters</b>		
<b>3</b>	<b>Institutional Investors</b>		
<b>a</b>	Mutual Funds and UTI	14070	0.09
<b>b</b>	Banks, Financial Inst., Insurance Company (Central/State Govt.Inst./Non-Govt.Inst.)	32100	0.20
<b>c</b>	FII's	0	0
	<b>Sub Total</b>	46170	0.29
<b>4</b>	<b>Others</b>		
<b>a</b>	Private Corporate Bodies	791769	4.87
<b>b</b>	Indian Public	6529291	40.12
<b>c</b>	NRIs/OCBs	146411	0.89
<b>d</b>	Any Other(Please specify)	-	0.00
	<b>Sub Total</b>	7467471	45.88
	<b>Grand Total</b>	16273718	<b>100</b>

Pursuant to Regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulation, 1997 and subsequent amendments thereto, Promoter Group and Persons acting in concert consists of Mr. Michael Arul and CCG GmbH.

### 13. Distribution of Shareholding as on 31<sup>st</sup> March, 2012

Distribution of Shares	Number of Shareholders	% to total no.	Share (in rupees)	% to Capital
1 – 5000	8367	86.10	9292460	5.71
5001-10,000	599	6.16	4689090	2.89
10,001-20,000	299	3.07	4529030	2.78
20,001-30,000	144	1.49	3856400	2.37
30,001-40,000	61	0.63	2169710	1.33
40,001-50,000	56	0.58	2578670	1.58
50,001-1,00,000	79	0.81	5818960	3.58
1,00,001-9,99,99,999	113	1.16	129802860	79.76
TOTAL	9718	100.00	162737180	100.00

### 14. Share Transfer System

The share sent for physical transfer are received at the Registrar & Transfer Agent' s office and valid transfer requests are processed and returned within a maximum period of 15 days from the date of lodgment, provided the transfer deed are in order and allotment money on the shares have been paid.

### DECLARATION

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management of the Company.

All the Board Members and the Senior Management Personnel have affirmed their Compliance with the respective codes.

**Date : 24<sup>th</sup> May, 2012**

**Place : Chennai**

**MICHAEL ARUL  
CHAIRMAN**



**CERTIFICATE****AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).**

To the Members of Advent Computer Services Limited

We have reviewed the implementation of the Corporate Governance Procedure and the Report on the Corporate Governance by Advent Computer Services Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the company has complied in material respects, the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the reports given by the Registrars of the Company to the Investors' Grievance Committee, as on 31<sup>st</sup> March, 2012 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days. We further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place : Chennai**

**Date : 24<sup>th</sup> May, 2012**

**For Vivekanandan Associates**

**Chartered Accountants.**

**N.Subramanian**

**Partner**

**AUDITOR'S REPORT****To the Members of,  
Advent Computer Services Limited.**

We have audited the attached Balance Sheet of **Advent Computer Services Limited**, as at 31<sup>st</sup> March 2012, the Profit and Loss Account and also 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.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. 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 preparation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the annexure referred to in paragraph 1 above we report that.
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in sub section (3C) of Section 211 of the Companies Act, 1956. *except non-compliance of AS- 26 on accounting for "Intangible Assets" and non-compliance of AS- 28 on "Impairment of Asset" for technology fees.*
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, none of the directors, is prima facie disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said Financial Statements *subject* to non provision of doubtful debts and subject to non confirmation of balances of Debtors and Creditors account and its consequential effect on the profit and loss account and the value of assets and liabilities of the company which are not determinable give the information required by the Companies Act, 1956 in the manner so required, give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
    - ii. in the case of the Profit and Loss Account of the loss for the year ended on that date ; and
    - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Vivekanandan Associates  
Chartered Accountants**

**N.Subramanian  
Partner  
Membership No: 021628  
Place: Chennai  
Date: 24<sup>th</sup> May, 2012**

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 2 of the Auditor's Report of even date to the members of Advent Computer Services Limited on the accounts for the year ended 31<sup>st</sup> March, 2012)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, the fixed assets of the Company have been physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. In accordance with the phased programme of verification, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
  - c) Fixed Assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. The company does not have any inventory.
  - a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 of the Act.
3. b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and for the sale of services. Further on the basis of our examination of the books and information and as per the explanations given to us, we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control.
5. There are no contracts that are required to be entered into the register maintained under Section 301 of the Companies Act.
6. The Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.
8. According to the information and explanation given to us, the Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. Accordingly paragraph 4(viii) of the Order is not applicable.
9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company has been generally regular in depositing, with the appropriate authorities, undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Customs Duty, Cess and other material statutory dues as applicable.
  - b) According to the information and explanations given to us, and relevant documents provided to us there are no undisputed outstanding statutory dues that have not been deposited on account of any dispute.
10. The Accumulated losses of the company are not more than 50 percent of its net worth. The company has incurred cash losses during the year covered by our audit. The company has also incurred cash losses during the previous year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly paragraph 4(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly paragraph 4(xiii) of the Order is not applicable.
14. The Company has not dealt with shares, securities, debentures and other investments during the year covered by our audit.
15. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly paragraph 4(xv) of the Order is not applicable.
16. According to the information and explanations given to us and documents produced before us the company has not obtained any term loan and hence paragraph 4(xvi) is not applicable to the company.
17. According to the information and explanations given to us and 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 and vice-versa.
18. The Company has not made any preferential allotment of shares during the year, to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures
20. The company has not raised any money by public issue during the year. Accordingly paragraph 4(xx) of the Order is not applicable.
21. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

**For Vivekanandan Associates  
Chartered Accountants**

**N.Subramanian  
Partner  
Membership No: 021628**

**Place: Chennai  
Date: 24<sup>th</sup> May, 2012**

**ADVENT COMPUTER SERVICES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2012**

	NOTE NO	AS AT 31/03/2012	AS AT 31/03/2011
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
Share Capital	1	162,737,180	162,737,180
Reserves and Surplus	2	(7,619,739)	(5,971,916)
<b>Non-Current Liabilities</b>			
Long-term Borrowings	3	60,00,000	6,000,000
<b>Current Liabilities</b>			
Short-term Borrowings	4	1,074,667	-
Trade Payables	5	2,275,854	2,275,854
Other Current Liabilities	5	4,955,730	5,005,730
Short-term Provisions	5	355,752	100,824
		<b>169,779,444</b>	<b>170,147,672</b>
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	6	1,318,443	1,546,548
Intangible Assets	6	167,280,026	167,280,026
Long-term Loans and Advances	7	201,400	201,400
<b>Current Assets</b>			
Trade Receivables	8	423,134	493,634
Cash and Bank Balances	9	112,391	182,014
Short-term Loans and Advances	10	444,050	444,050
		<b>169,779,444</b>	<b>170,147,672</b>

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date  
for Vivekanandan Associates  
Chartered Accountants

**N.Subramanian**  
Partner  
Membership No : 021628

Place : Chennai  
Date : 24<sup>th</sup> May, 2012

By order of the Board  
for **Advent Computer Services Limited**

**Michael Arul**  
Chairman

**R. Mohanlal**  
Director

**ADVENT COMPUTER SERVICES LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

(Amount in Rs.)

	NOTE NO	For the Year ended 31.03.2012	For the year ended 31.03.2011
<b>I. INCOME</b>			
a. Revenue from Operations		18,67,100	2,615,435
b. Other Income		19,500	40,125
		18,86,600	2,655,560
<b>II. EXPENDITURE</b>			
a. Cost of sales & services		862,591	746,591
c. Administrative and Software Expenses	11	2,354,571	2,111,993
d. Depreciation		317,261	503,026
		3,534,423	3,361,610
Profit/ (Loss) for the Year		(1,647,823)	(706,050)
Less: Prior Period Expenses		-	-
Less: Provision for Taxation		-	-
Balance transferred to Balance Sheet		(1,647,823)	(706,050)
<b>Earnings Per Share</b>			
No. of Equity Shares		16,273,718	16,273,718
Basic and diluted EPS		(0.10)	(0.04)
Notes to Accounts	12		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date  
for Vivekanandan Associates  
Chartered Accountants

**N.Subramanian**  
Partner  
Membership No- 021628

Place : Chennai  
Date : 24<sup>th</sup> May, 2012

By order of the Board  
for **Advent Computer Services Limited**

**Michael Arul**  
Chairman

**R. Mohanlal**  
Director

**ADVENT COMPUTER SERVICES LIMITED****Note 1**

SHARE CAPITAL	Year Ended 31/03/2012		Year Ended 31/03/2011	
	Nos.	Rs.	Nos.	Rs.
Authorised Equity Shares of Rs.10/- Each	17,000,000	170,000,000	17,000,000	170,000,000
Issued Equity Shares of Rs.10/- Each	16,273,718	162,737,180	16,273,718	162,737,180
Subscribed & Paid up Equity Shares of Rs.10/- Each Fully Paid	16,273,718	162,737,180	16,273,718	162,737,180

**b.Reconciliation of Shares outstanding at the beginning and at the end of the year**

	2011 - 2012		2010 - 2011	
	Nos.	Rs.	Nos.	Rs.
Equity Shares outstanding at the beginning of the year	16,273,718	162,737,180	16,273,718	162,737,180
Add : Equity Shares during the year	-	-	-	-
Less : Equity Shares bought back / redeemed during the year	-	-	-	-
Equity Shares outstanding at the end of the year	16,273,718	162,737,180	16,273,718	162,737,180

**c.Detail of shareholders holding more than 5 percent shares of the Company as on reporting date are given below :**

Name of Shareholder	As on 31.03.2012		As on 31.03.2011	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
M/s CCG GMBH -Foreign Promoter Company	8,760,000	53.83%	8,760,000	53.83%
<b>Total</b>				

**Note 2**

RESERVES & SURPLUS	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
Surplus i.e. balance in Statement of Profit and Loss - (b)		
locations and appropriations in Surplus i.e. Balance	(7,619,739)	(5,971,916)
in Statement of Profit and Loss are as under :		
Opening Balance	(5,971,916)	(5,265,866)
Add : Loss for the year	(1,647,823)	(706,050)
Closing Balance	(7,619,739)	(5,971,916)

## Note 3

LONG TERM BORROWINGS	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
UNSECURED DEPOSITS	6,000,000	6,000,000
<b>TOTAL</b>	<b>6,000,000</b>	<b>6,000,000</b>

## Note 4

SHORT TERM BORROWINGS	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
UNSECURED FROM DIRECTORS	1,074,667	-
<b>TOTAL</b>	<b>1,074,667</b>	<b>-</b>

## Note 5

OTHER SHORT TERM LIABILITIES	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
Trade Payables	2,275,854	2,275,854
Other Current Liabilities	4,955,730	5,005,730
Short Term Provisions	3,55,752	1,00,824
<b>TOTAL</b>	<b>7,587,336</b>	<b>7,382,408</b>

Note 6 **FIXED ASSETS****6.a TANGIBLE ASSETS**

a) Summary of cost and net carrying amount of each class of tangible assets are given below :

Asset Description	Cost		Accumulate Depreciation		Accumulated Impairment		Net Carrying Amount	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Furniture & Fittings	2,653,521	2,653,521	2,182,011	2,077,807	-	-	471,510	575,714
Office Equipments	1,014,680	925,524	737,076	658,635	-	-	277,604	266,889
Machinery	7,769,226	7,769,226	7,353,900	7,286,794	-	-	415,326	482,432
Vehicles	4,884,722	4,884,722	4,773,923	4,735,216	-	-	110,799	149,506
Computers	5,611,985	5,611,985	5,568,781	5,539,978	-	-	43,204	72,007
<b>Total</b>	<b>21,934,134</b>	<b>21,844,978</b>	<b>20,615,691</b>	<b>20,298,430</b>	<b>-</b>	<b>-</b>	<b>1,318,443</b>	<b>1,546,548</b>



**Original Cost :**

Asset description	As on 31/03/2011	Additions	Disposals	Other Adjustments	As at 31/03/2012
Furniture & Fittings	2,653,521	-	-	-	<b>2,653,521</b>
Office Equipments	925,524	89,156	-	-	<b>1,014,680</b>
Machinery	7,769,226	-	-	-	<b>7,769,226</b>
Vehicles	4,884,722	-	-	-	<b>4,884,722</b>
Computers	5,611,985	-	-	-	<b>5,611,985</b>
Total	21,844,978	89,156	-	-	21,934,134
Previous Year	21,844,978	-	-	-	21,844,978

**Accumulated Depreciation :**

Asset description	As on 31/03/2011	Additions	Disposals	As at 31/03/2012
Furniture & Fittings	2,077,807	104,204	-	2,182,011
Office Equipments	658,635	78,441	-	737,076
Machinery	7,286,794	67,106	-	<b>7,353,900</b>
Vehicles	4,735,216	38,707	-	<b>4,773,923</b>
Computers	5,539,978	28,803	-	<b>5,568,781</b>
Total	20,298,430	317,261		20,615,691
Previous Year	19,795,404	503,026		20,298,430

**6 b. INTANGIBLE ASSETS**

Summary of cost and net carrying amount of each class of Intangible assets are given below :

Asset Description	Cost		Accumulate Amortization		Accumulated Impairment		Net Carrying Amount	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Technology Fee	38,367,061	38,367,061	-	-	-	-	38,367,061	38,367,061
Goodwill	64,422,354	64,422,354	-	-	-	-	64,422,354	64,422,354
Capital Reorganisation a/c	64,490,611	64,490,611	-	-	-	-	64,490,611	64,490,611
Total	167,280,026	167,280,026	-	-	-	-	167,280,026	167,280,026

(b) Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31-03-2012 as under :

**Original Cost :**

Asset Description	As at 31/03/2011	Additions	Disposals	Other Adjustments	As at 31/03/2012
Technology Fee	38,367,061	-	-	-	38,367,061
Goodwill	64,422,354	-	-	-	64,422,354
Capital Reorganisation a/c	64,490,611	-	-	-	64,490,611
Total	167,280,026	-	-	-	167,280,026
Previous Year	167,280,026	-	-	-	167,280,026

**Accumulated Amortization :**

Asset Description	As at 31/03/2011	Additions	Deductions / Other Adjustments		As at 31/03/2012
Technology Fee	-	-	-	-	-
Goodwill	-	-	-	-	-
Capital Reorganisation a/c	-	-	-	-	-
Total	-	-	-	-	-
Previous Year	-	-	-	-	-

## Note 7

<b>LONG TERM LOANS AND ADVANCES TRADE RECEIVABLES</b>	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
Outstanding for a period more than six months Unsecured , Considered Good	<b>201,400</b>	<b>201,400</b>
<b>TOTAL</b>	<b>201,400</b>	<b>201,400</b>

## Note 8

<b>TRADE RECEIVABLES</b>	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
Outstanding for a period less than six months Unsecured , Considered Good	<b>423,134</b>	<b>493,634</b>
<b>TOTAL</b>	<b>423,134</b>	<b>493,634</b>

## Note 9

<b>CASH &amp; CASH EQUIVALENTS</b>	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
<b>Balance with Banks</b>		
<b>Current Account</b>	111,875	181,411
<b>Cash on Hand</b>	516	603
<b>TOTAL</b>	<b>112,391</b>	<b>182,014</b>

## Note 10

<b>SHORT TERM LOANS AND ADVANCES</b>	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
<b>Loans and Advances</b>	444,050	444,050
<b>TOTAL</b>	<b>444,050</b>	<b>444,050</b>

## Note 11

OTHER EXPENSES	Amount in Rs.	
	Year Ended 31/03/2012.	Year Ended 31/03/2011.
Rent	1,191,500	1,191,500
Rates & Taxes and Filing Fees	106,060	10,070
Postage, Telephones & Telex	51,088	44,329
Electricity and Water	51,090	43,279
Repairs & Maintenance		
Building	-	-
Others	214,845	54,785
Travelling & Conveyance	37,359	70,618
Audit Fees - As Auditors	150,000	150,000
Printing & Stationery	10,435	11,138
Advertisement	18,900	14,400
Share fees, annual custodian fees, listing fees, Stock Exchange fees, CDSL fees, Share Transfer fees	272,697	278,166
Legal, Secretarial Consultancy & Professional Charges	201,250	217,000
Bank Charges and interest	16,417	20,611
Subscription	32,060	-
Misc. Expenditure	-	6,097
<b>Total</b>	<b>2,354,571</b>	<b>2,111,993</b>

**NOTE 12: ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup>  
MARCH 2012**

**A. ACCOUNTING POLICIES**

**1. Accounting Convention**

(a) The financial statements have been prepared under Historical Cost Convention and in accordance with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.

(b) The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

(c) The presentation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

**2. Revenue Recognition**

(a) Revenue from software development/ software products is recognized on the basis of delivery of the license of the required software products specified in the purchase order. The company also performs item bound fixed price engagements, revenue are recognized using the stages of completion method of accounting. The invoice value is received in phased manner over the period of installation and adjusted against receivables on receipt.

(b) All other income is recognized on an accrual basis.

**3. Fixed Assets**

(a) Fixed assets are stated at cost less accumulated depreciation. Cost includes capital cost, freight, installation cost, duties and taxes and other incidental expenses incurred during the construction/ installation stage attributable to bringing the asset to working condition for its intended use.

**4. Depreciation**

(a) Depreciation is provided under the WDV Method at the rates and in accordance with the manner specified in Schedule XIV of the Companies Act, 1956.

(b) Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated in full, in the year of purchase.

**5. Impairment of Asset**

If the carrying amount of assets exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured at the higher of the net selling price and value in use determined by the present value of estimated future cash flows. The company has a policy of comparing the Recoverable value of assets with the carrying cost and recognizing impairment when required. Technical know-how, capital reorganization account and good will have not been tested for impairment.

**6. Taxation**

(a) Provision for current tax is made based on the liability computed in accordance with Income Tax Act, 1961 and rules framed there under.

(b) Deferred tax is recognized, subject to consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). As a matter of prudence deferred tax asset is not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realized.

**7. Provisions**

(a) A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow from the enterprise, of resources embodying economic benefits, will be required to settle the obligation, in respect of which a reliable estimate can be made.

(b) Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the management estimates required to settle the obligation at the balance sheet date.

#### 8. Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of Notes to the financial statements.

#### 9. Earnings per Share

Basic Earnings per Share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares in issue during the year.

10. Previous year figures have been regrouped, reworked, rearranged and reclassified wherever necessary to confirm to current year classification.

11. Parties account balances are subject to confirmation

12. Figures have been rounded off to the nearest rupee.

#### B. NOTES ON ACCOUNTS

13. As per the information available with the Company, no amount is due to Small Scale Industrial Undertakings as at 31<sup>st</sup> March, 2012.

#### 14. Foreign Exchange Earnings and Outgo- Nil

#### 15. Earnings per share (EPS)

In terms of accounting standard 20, issued by the Institute of Chartered Accountants of India, the calculation of EPS is given below: -

	For the Year ended 31-03-2012	For the Year ended 31-03-2011
Profit/(loss) after taxation (Rs.)	(1,647,823)	(706,050)
Weighted average no. of Equity shares outstanding during the period	16273718	16273718
Nominal value of Shares (Rs.)	10	10
Basic and Diluted EPS (Rs.)	(0.10)	(0.04)

#### 16. Segment Reporting

The company operates only in one segment namely development and sale of software, and during the year the company has operated only in India. Since this being a single business and geographical segment, information as per mandatory Accounting Standard (As - 17 "Segment Reporting) is not furnished.

As per our report of even date  
For Vivekanandan Associates

N.Subramanian  
Partner  
Membership No.: 021628

Place: Chennai  
Date: 24<sup>th</sup> May, 2012

For and behalf of the Board of Directors  
of Advent Computer Services Ltd.

Michael Arul  
Chairman

R.Mohanlal  
Director

**ADVENT COMPUTER SERVICES LTD.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

(Amounts in Rs)

	For the Year ended 31-Mar-2012	For the Year ended 31-Mar-2011
<b>(A) Cashflow from operating activities</b>		
Net profit/(loss) before tax and extraordinary items	(1,647,823)	(706,050)
<b>Adjustments for</b>		
Depreciation	317,261	503,026
Interest Income	0	0
Provision for taxation	0	0
<b>Operating profit before working capital changes</b>	<b>(1,330,562)</b>	<b>(203,024)</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in Trade and other receivables	70,500	97,876
(Increase)/Decrease in Loans and Advances	0	0
Increase/(Decrease) in Trade and other payables	1,279,595	270,000
<b>Net changes in working capital</b>	<b>1,350,095</b>	<b>367,876</b>
<b>Cash generated from operations</b>	<b>19,533</b>	<b>164,852</b>
Incometaxes paid		
<b>Net cash from operating activities (A)</b>	<b>19,533</b>	<b>164,852</b>
<b>Cashflow from investing activities</b>		
Purchase of fixed assets	89,156	0
Interest received		
<b>Net cash used in investing activities (B)</b>	<b>69,623</b>	<b>164,852</b>
<b>Cashflow from financing activities</b>		
Net Proceeds from short term borrowings	0	0
<b>Net cash used in financing activities (C)</b>	<b>69,623</b>	<b>164,852</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>69,623</b>	<b>164,852</b>
Cash and cash equivalents at the beginning of the year	182,014	17,162
<b>Cash and cash equivalents at the close of the year</b>	<b>112,391</b>	<b>182,014</b>
<b>Cash and cash equivalents comprise of</b>		
Cash balance	516	603
Bank balance	111,875	181411
	<b>112,391</b>	<b>182,014</b>

As per our report of even date  
for Vivekanandan Associates  
Chartered Accountants

**N.Subramanian**  
Partner  
Membership No-021628

Place :- Chennai  
Date :- 24<sup>th</sup> May, 2012

For and on behalf of the Board of Directors  
of **Advent Computer Services Ltd.**

**Michael Arul**  
Chairman

**R. Mohanlal**  
Director

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

i. Registration Details Registration No.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">8</td> <td style="width:12.5%; text-align: center;">-</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">5</td> </tr> </table>	1	8	-	1	0	6	7	5	State Code	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">1</td> <td style="width:50%; text-align: center;">8</td> </tr> </table>	1	8						
1	8	-	1	0	6	7	5												
1	8																		
Balance Sheet Date	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%; text-align: center;">3</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">-</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">3</td> <td style="width:12.5%; text-align: center;">-</td> <td style="width:12.5%; text-align: center;">2</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">2</td> </tr> </table>	3	1	-	0	3	-	2	0	1	2								
3	1	-	0	3	-	2	0	1	2										
ii. Capital raised during the year (Amount in Rs. Thousand)																			
		Public Issue <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			Rights Issue <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L		
			N	I	L														
			N	I	L														
		Bonus Issue <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			Private Placement <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L		
			N	I	L														
			N	I	L														
iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)																			
Sources of Funds	Total Liabilities <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">9</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">9</td> </tr> </table>			1	6	9	7	7	9	Total Assets <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">9</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">9</td> </tr> </table>			1	6	9	7	7	9	
		1	6	9	7	7	9												
		1	6	9	7	7	9												
	Paid up Capital <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">2</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">3</td> <td style="width:12.5%; text-align: center;">7</td> </tr> </table>			1	6	2	7	3	7	Reserve & Surplus <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			
		1	6	2	7	3	7												
			N	I	L														
iv. Application of Funds	Secured Loans <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			Unsecured Loans <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%;"></td> </tr> </table>				6	0	0	0		
			N	I	L														
			6	0	0	0													
	Net Fixed Assets <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">3</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">8</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>			1	3	1	8			Investments <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			
		1	3	1	8														
			N	I	L														
	Net Current Assets <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">(</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">4</td> <td style="width:12.5%; text-align: center;">8</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">)</td> </tr> </table>			(	7	4	8	1	)	Misc. Expenditure <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			
		(	7	4	8	1	)												
			N	I	L														
v. Performance of Company (Amount in Rs. Thousands)																			
Item Code No. (ITC CODE)	Turnover <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">8</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%;"></td> </tr> </table>				1	8	6	7		Other Income <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">2</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%;"></td> </tr> </table>						2	0		
			1	8	6	7													
					2	0													
	Profit/Loss Before Tax <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">(</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">4</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">)</td> </tr> </table>			(	1	6	4	7	)	Profit/Loss After Tax <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">(</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">6</td> <td style="width:12.5%; text-align: center;">4</td> <td style="width:12.5%; text-align: center;">7</td> <td style="width:12.5%; text-align: center;">)</td> </tr> </table>			(	1	6	4	7	)	
		(	1	6	4	7	)												
		(	1	6	4	7	)												
	Earning per Share in Rs. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">(</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">.</td> <td style="width:12.5%; text-align: center;">1</td> <td style="width:12.5%; text-align: center;">0</td> <td style="width:12.5%; text-align: center;">)</td> </tr> </table>			(	0	.	1	0	)	Dividend rate % <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> <td style="width:12.5%; text-align: center;">N</td> <td style="width:12.5%; text-align: center;">I</td> <td style="width:12.5%; text-align: center;">L</td> <td style="width:12.5%;"></td> <td style="width:12.5%;"></td> </tr> </table>				N	I	L			
		(	0	.	1	0	)												
			N	I	L														
Product Description	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%; text-align: center;">C</td> <td style="width:12.5%; text-align: center;">O</td> <td style="width:12.5%; text-align: center;">M</td> <td style="width:12.5%; text-align: center;">P</td> <td style="width:12.5%; text-align: center;">U</td> <td style="width:12.5%; text-align: center;">T</td> <td style="width:12.5%; text-align: center;">E</td> <td style="width:12.5%; text-align: center;">R</td> </tr> </table>	C	O	M	P	U	T	E	R	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:12.5%; text-align: center;">S</td> <td style="width:12.5%; text-align: center;">O</td> <td style="width:12.5%; text-align: center;">F</td> <td style="width:12.5%; text-align: center;">T</td> <td style="width:12.5%; text-align: center;">W</td> <td style="width:12.5%; text-align: center;">A</td> <td style="width:12.5%; text-align: center;">R</td> <td style="width:12.5%; text-align: center;">E</td> </tr> </table>	S	O	F	T	W	A	R	E	
C	O	M	P	U	T	E	R												
S	O	F	T	W	A	R	E												
For and on behalf of the Board		As per out report of even date <b>For Vivekanandan Associates</b> <b>Chartered Accountants</b>																	
Michael Arul Chairman	R. Mohanlal Director	N.Subramanian Partner																	
Place: Chennai Date: 24 <sup>th</sup> May, 2012																			



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**ADVENT COMPUTER SERVICES LIMITED**  
**Registered Office :: No.121/347, Pantheon Road, Egmore, Chennai-600008.**

PLEASE FILL ATTENDENCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID\*

Client ID\*

Registered Folio No.

NAME AND ADDRESS OF THE SHAREHOLDER -----  
-----

No. of Share(s) held -----

I hereby record my presence at the 27<sup>th</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September 2012 at 10.00 A.M. at Selva Rajeswari Hall, D.K. Complex, Villivakkam, Chennai – 600 099.

Signature of Shareholder or Proxy

Applicable for investors holding shares in electronic form

NOTE : MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE REPORT TO THE MEETING

-----TEAR HERE-----

**PROXY FORM**

**ADVENT COMPUTERSERVICESLIMITED**  
**Registered Office : No.121/347, Pantheon Road, Egmore, Chennai-600008.**

DP ID\*

Client ID\*

Registered Folio No.

I/ We ----- of -----

----- being a member/members of the above Company, hereby appoint -

1 Shri. ----- of ----- or failing him

2. Shri ----- of ----- or failing him

3. Shri ----- of ----- as my / our proxy to attend and vote for me / us and on my / our behalf at the 27<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 29<sup>th</sup> September 2012, at 10.00 A.M. and at my adjournments thereof.

Signed this ----- day of ----- 2012

Affix  
Revenue  
Stamp

\*Applicable for investors holding shares in electronic form

Note: The proxy in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for aforesaid meeting. The proxy need not be a member of the Company.

**Book - Post**

**If Undelivered please return to :  
Advent Computer Services Limited  
No.121/347, Pantheon Road,  
Egmore, Chennai-600008.**