

# *ATCOM TECHNOLOGIES LIMITED*

*20<sup>th</sup> ANNUAL REPORT*

*2009-10*

## **BOARD OF DIRECTORS**

MR. VIKRAM A. DOSHI  
MR. MAHENDRA SANGHVI  
MR. RAJENDRA PRADHAAN

## **BANKERS**

DENA BANK  
ALLAHABAD BANK  
PUNJAB NATIONAL BANK  
STATE BANK OF INDIA  
THE UNITED WESTERN BANK LTD  
UTI BANK LTD  
THE FEDERAL BANK LTD

## **AUDITORS**

JAIN ANIL & ASSOCIATES  
CHARTERED ACCOUNTANTS

## **REGISTERED OFFICE**

6A, LALWANI INDUSTRIAL ESTATE  
14, G. D. AMBEKAR ROAD  
WADALA  
MUMBAI 400 031

## **SHARE REGISTRAR & TRANSFER AGENTS**

M/S. BIGSHARE SERVICES PRIVATE LIMITED  
E-2, ANSA INDUSTRIAL ESTATE  
SAKI VIHAR ROAD  
SAKINAKA, ANDHERI (EAST)  
MUMBAI 400 072

## **WORKS**

DAMAN INDUSTRIAL ESTATE  
AIRPORT ROAD, S. NUMBER 74/13  
VILLAGE KADAIYA, DAMAN 396 210

DAMAN INDUSTRIAL ESTATE  
AIRPORT ROAD, S. NUMBER 101/3  
VILLAGE KADAIYA, DAMAN 396 210

17/A, GIDC, Somnath Road, Dabhel,  
Daman – 396 210

# ATCOM TECHNOLOGIES LIMITED

## NOTICE

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the members of Atcom Technologies Limited will be held at the Registered Office of the Company viz. 6A, Lalwani Industrial Estate, 14, G. D. Ambedkar Road, Wadala, Mumbai 400 031 on Thursday, the 30<sup>th</sup> day of September, 2010 at 2.00 p.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit & Loss Account for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendra Pradhaan who retires by rotation and being eligible, offer himself for re-appointment.
3. To consider and if thought fit to pass with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 224 and other applicable provision if any, of the Companies Act 1956, M/s. Jain Anil & Associates, Chartered Accountants be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration and on the terms and conditions to be fixed by the Board of Directors.”

By Order of the Board of Directors

Sd/-

Place: Mumbai  
Dated: 1<sup>st</sup> July 2010

(Vikram A. Doshi)  
Chairman

### **NOTES:**

- 1) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON IN HIS STEAD AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
- 2) The particulars of Directors retiring by rotation are given in Corporate Governance Section.

**DIRECTORS' REPORT**

**The Members,**

The Directors have pleasure to present the Twentieth Annual Report with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

**FINANCIAL RESULTS**

(Rupees in lacs)

<b><u>PARTICULARS</u></b>	<b><u>2009-2010</u></b>	<b><u>2008-2009</u></b>
Gross Profit/(Loss) before depreciation	(6.44)	(4.35)
Less: Depreciation	(103.69)	(103.69)
Operating Profit/(Loss)	(110.13)	(108.04)
Less: Deferred tax	0.00	0.00
Profit/(Loss) after Tax	(110.13)	(108.04)
Add: Waiver of Term Loan /Cash Credit OTS	0.00	835.97
Profit/ (Loss) after Extra Ordinary Item	(110.13)	727.93
Add: Debit Bal of Profit & Loss A/c from previous year	(22201.82)	(22929.75)
Balance available for Appropriation	(22311.95)	(22201.82)
Deficit Carried to Balance Sheet	(22311.95)	(22201.82)

**DIVIDEND**

Due to carried forward heavy losses, your directors regret their inability to recommend a dividend for the year under review.

**BUSINESS PERFORMANCE**

The turnover of the Company during the year ended 2009-10 amounted to Rs. 512,503/- as compared to Rs. 1,122,761 in the year 2008-09 representing a fall in the business of the Company over the previous year.

As evident from the above financial results and accounts, the Company continued to be under financial crises. Due to financial crises the Company could not make the optimum utilization of the resources and the same resulted into reduced sales, negative results.

**DIRECTORS**

Mr. Rajendra Pradhaan Director of the Company retires by rotation at the ensuing annual general meeting and being eligible offers himself for reappointment.

**SUBSIDIARY COMPANIES**

C2M Technologies India Limited

This subsidiary has not undertaken any significant business during the year under review. A copy of Balance Sheet, Profit & Loss Account, Board of Directors' Report and the Auditors' Report of the C2M Technology India Limited has annexed herewith.

**AUDITORS:**

The statutory auditors M/s. Jain Anil & Associates, Chartered Accountants retire at the ensuing Annual General Meeting, and have confirmed their eligibility and willingness to accept the office, if re-appointed.

**AUDITORS' REPORT**

The observations of the auditor in their audit report are self-explanatory.

## CORPORATE GOVERNANCE

We strive to maintain the corporate governance as far as possible. In compliance of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange Limited, a Report on Corporate Governance, along with the Certificate of the Auditors on Corporate Governance is annexed to this Report.

## FIXED DEPOSITS

During the year under review, the Company has neither accepted nor renewed any public deposits, under Section 58A, read with Companies (Acceptance of Deposits) Rules, 1975.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 your directors confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii) appropriate accounting policies have been selected and applied them consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of its Loss for the year ended as on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

## CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010.

### CONSERVATION OF ENERGY

Use of natural light through bigger windows, skylights etc. This has resulted in reduction of power consumption.

**RESEARCH & DEVELOPMENT:** As the company is under financial crunch no R&D was carried out.

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

There has been neither any earning nor outgoing of foreign exchange during the year under review.

### PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, is not given as the same is not applicable to the Company for the year under review.

### ACKNOWLEDGEMENTS

Your Directors greatly appreciate the commitment and dedication of all the employees. Also would like to thank all our Customers, Bankers, Clients, Business Associates and various Government agencies for their continued support.

For and on behalf of the Board

Sd/-

Place: Mumbai  
Date: 1<sup>st</sup> July, 2010

(Vikram A. Doshi)  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company has been operative in 3 Industry namely Information Technology, Drinking Water and Weighing & Instruments. However due to civier financial crisis faced by the Company at present none of this divisions are operative.

### **OPPORTUNITIES, THREATS & OUTLOOK**

The lack of additional funds with your Company and the prolonged recession is effecting the performance of the Company drastically. In these circumstances one could only survive only when the resources are put to use to their maximum productive capacity and this could only be achieved when there is no financial constraints. At present the Company is undergoing through the rigid financial crisis, only the financial restructuring will pave the way out of this financial jam.

### **PERFORMANCE HIGHLIGHTS**

In 2009-2010, the Company could not deliver satisfactory performance in terms of revenues, profits, networth, assets and market capitalization. During the year under review the sales figures have gone down due to sluggish demand of 'Electronic Weighing Scales' in the Market and lower utilization of its capacity. Even the performance of other segment of the Company i.e. 'Plastic' was not satisfactory.

### **RISKS AND CONCERNS**

Any recurrence of outburst of disturbance in the country more predominantly due to political and economical upheaval may bring down the vibrancy of Company's business activities. Any changes in economic and monetary policies of the Government such as monetary tightening, hike in interest rates, inflationary pressure, restrictions on foreign exchange flows etc may also have a negative impact on the operations and profitability of the Company. However, the company's present financial jam is imposing much larger problem than other macro factor.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate Internal control through direct supervision of Directors and assisted by Audit Committee.

### **CAUTIONARY STATEMENT**

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be "forward looking statements" within the meaning of applicable statutory laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions and price conditions in the domestic and overseas markets in which company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.*

**Dated:** 1<sup>st</sup> July, 2010

## REPORT ON CORPORATE GOVERNANCE

Company's policies on the Corporate Governance and due compliance report for the year ended 31<sup>st</sup> March, 2010 is as under:

### I COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is aimed at attainment of transparency accountability and equity in all facets of its operations. It includes not only application and adaptation of statutory rules/procedures and guidelines, but also includes application and adoption of good corporate practices followed voluntarily, by the Company.

### II. BOARD OF DIRECTORS

#### Composition of Board

The current strength of the Board of Directors of the Company is Three. All the directors on the Board are Non-executive Directors and out of three Directors two Directors are independent Directors. In view of financial difficulties being faced by the Company, none of the Directors drew any remuneration. Due to losses the Directors do not receive any sitting fees. There are no nominee directors on the Board of the Company.

#### Board Meetings and attendance

Four Board Meetings on 30<sup>th</sup> April, 2009, 1<sup>st</sup> July 2009, 8<sup>th</sup> October, 2009 & 19<sup>th</sup> January, 2010 were held during the financial year 2009-2010 and the gap between two Board meetings did not exceed 4 months.

The information pertaining to attendance of each director at the Board Meetings and at the last Annual General Meeting (AGM) and the number of companies and committees where he is a director/committee member are as under:

Name	Category	Number of Directorship Other than Atcom #	Number of Committees of which Chairman Other than Atcom	Number of Committees of which Member Other than Atcom	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
Mr. Vikram A. Doshi	Promoter / Executive	13	2	3	4	Yes
Mr. Mahendra Sanghvi	Independent/ Non - Executive	2	1	3	4	Yes
Mr. Rajendra Pradhaan	Independent/ Non - Executive	-	-	-	4	Yes

## Board Procedure

The Board meets atleast once a quarter to review the quarterly performance and the financial results. The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director.

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board. And all the Information as per annexure A of Clause 49 of Corporate Governance Report is duly complied.

## III. AUDIT COMMITTEE

### Terms of reference

The terms of reference of Audit Committee are as per the revised guidelines set out in the listing agreement with Stock Exchanges read with Section 292A of the Companies Act 1956 and includes such other functions as may be assigned to it by Board from time to time. The Audit Committee has been entrusted with all required authority and powers to play an effective role as envisaged under revised Clause 49 of the Listing Agreement.

### The functions of audit committee include:

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discussing the adequacy of internal control systems, the scope of audit reports and the compliance thereof.
- Recommending the fixation of the audit fees and also approval for payment for any other services rendered by the statutory auditors.
- Reviewing with management the quarterly and annual financial statements, before submission to the Board for approval.

### Composition, Meeting and Attendance

The Audit Committee was constituted by the Board. The current strength of the Audit Committee of the Board is three members. The two members of the Audit Committee are Non-executive independent directors. The chairman of the Committee is an independent director. All the members of Audit Committee are financially literate and possess accounting and related financial management expertise. At the invitation of the Company, representatives from various divisions of the Company, internal auditors, statutory auditors attended the Audit Committee meetings to respond to queries raised at the Committee meetings.

Four meetings on 30<sup>th</sup> April, 2009, 1<sup>st</sup> July, 2009, 8<sup>th</sup> October, 2009 & 19<sup>th</sup> January, 2010, were held during the financial year 2009-2010 and the gap between two meetings did not exceed 4 months. The information pertaining to attendance of each member at the meetings of the Audit Committee is as under:

Composition	Designation	Category of Directorship	Attendance out of 4 Meetings
Mr. Rajendra Pradhaan	Chairman	Non-executive Independent Director	4
Mr. Vikram A. Doshi	Member	Non-executive /Promoter Director	4
Mr. Mahendra Sanghvi	Member	Non-executive Independent Director	4



#### IV. REMUNERATION COMMITTEE:

##### Composition, Meeting and Attendance

The Remuneration Committee has been constituted for performing inter alia the role/various functions as set out under clause 49 of the listing agreement with the Stock Exchanges and also in pursuance to the amendments made to Schedule XIII of the Companies Act, 1956. It comprises of three directors, the two members of the Remuneration Committee are Non-executive independent directors. The chairman of the Committee is an independent director. The terms of reference to Remuneration Committee include reviewing and recommending the terms of remuneration of executive directors.

There were no meetings of the Committee held during the financial year 2009-2010.

The information pertaining to the constitution of the Remuneration Committee is as under:

Composition	Designation	Category of Directorship
Mr. Rajendra Pradhaan	Chairman	Non-executive Independent Director
Mr. Mahendra Sanghvi	Member	Non-executive Independent Director
Mr. Vikram Doshi w.e.f. 8 <sup>th</sup> October, 2009	Member	Non-executive, Promoter Director

None of the independent director holds any shares of the Company. In view of financial difficulties being faced by the Company, none of the Directors drew any remuneration. The non-executive directors did not receive any remuneration and sitting fees for attending the meetings of the Board and Committees.

#### V. SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

##### Composition, Meeting and Attendance

The Shareholders/Investors' Grievance Committee was constituted by the Board. The Committee comprises of three directors; majority of them being independent and Non-executive. Mr. Rajendra Pradhaan has been elected as the Chairman of the Shareholders/Investors' Grievance Committee. This committee looks into the redressing of shareholders' / Investors' complaints like transfer/transmission of shares etc.

The Committee met on 30<sup>th</sup> April, 2009, 29<sup>th</sup> July, 2009, 31<sup>st</sup> October, 2009 and 19<sup>th</sup> January, 2010. The information pertaining to attendance of each member at the meetings of the Committee is as under:

Composition	Designation	Category of Directorship	Attendance out of 4 Meeting
Mr. Rajendra Pradhaan	Chairman	Non-executive Independent Director	4
Mr. Vikram A. Doshi	Member	Executive Promoter Director	4
Mr. Mahendra Sanghvi	Member	Non-executive Independent Director	4

During the year, 1 Complaint received and same was resolved to the satisfactory of the Shareholder.

**VI GENERAL BODY MEETINGS:**

Details of Last Three Annual General Meetings are given hereunder:

Financial Year	Date of Meeting	Time	Location	Item of Special Resolution passed
2008-2009	31.07.2009	2.00 p.m.	6A, Lalwani Industrial Estate, 14, G. D. Ambekar Road, Wadala, Mumbai 400 031	Authority to Board of Directors for making reference to BIFR under Sick Industrial Companies Act, 1985
2007-2008	30-09-2008	2.00 p.m.	6A, Lalwani Industrial Estate, 14, G. D. Ambekar Road, Wadala, Mumbai 400 031	----
2006-2007	29-09-2007	2.00 p.m.	6A, Lalwani Industrial Estate, 14, G. D. Ambekar Road, Wadala, Mumbai 400 031	----

No resolution was passed during the year through Postal Ballot. No special resolution through Postal Ballot is proposed at ensuing AGM.

**VII SUBSIDIARY COMPANIES**

The Company has one wholly owned subsidiary company. However, the Company does not have any material non-listed Indian subsidiary.

**Brief of the Company's subsidiary company as on March 31, 2010 is as under:**

Sr. No.	Name of the Subsidiary	Date of Incorporation	Country in which Incorporated
1	C2M Technologies India Limited	18 <sup>th</sup> December, 1996	India

**Subsidiary Monitoring Framework**

The Company manages its subsidiary company having the rights and obligations to manage such companies in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Boards of Subsidiary Companies and monitors the performance of the subsidiary company. Financial statements are reviewed quarterly by the Audit Committee of the Company.

**VIII DISCLOSURES**

- There were no material individual transactions with the related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large.
- All accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- No money was raised by the Company through public issue, rights issue, preferential issues etc. in the last financial year and hence provisions contained in this behalf in Clause 49 of the listing agreement are not applicable for Compliance by the Company.
- There is no pecuniary relationship or transactions of non-executive directors vis-à-vis the Company.
- No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets.