

ATCOM TECHNOLOGIES LIMITED

21st ANNUAL REPORT
2010-2011

BOARD OF DIRECTORS

MR. VIKRAM A. DOSHI

MR. MAHENDRA SANGHAVI

MR. RAJENDRA PRADHAN

BANKERS

DENA BANK
STATE BANK OF PATIALA
IDBI BANK
STATE BANK OF INDIA

AUDITORS

M/S. 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 Twenty-first 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. Ambekar Road, Wadala, Mumbai 400 031 on Thursday, 29th September, 2011 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the period ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mahendra Sanghavi 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

Place: Mumbai
Dated: 30th May, 2011

Sd/-
(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.
- 3) Corporate Members are requested to send duly certified copy of the Board Resolution authorising their representative to attend and vote at the Meeting.
- 4) The Register of Members and Transfer Books of the Company will remain closed from Thursday, 22nd September, 2011 to Thursday, 29th September, 2011(both days inclusive)
- 5) Members holding shares in physical form are requested to immediately intimate changes, if any, in their registered addresses along with the PIN CODE to the Company or the Registrars so as to enable the Company to address future communication to their correct addresses.
- 6) Members are informed that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 7) In terms of section 109A of the Companies Act, 1956, Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nominations are

requested to send their requests in form 2B in duplicate to the registered office of the Company or the Registrars. The nomination forms will be made available to the members on request.

- 8) Members holding shares in multiple folios in the same name or in the same order of names are requested to consolidate their holding into a single Folio.
- 9) A brief profile of the Directors retiring by rotation and eligible for re-appointment, as stipulated under clause 49(IV)(G) of the Listing Agreement are provided as an annexure to the Notice. The Company has received the requisite Form DD-A from the said Directors in terms of Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules 2003 confirming their eligibility for re-appointment.
- 10) For security reasons and for proper conduct of the Meeting, entry to the venue of the Meeting will be regulated by the Attendance Slip, which is annexed to the Proxy Form. Members / proxies attending the Meeting are requested to bring their Attendance Slip complete in all respects and signed at the place provided there at and handover it over at the entrance. Members holding shares in dematerialized form are requested to carry their depository account number along with the depository participant identification number. Members / Proxies are also requested to bring their copy of the Annual Report to the Meeting.
- 11) Please note that in terms of SEBI Circulars No.MRD/DoP/Cir-05/2009 dated May 20, 2009 and No. SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7th January, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card for transfer / transmission / deletion / transposition of securities. In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer/deletion/ transmission and transposition of shares of the Company in physical form will be returned under objection.
- 12) Non-resident Indian Members are requested to inform the Registrar Bigshare Services Private Limited, immediately on change in residence status on return to India for permanent settlement.
- 13) Members desiring any relevant information or clarifications on the Accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance of the meeting, so as to enable the Management to compile the information and provide replies at the meeting.
- 14) The Company has implemented the “ Green Initiative” as per circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act,1956

DIRECTORS' REPORT**The Members,**

The Directors have pleasure to present the Twenty-first Annual Report with the Audited Statement of Accounts for the period ended 31st March, 2011.

FINANCIAL RESULTS**(Rupees in lacs)**

<u>PARTICULARS</u>	<u>2010-2011</u>	<u>2009-2010</u>
Gross Profit/(Loss) before depreciation	(51.60)	(6.44)
Less: Depreciation	(99.11)	(103.69)
Operating Profit/(Loss)	(89.73)	(110.13)
Less: Deferred tax	0.00	0.00
Profit/(Loss) after Tax	(89.73)	(110.13)
Add: Waiver of Term Loan /Cash Credit OTS	3188.85	0.00
Profit/ (Loss) after Extra Ordinary Item	(3099.12)	(110.13)
Add: Debit Bal of Profit & Loss A/c from previous year	(22311.95)	(22201.82)
Balance available for Appropriation	(19212.83)	(22311.95)
Deficit Carried to Balance Sheet	(19212.83)	(22311.95)

DIVIDEND

Due to carried forward 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 2010-2011 amounted to Rs. 1,434,640 as compared to Rs. 512,503 in the year 2009-2010 representing a rise 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

As per provisions of Articles of Association of the Company Mr. Mahendra Sanghavi, the Director of the Company retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Details of director seeking re-appointment at the ensuing Annual General Meeting fixed on 31st July, 2011.

Name of Director	Mr. Mahendra Sanghvi
Date of Birth	18 th May, 1956
Date of Appointment	24 th May, 2007
Expertise in specific functional areas	Marketing
List of other Directorships held excluding foreign companies, Companies under Section 25 of the Companies Act, 1956 & Private companies	Five
Chairman/Member of the committees of the Board of other Companies in which he/she is a Director	Nil

SUBSIDIARY COMPANIES

C2M Technologies India Limited

This subsidiary has not undertaken any significant business during the year under review.

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.

RESTRUCTURE OF THE COMPANY

The members are aware that during 2002-03 the Company became Sick Industrial Company as per the provisions of Sick Industrial Companies Act 1985 (SICA) and a reference was filed with Board for Industrial and Financial Reconstruction (BIFR) for determination of the measures with respect of the company. However some of the secured lenders initiated the proceedings under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SRFAESI) against the Company. As a result the reference under SICA could not be admitted by the BIFR.

After protracted negotiations with the secured lenders, the majority of secured lenders in-principle have agreed to arrive at compromise/ arrangement with the company and to withdraw the proceedings initiated under SRFAESI. Out of eleven banks six banks have supported the Company for rehabilitation and reconstruction and also entered for consent terms out of which four banks have been fully settled and two banks payment is being done as per schedule of Consent term. Remaining five banks have been given revised proposal for rehabilitation and reconstruction which are under their consideration. The Company is also under negotiations with promoters/ investors to bring in further funds to revive the company

In the circumstances, the Company proposes to restructure its activities through the scheme of Reconstruction / Demerger/ Amalgamation/ Arrangement and Compromise. For this purpose the Company will be required to file necessary reference to BIFR under SICA and / or Scheme of compromise or arrangement under Companies Act 1956 / SRFAESI.

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 period 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 31st March, 2011 and of its profit for the period 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 PERIOD ENDED 31ST MARCH, 2011.

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

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not annexed hereto as none of the employees have drawn remuneration exceeding Rs. 5,00,000/- p.m. or Rs. 60,00,000/- p.a.

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: 30th May, 2011

(Vikram A. Doshi)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

PERFORMANCE HIGHLIGHTS

In 2010-2011, 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.

OPPORTUNITIES AND THREATS

The lack of additional funds with your Company and the prolonged recession is affecting 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.

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.

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.

Date: 30th May, 2011

REPORT ON CORPORATE GOVERNANCE

Company's policies on the Corporate Governance and due compliance report for the year ended 31st March, 2011 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

Five Board Meetings on 17th May, 2010, 1st July 2010, 14th August 2010, 13th November, 2010, 12th February, 2011 were held during the financial period 2010-2011 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/she 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	8	2	3	5	Yes
Mr. Mahendra Sanghavi	Independent/ Non - Executive	4	1	3	5	Yes
Mr. Rajendra Pradhaan	Independent/ Non - Executive	-	-	-	5	Yes

Excludes private companies and companies registered under Section 25 of the Companies Act, 1956.

The Committee Membership also includes the chairmanship in other boards

Directors who could not attend the meeting have obtained leave of absence from the Board/Committee.

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.

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.

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.

Five meetings on 17th May, 2010, 1st July 2010, 14th August 2010, 13th November, 2010, 12th February, 2011 were held during the financial period 2010-2011 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 5 Meetings
Mr. Rajendra Pradhaan	Chairman	Non-executive Independent Director	5
Mr. Vikram A. Doshi	Member	Non-executive /Promoter Director	5
Mr. Mahendra Sanghavi	Member	Non-executive Independent Director	5

IV. REMUNERATION COMMITTEE:

Composition, Meeting and Attendance

The Remuneration Committee has been constituted for performing inter alia the role/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 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 held during the financial year 2010-2011.

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