

EIGHTEENTH ANNUAL REPORT
1999-2000

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ACI Infocom Limited

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**ACI Infocom Limited**

BOARD OF DIRECTORS

P.D. GUPTA
CHAIRMAN

DIRECTORS

C.K. SHARMA
G.S. PUJARY
U. CHANDRA MOULI

AUDITORS

Swamy & Seshadri
Chartered Accountants
1-3-1036/3/12-13
Kavadiguda Road,
Secunderabad - 500 380.

BANKERS

Oriental Bank of Commerce
Dalamal Towers
Nariman Point
Mumbai - 400 021.

LISTING

The Hyderabad Stock Exchange Limited
The Stock Exchange Mumbai
Bangalore Stock Exchange
The Stock Exchange Ahmedabad

REGISTERED OFFICE

606, 607, Swapnalok Complex
93, S.D. Road,
Secunderabad - 500 003.

PLANT

WORKS I
Plot No. 18 & 19
Anrich Industrial Estate Bolaram,
Taluq Narsapur, Dist Medak,
Andhra Pradesh

WORKS II
UNIT NO.156, S D F V
SEEPZ, Andheri (E)
Mumbai - 400 096.

REGISTER FOR DEMAT :

Aarti Consultants Pvt. Ltd.
1-2-285, Domalguda,
Hyderabad - 500 029.
Ph : 7604653, 7636715

**EIGHTEENTH ANNUAL REPORT 1999-2000****NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the company will be held on Friday 29th September, 2000 at its Registered Office # 606, 607, Swapnalok Complex, 93, S.D.Road, Secunderabad - 500 003 at 3.00 P.M to transact the following business:

Ordinary Business

1. To consider and adopt the Balance Sheet as at 31st March, 2000, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.P.D. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Swamy & Seshadri, Chartered Accountants who shall hold office from the conclusion of this Annual General meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from 26th September, 2000 to 29th September, 2000 (both days inclusive)
4. Members are requested to notify the Company immediately of any change in their address.
5. Members are requested to consolidate their ledger folios, where they are holding shares in different folios in the same sequence of names.
6. Members are requested to note that w.e.f 8th May, 2000 the Company's shares have been placed under Compulsory Electronic Trading List.

By Order of the Board of Directors
For **ACI Infocom Limited**

Place : Secunderabad
Date : 25th August, 2000

P.D. Gupta
Chairman & Director



ACI Infocom Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2000.

Operations	(Rs. In lacs)	
Particulars	1999-2000	1998-99
Sales	2364.77	4985.41
Other Income	27.78	80.64
Total	2392.56	5066.05
Expenditure	2389.85	5056.44
Depreciation	78.04	77.94
Profit/(Loss) for the year	(75.33)	(68.33)
Less: Prior period adjustment	0.52	-
Balance carried to balance sheet	(75.86)	(68.33)

Financial Review

During the year under review, your Company had total revenue of Rs.2392.56 Lacs as compared to Rs.5066.05 Lacs for the previous year and incurred a net loss of Rs.75.86 lacs as compared to Rs.68.33 lacs for the previous year.

The software industry has been growing at a rapid pace over the last decade and the year that went by was no exception. The Hardware Industry which has a direct co-relation to the Software has also grown at a similar pace. Despite the growth, your Company's turnover was drastically reduced on account of the decreased allocation of the components by the suppliers. Also the fear of break down due to roll back to Y2K discouraged the purchase of the hardware to a large extent. The cut throat competition in the hardware trading sector and the delays in realisation of receivables contributed to the decreased performance. However your Company has taken all precautionary steps to control costs thereby reduce losses.

Change of company's Name

During the year, the name of the Company was changed from Sujata Infotech Limited to ACI Infocom Limited.

One time settlement of the dues payable to Industrial Development Bank of India (IDBI)

IDBI has accepted the proposal of one time settlement (OTS) of its dues. The total dues have been settled for Rs.318 lacs of which Rs.302 lacs have been paid and Rs.16 lacs by way of allotment of Rs.1,60,000 Equity Shares of the Company Rs.10/- each at par. All the formalities in connection with the allotment have been completed and the shares have been listed with the Stock Exchange.

Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo.

A) Conservation of Energy : Not applicable

B) Foreign Exchange (In US\$)

Particulars	1999-2000	1998-99
Earnings	92.83	195.95
Outgo		
- Purchases	1143.22	2370.70
- Foreign Travel	0.59	2.01

Directors

Mr. Vijay Gupta ceased to continue as the Director of the Company on account of personnel reasons w.e.f 1st July, 2000. In accordance with the provision of Companies Act, 1956 and the Article of Association, Shri PD Gupta, Director of the Company retired by rotation and being eligible offers himself for re-appointment.

Depository System

Your company has entered into an arrangement with National Securities Depository Limited and Central Depository Services Limited for dematerialisation of the Company's shares. Members may note that trading of shares will compulsorily be in dematerialised form though shares can be held in physical form.

**EIGHTEENTH ANNUAL REPORT 1999-2000****Personnel**

There are no employees drawing remuneration in excess of the limits as specified under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975

Auditors

M/s. Swamy & Seshadri, Chartered Accountants, retire as auditors of the Company in the ensuing Annual General Meeting and are eligible for reappointment.

Deposits

Your Company has not accepted any fixed deposits.

Y2K Issues

The Year 2000 transition has been smooth for your Company and the financial impact of the transition was insignificant.

People

The employees relations were cordial during the year. Your Directors acknowledge and thank

employees for their valuable contribution and involvement in enhancing the productivity and effectiveness of the organisation.

Reply to the qualification in the Auditors Report

With regard to Item # 2 (c) of the Auditors Report, the Company has taken all necessary steps to pay the liability arising out of leave encashment at an appropriate time.

Acknowledgements

Your Directors acknowledge the close co-operation and support your Company has been receiving during the year from its Bankers, business partners, clients and customers.

By Order of the Board of Directors
For **ACI Infocom Limited**

Place : Secunderabad
Date : 25th August, 2000

P.D.Gupta
Chairman

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ACI Infocom Limited
AUDITORS' REPORT

To

The Members of
ACI Infocom Limited

We have audited the attached Balance Sheet of ACI Infocom Limited As at 31st March 2000 and the Profit & Loss account for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors Reports) order, 1988, issued by the Company Law Board in terms of Section 227(4-A) of the Companies Act, specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in Paragraph 1 above :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
 - b. The Company has kept proper Books of Accounts as required by law so far, as appears from our examination of the books.
 - c. The company has not provided for the liability as on 31st March 2000 on account of leave encashment as per accounting standards on "Accounting for retirement benefit in the financial statements of employers" issued by ICAI (Refer Item g of Accounting Policies). In view of non quantification of liability, if any, on account of leave encashment on retirement, we are unable to express the impact of such non provision on financial statement.

- d. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.
- e. In our opinion, excepting para c above and the valuation of inventories which is not in consonance with accounting standard 2 on valuation of inventories issued by ICAI as given in note 4 of schedule T the profit and loss account and balance sheet comply with mandatory standards referred in subsection (3c) of section 211 of the Companies Act, 1956.
- f. 1) subject to the foregoing in our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the companies act, 1956 in the manner so required and give a true and fair view;
 - a) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2000 and
 - b) In the case of Profit & Loss account of the loss of the company for the ended on that date.

For **SWAMY & SESHADRI,**
CHARTERED ACCOUNTANTS,

RAMKUMAR SESHADRI, B.COM F.C.A
PARTNER

PLACE: Secunderabad
DATE : 25.08.2000

**EIGHTEENTH ANNUAL REPORT 1999-2000****ANNEXURE TO THE AUDITORS' REPORTS**

(Refer to in Paragraph 1 of our Report of even date of the accounts for the year ended 31st March, 2000 of Aci Infocom Limited)

In terms of the information and explanations given to us and on the basis of such checks, as we considered appropriate, we further state that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets, which have been physically verified by the Management during the year and no discrepancy, was noticed on such verification.
2. None of the Fixed Assets of the Company have been revalued during the period.
3. The Management at reasonable intervals during the period has physically verified the stocks of the finished goods, raw materials, stores and components.
4. According to the information and explanations given to us, in our opinion, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the assets of the Company and the nature of its business.
5. The discrepancies noticed on verification between physical stock and book records, which were not material, have been properly dealt within the Books of Account.
6. On the basis of our examination of stock records we are of the opinion that the valuation of stocks is fair and proper and in accordance with normally accepted accounting principle (Excepting the valuation of inventories as given in note 4 of Schedule T which are on cost) and is on the same basis as in the preceding year.
7. The Company has taken interest free unsecured loans from the Companies in which the directors are interested. The terms on which these loans have been taken are not prima facie prejudicial to the interest of the Company. There are no loans taken from the Companies under the same Management as defined under Section (1-B) of Section 370 of the Companies Act, 1956.
8. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties listed in the register maintained under Section 301 or to the Companies under the same Management as defined under sub-Section (1-B) of Section 370 of the Companies Act, 1956.
9. The Company has not given any loan or advance to any person except advances in the nature of loans to its employees and the repayment of the principal amounts and of interest, wherever applicable is as stipulated.
10. In our opinion and according to information and explanations given to us, having regard to the explanations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of stores, raw materials, including components, plant & machinery, equipment and other assets, and for the sale of goods.
11. As far as we have been able to collect information, the transactions of purchase of goods and materials, and sale of goods, materials and services made pursuant to contracts of arrangements entered in the register maintained u/s. 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50000 or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services or the prices at which transactions for similar goods or services have been made with other parties.
12. As explained to us, unserviceable or damaged stores, raw materials and finished goods are determined by the management and adequate provisions has been made in accounts for losses so determined.