



ACI Infocom Limited



27th Annual Report
2008-2009

CHIEF EXECUTIVE OFFICER

ALOK P. GUPTA

WHOLE TIME DIRECTOR

VYAS D. POONAMCHAND

DIRECTORS

NINAD K. PALAV

AUDITORS

M/s. M. V. KRISHNAMOORTHY & Co.
Chartered Accountants

BANKERS

ORIENTAL BANK OF COMMERCE

REGISTERED OFFICE

218, VASAN UDYOG BHAVAN,
SENAPATI BAPAT MARG,
OPP. HIGH STREET PHOENIX,
LOWER PAREL (W),
MUMBAI 400 013.
Tel No. : 40 37 19 99
WEBSITE : www.aciinfo.com

**DEPOSITORY REGISTRARS &
SHARE TRANSFER AGENTS**

M/s. SYSTEM SUPPORT SERVICES,
209, SHIVAI INDUSTRIAL ESTATE,
89, ANDHERI KURLA ROAD,
SAKINAKA, ANDHERI (EAST),
MUMBAI 400 072.
Tel. No. 28 50 08 35
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E-mail : syss72@yahoo.com

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NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of **ACI INFOCOM LIMITED** will be held on Wednesday 30th September, 2009 at the registered office of the company situated at 218, Vasani Udyog Bhavan, Senapati Bapat Marg, Opp. High Street Phoenix, Lower Parel (W), Mumbai 400 013 at 10.30 a. m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Audited Profit and Loss Account for the year ended 31st March, 2009 alongwith the Notes and Schedules appended thereto with the Report of the Board of Directors and the Auditors' thereon.
2. To appoint a Director in place of Mr. Damodar P. Vyas who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/S Tadarwal & Tadarwal, Chartered Accountants as Auditors of the Company in place of retiring auditors M/s. M. V. Krishnamoorthy, Chartered Accountants, to hold Office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Ninad K Palav, who was appointed as an Additional Director of the Company on 1st December, 2008 under Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT as recommended by remuneration committee and pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the said Act as amended up-to-date, consent and approval be and is hereby accorded to the appointment of and the remuneration being paid or provided to Mr. Ninad K. Palav as Whole Time Director designated as the Chief Operating Officer of the Company for a period of three years with effect from 1st December, 2008 at a remuneration not exceeding Rs. 57,500/- per month including perquisites and on the terms and conditions set out in draft Letter of appointment a copy whereof initialed by Mr. Alok Gupta, Chairman & Managing Director of the Company, for the purpose of identification has been placed before this Meeting, which draft Letter of appointment is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Ninad K. Palav shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter between the Company and Mr. Ninad K. Palav shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Ninad K. Palav office as Whole Time Director designated as the Chief Operating Officer, the remuneration set out in the aforesaid draft Letter of appointment be

paid or granted to Mr. Ninad K. Palav as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II of Part II of Schedule XIII to the said Act or such other amount as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof".

Registered Office

218, Vasani Udyog Bhavan,
Senapati Bapat Marg,
Opp. High Street Phoenix,
Lower Parel (W),
Mumbai 400 013

**By order of the Board of Directors
For ACI INFOCOM LIMITED**

Alok P. Gupta
Chairman & Managing Director

Place : Mumbai,
Date : 31st August, 2009.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 for item No. 4 & 5 is attached and forms part of this notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, 28th September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
5. The members are requested to intimate immediately changes, if any, in their Registered address to the Registrar and Share Transfer Agents of the Company in respect of the shares held in physical form and to the Depository Participant in respect of shares held in dematerialized form without any delay.

**EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)**

That following explanatory statement sets out the material facts referring to Item No. 4 of the Notice.

ITEM NO. 4

Mr. Ninad Palav was appointed as Additional Director of the Articles of Association of the Company w. e. f. 1st December, 2008 pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from a member alongwith a deposit of Rs. 500/- in cash pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. The Directors recommend his appointment in the best interests of the Company.

None of the Directors of the Company except Mr. Ninad Palav may be considered to be interested in the passing of this resolution.

ITEM NO. 5

Mr. Ninad K. Palav was appointed as an Additional Director of the Company with effect from 1st

December, 2008. He has good administrative skills, project management skills and rich experience in the Industry. In view of his above achievements and attractive administrative and managerial skills your Board of Directors recommend his appointment as a Whole Time Director designated as Chief Operational Officer of the Company. The said appointment and payment of remuneration was also approved by the Remuneration Committee.

In view of this the Board of Directors has decided to appoint Mr. Ninad K. Palav as the Managing Director of the Company for a period of 3 years w. e. f. 1st December, 2008.

The detailed terms and conditions regarding remuneration to be paid to him is given below which is as per Section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956.

1) Details of Salary to be paid is as follows :

Rs. 57,500/- per month including perquisites.

2) Leave:

As per the Rules and regulations of the Company.

Where in any financial year, during the tenure of Whole Time Director, the Company has no profit or its profits are inadequate, the Company will pay remuneration not exceeding the limits specified under Section II of Part II of Schedule XII to the Companies Act, 1956.

3) Other Conditions:

- i. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- ii. The Whole Time Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 302 of the Companies Act, 1956.

The Resolution is recommended for approval of the Members.

These appointment have been made under Schedule XIII in part II in Section II (1) (A) (iii) of the Companies Act, 1956.

The Board recommends the resolution in the best interest of the company.

None of the Directors of the Company except Mr. Ninad K. Palav is concerned or interested in the resolution

Registered Office
218, Vasan Udyog Bhavan,
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Mumbai 400 013

By order of the Board of Directors
For ACI INFOCOM LIMITED

Alok P. Gupta
Chairman & Managing Director

Place : Mumbai,
Date : 31st August, 2009.

DIRECTORS' REPORT

To
The Members,

The Board of Directors are pleased to present herewith the Twenty Seventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

Particulars	(Rs. in Lacs.)	
	For the Year	
	2008-09	2007-08
Sales	2970.17	2516.49
Other Income	12.79	48.48
Total Income	2982.96	2564.97
Expenditure before		
Depreciation, Interest & tax	2878.56	2365.27
Depreciation	44.52	16.75
Interest	43.42	13.75
Profit/(Loss) before Taxation	16.46	(169.21)
Provision for Taxation	-	Nil
Fringe Benefit Tax	2.64	2.00
Prior period Adjustment	-	1.59
Profit/(Loss) After Taxation	13.82	(172.81)

DIVIDEND

Your Directors do not recommend any dividend for the year as they wish to reinvest surplus funds into the business for further growth.

DIRECTORS

Mr. Damodar P. Vyas who retire by rotation and are, being eligible offers himself for re-appointment.

Mr. Ninad K. Palav was appointed as an Additional Director on 1st December, 2008. The Board of Directors has recommended to appoint him as a Whole Time Director designated as the Chief Operating Officer of the Company w. e. f. 1st December, 2008 on the terms and conditions set out in Letter of appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- That in the preparation of the Annual Accounts for the financial year 31st March, 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of 31st March, 2009 and of the profit of the Company for the year ended 31st March, 2009.
- 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.
- That the Directors have prepared the Accounts for the financial year ended 31st March, 2009 on a going concern basis.

AUDITORS

M/s. M V Krishnamoorthy, Chartered Accountants the retiring Auditors, due to pre-occupation has expressed their inability to be appointed as Auditors of the Company at the forthcoming Annual General Meeting of the Company. The Company has received a certificate from M/s. Tadarwal & Tadarwal., Chartered Accountants to the effect that their re-appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956 You are requested to appoint M/s. Tadarwal & Tadarwal., Chartered Accountants as Auditors in place of M/s. M V Krishnamoorthy, Chartered Accountants, the retiring Auditors and to fix their remuneration.

DEPOSITS

The Company has not accepted any Deposits from the public during the year under pursuant to Section 58A of the Companies Act, 1956.

PERSONNEL

The Company is not having any employees who are drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, a report on Corporate Governance, which inter alia, includes the composition and construction of Audit Committee, is featuring as a part of Annual Report. Your Company will continue to adhere in letter and spirit to the good corporate governance policies. Pursuant to the provisions of Clause 49(VII) (1) of the Listing Agreement, a certificate from the auditors of the Company on the compliance of the Clause is enclosed.

CEO'S DECLARATION

Pursuant to the provisions of Clause 49(I) (D)(ii) of the Listing Agreement, a declaration by the Chairman and Managing Director of the Company declaring that all the members of the Board and the Senior Personnel of the Company have affirmed compliance with the Code of Conduct of the Company is enclosed.

MANAGEMENT DISCUSSION & ANALYSIS (M D&A)

Industry Structure and developments

India continues to grow rapidly in deployment of IT Hardware, Software, and ITeS both in domestic market and for overseas clients. Adoption of IT by various State & Central Government organizations is very encouraging and throwing open huge opportunities.

OPPORTUNITIES & STRENGTHS

Your Company has a rich experience of more than 25 years in IT Hardware manufacturing, distribution and service. Utilizing this core strength, we have started a new ITeS Division which will focus on Digitization, e-Governance, and Networking Projects.

WEAKNESS AND THREATS RISKS AND CONCERNS

There will be gestation period for the new ITeS Division to start contribution to the Company bottomline. There will be an upfront investment in setup, pre-operative and marketing expenses.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Your Company is now operating in the following three Sectors:

- a) I.T. Products & Services.
- b) Telecom Services

c) Trading

OUTLOOK

Both IT and Telecom Services will deliver good performance and profits from the FY ending March 09.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company places considerable emphasis on internal control systems and is appointing a separate Internal Auditor.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, your Company has made a Turnover of Rs. 2970.17 Lacs as against Rs. 2516.49 Lacs and earned a profit before tax of Rs. 16.45 Lacs as against the loss of Rs. 169.21 Lacs in the previous year.

However, the management is striving hard to improve the sales from the new Services businesses and also to control the overhead expenses to further improve the performance of your Company.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company employs personnel from all walks of life having the requisite qualifications as demanded by the job profile. It has a well designed training programme, to retain and train the personnel with respect to the culture of the Company and to keep them abreast with the latest developments in the changing technological environment.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of energy: The Company uses electric energy for its equipment such as air conditioners, computer terminals, lighting and utilities in the work premises. All possible measures have been taken to conserve energy.

B. Technology Absorption: During the year your Company has not operated plants, therefore no technology absorption and research & development.

C. Foreign Exchange Earnings & Outgo

	2008-09	(Rs. in Lacs) 2007-08
a) Earnings on re-exports	NIL	NIL
B) Outgo		
i. Travelling	4.49	NIL
ii. Royalty on Microsoft Products	NIL	NIL
iii. CIF Value of goods imported	379.5	108.5
iv. Sales Promotion	NIL	0.67

ACKNOWLEDGEMENTS

Your Directors place on record their grateful appreciation for the continued assistance and co-operation extended by the shareholders, customers, bankers and the dedicated employees and the business associates.

For and on behalf of the Board of Directors

(Alok P. Gupta)
Chairman

Place : Mumbai,
Date : 31st August, 2009.

REPORT ON THE CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2008-09

As per Schedule of Implementation of Clause 49 of the Listing Agreement with the Stock Exchange, the said Clause 49 is applicable to your company from the Financial Year ending as on 31st March, 2009. As per the Clause 49 of Listing Agreement with Stock Exchange, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors report the following;

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings which is shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself by trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

BOARD OF DIRECTORS;

The Company has Executive Chairman. The strength of the Board of Directors is 3 Directors including 2 Non-executive Independent Directors.

- a) Composition & Category of Directors as on 31st March, 2009

Sr. No.	Name of the Director	Category
1.	Mr. Alok P. Gupta	Executive Promoter Director
2.	Mr. Damodar Poonamchand Vyas	Whole Time Director
3.	Mr. Ninad K. Palav	Additional Director

- b) Attendance of each director at the Board Meetings held during the year 2008-09 and at the Last Annual General

Name of the Director	Board meeting held	Meetings attended	AGM attended
Mr. Alok P. Gupta	5	5	Yes
Mr. Damodar Vyas	5	5	Yes
Mr. Ninad Palav	5	5	No

Mr. Ninad K. Palav was appointed as an Additional Director on 1st December, 2008 but the Board of Directors has recommended his appointment as the Whole Time Director designated as Chief Operating Officer.

AUDIT COMMITTEE

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and the provisions of Clause 49 of the Listing Agreement.

- a) Brief Description of Terms of reference:
- The terms of reference of Audit Committee are in conformity with the provisions of Sub Clause II of the Listing Agreement, which inter alia, includes the following:
- Oversight of Company's financial reporting process.
 - Recommending appointment and removal of external auditors and fixing their fees.
 - Reviewing with the management the quarterly, half-yearly and annual financial results/statements with special emphasis on accounting policies and practices, compliance with accounting standards and other legal requirements concerning financial statements.
 - Reviewing the adequacy of the Audit and Compliance functioning including their policies, procedures, techniques and other regulatory requirements.
 - Reviewing the adequacy of internal control systems and significant audit findings.
 - Discussion with external auditors regarding the nature and scope of audit.
- b) Composition, name of members and Chairperson
- 1) Mr. Damodar Poonamchand Vyas, Chairman
 - 2) Mr. Ninad K. Palav, Member

There was reconstitution of Audit Committee during the year; as Mr. Shrikant Sathye vacated his office as member of Audit Committee pursuant to his resignation as Director of the Company. In his place Mr. Ninad K. Palav who was appointed as an Additional Director on 01/12/2008 and being non-executive director as well as Independent Director was appointed as a member of the Audit Committee.

- c) Meetings of Audit Committee held during the year 2008-09 and attendance of members

Name Of The Member	Meetings Of Audit Committee Held	Meetings attended
Mr. Damodar Poonamchand Vyas	4	4
Mr. Ninad K. Palav	4	4

- d) The Chairman of the Audit Committee attended the Last AGM and answered the queries raised by the Shareholders.

REMUNERATION COMMITTEE

- a) Brief Description of terms of reference

This Committee was constituted primarily to evaluate compensation and benefits for Executive Directors.

- b) Composition, name of members and Chairperson

- 1) Mr. Alok P. Gupta, Chairman
- 2) Mr. Ninad K. Palav, Member

There was reconstitution of Remuneration Committee during the year, as Mr. Shrikant Sathye vacated his office as member of Remuneration Committee pursuant to his resignation as Director of the Company. In his place Mr. Ninad K. Palav who was appointed as an Additional Director on 01/12/2008 and being non-executive director as well as Independent Director was also appointed as a member of the Remuneration Committee.

- c) Meetings and attendance during the year 2008-2009

The meeting of the Committee was held on 1st December, 2008 in order to decide the remuneration to be paid to Mr. Ninad K. Palav w.e.f. 1st December, 2008, pursuant to his appointment as the Whole Time Director designated as Chief Operating Officer of the Company at the Upcoming Annual General Meeting of the Company.

- d) Remuneration Policy

The remuneration policy of the Company is rewards for results and recognition for efforts.

- e) Details of Remuneration of all the Directors

Particulars	Mr. Alok Gupta	Mr. Ninad Palav
Salary	100000	50000
Perquisites	----	6500
Provident Fund	----	----
Total	100000	56500

The non-executive directors are not eligible for Commission and they have been paid sitting fees only.

SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

- a) Terms of reference

The Committee was constituted to specifically look into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc.

- b) Composition, name of members and Chairperson

- 1) Mr. Ninad K. Palav, Chairman
- 2) Mr. Damodar Vyas, Member

There was reconstitution of Shareholder's/Investor's Grievance Committee during the year, as Mr.