

**30TH ANNUAL REPORT
ATCOM TECHNOLOGIES LIMITED
2019-20**

INSIDE THIS REPORT

- ❖ Corporate Information
- ❖ Chairman's Message
- ❖ Board's Report
- ❖ Annexures to the Board's Report
- ❖ Corporate Governance Report
- ❖ Management's Discussion and Analysis
- ❖ Financial Statements

Standalone

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Notes to Financial Statements

Consolidated

- Independent Auditor's Report
- Balance Sheet
- Statement of Profit and Loss
- Notes to Financial Statements

- ❖ Notice of Annual General Meeting

CORPORATE INFORMATION - ATCOM TECHNOLOGIES LIMITED

❖ **Board of Directors**

Vikram Doshi
Managing Director

Leena Doshi
Non-Executive Director

Mahendra Sanghvi
Independent Director

Ankur Jain
Independent Director

Shreya Mehta
Independent Director

❖ **Board Committees**❖ **Audit Committee**

Mahendra Sanghvi (Chairman)
Ankur Jain
Vikram Doshi

❖ **Stakeholder's Relationship Committee**

Ankur Jain (Chairman)
Mahendra Sanghvi
Shreya Mehta

❖ **Nomination and Remuneration Committee**

Ankur Jain (Chairman)
Mahendra Sanghvi
Shreya Mehta

❖ **Auditors**❖ **Gada Chheda & Co. LLP**

Chartered Accountants (Firm's Registration No. W100059)

❖ **Bankers**

IDFC Bank
Corporation Bank

❖ Registrar and Transfer Agents**Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol,
Andheri East, Mumbai - 400 059.

Phone: +91 22 62638200 | E-mail: rajeshm@bigshareonline.com

❖ Registered Office

5 ,Sannidham, 145, Indulal D Bhuva Marg, Wadala Mumbai-31

CIN: L29299MH1989PLC054224 | Phone: 022 35566211

Email: contact@atcomtech.co.in | Website: www.atcomtech.co.in

BOARD'S REPORT

To,
The Members of
Atcom Technologies Limited

Directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company along with the Audited Financial Statements of the Company for the financial year ended on March 31, 2020.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

Financial Results and Appropriations	Standalone		Consolidated	
	Year ended 31/03/2020	Year ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
Revenue from Operations	0.00	0.00	0.00	0.00
Other Income	14.49	2354.19	14.40	2381.03
Total Revenue	14.49	2354.19	14.40	2381.03
Profit Before Tax (PBT)	(32.96)	2232.61	(33.16)	2234.63
Less: Taxation	650.18	0.00	650.18	0.00
Net Profit after Tax (PAT)	617.21	2232.61	617.02	2234.63
Other Comprehensive income (net of tax)	0.00	0.00	0.00	0.00
Total comprehensive income for the year	617.21	2232.61	617.02	2234.63
Balance brought forward from Previous Year	-14546.71	-16779.33	-17619.76	-19854.39
Profit/(Loss) for the year	617.21	2232.61	617.02	2234.63
Balance carried to Balance Sheet	-13929.50	-14546.71	-17002.74	-17619.78

Note: The Company discloses financial results on a quarterly basis of which results are subjected to limited review and publishes audited financial results on an annual basis. The Financial Statements as stated above are also available on the website of the Company at www.atcomtech.co.in.

During the Financial Year 2019-20 Profit is due to reversal of Deferred Tax Liabilities, which has been shown by the company for more than 15 years and has no real liability associated.

2. NATURE OF BUSINESS

The Company is engaged in the activities of Manufacturing and Trading in Weighing scales etc. There was no change in nature of the business of the Company, during the year under review.

3. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

4. FINANCIAL PERFORMANCE

Consolidated

During the year under review, the Company recorded consolidated total revenue of Rs. 14.40 lakh as compared to Rs. 2381.03 lakh for the previous year and Profit before Tax stood at Rs. 617.02 lakh for the year under review as compared to Rs. 2234.63 lakh for the previous year.

Standalone

During the year under review, the Company recorded total revenue of Rs. 14.49 lakh as compared to Rs. 2354.19 lakh for the previous year and Profit before Tax stood at Rs. 617.21 lakh for the year under review as compared to Rs. 2232.61 lakh for the previous year.

5. DIVIDEND

Keeping in view need to conserve resources of the Company, Directors are constrained not to recommend any dividend for the year under review.

6. TRANSFER TO RESERVES

During the year under the review the Company has transferred of Rs. 617.21 lakh to the Reserves and Surplus.

7. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

8. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has one subsidiary company named Anewera Marketing Private Limited and 3 (three) step down subsidiaries as on May 28, 2019. A statement containing brief financial details of the subsidiaries is included in the Annual Report.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statements have been prepared in accordance with the relevant accounting standards as prescribed under Section 129 (3) of the Act. These financial statements disclose the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed thereunder and pursuant to Clause 33 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company had prepared consolidated financial statements of the company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 forms part of the Directors' Report as **Annexure - I**.

9. DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated in Section 134(3)(c) read with sub-section (5) of the Companies Act, 2013, to the best of their knowledge and ability state that:

- a) In preparation of Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) The Directors have selected such accounting policies and applied them consistently and made judgments 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 financial year and of the profit or loss of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts for the year ended March 31, 2020 on going concern basis;
- e) The Directors have laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

11. CORPORATE GOVERNANCE

The Company recognizes the importance of Good Corporate Governance, which is the tool of building strong and everlasting beneficial relationship with customers, suppliers, bankers and more importantly with the investors. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation and integrity.

Our Corporate Governance Report for the year 2019-20 forms an integral part of this Annual Report, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The members of the Board of Directors of the Company are of proven competence and integrity. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the Directors have a significant degree of commitment to the Company and devote adequate time for the meetings, preparation and attendance.

Appointment

Mrs. Leena Doshi was appointed as an Additional Director of the Company with effect from April 8, 2019. Subsequently, Mrs. Leena Doshi was appointed as a Director with effect from September. 26, 2019

Mr. Mukesh Kumar Chaudhary was appointed as a Company Secretary and Compliance Officer with effect from June 03, 2019.

Ms. Nida Khot was appointed as Company Secretary and Compliance Officer with effect from November 11, 2019.

Ms. Seema Nishant Ravle was appointed as a Company Secretary and Compliance Officer with effect from 01/02/2020

Cessation

Mr. Kiran Mukadam who was appointed as a Company Secretary and Compliance Officer on March 12, 2019 ceased from the post with effect from April 26, 2019.

Mr. Mukesh Kumar Chaudhary ceased from the post of Company Secretary and Compliance Officer with effect from August 14, 2019.

Ms. Nida Khot ceased from the post of Company Secretary and Compliance Officer with effect from December 20, 2019.

Board Independence

'Independence' of Directors means as defined in Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

- a) Mr. Mahendra Jagmohan Sanghvi
- b) Mr. Ankur Kunwarsen Jain
- c) Ms. Shreya Mehta

Declaration by Independent Directors

The Company has received declarations from all the independent directors of the Company that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act, read with the Rules framed thereunder.

Mr. Vikram Doshi	-	Managing Director w.e.f. March 12, 2019
Mr. Sanjay Nimbalkar	-	Chief Financial Officer w.e.f. March 12, 2019
Mr. Kiran Mukadam	-	Company Secretary (Appointed w.e.f. March 12, 2019 and Resigned w.e.f. April 26, 2019)
Mr. Mukesh Chaudhary	-	Company Secretary (Appointed w.e.f. June 03, 2019 and Resigned w.e.f. August 14, 2019)

Ms. Nida Khot	-	Company Secretary (Appointed w.e.f. November 12, 2019 and Resigned w.e.f. December 20, 2019)
Ms. Seema Ravle	-	Company Secretary (Appointed w.e.f. February 01, 2020)

Policy on Director's Appointment and Remuneration

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Board consists of five members, three of whom are independent directors. The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report.

Board Evaluation

The Company has devised a Board Evaluation Framework for performance evaluation of Independent Directors, Board, Non-Independent Directors and Chairman of the Company. Pursuant to this framework, the Board has carried out the annual evaluation of its own performance as well as the evaluation of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for Board, Committee and individual Directors.

The Board acknowledged certain key improvement areas emerging through this exercise and action plans to address these are in progress. The performance evaluation of the Non-Independent Directors including Chairman could not be carried out by the Independent Directors this year due to the impact of Covid-19. The Nomination and Remuneration Committee has further carried out evaluation of all Directors including Independent Directors. The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to Conservation of Energy, Technology Absorption and Foreign Earning and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read together with Rule 8(3) of the Companies (Accounts) Rules, 2014 forms part of this Report as **Annexure II**.

14. EXTRACTS OF ANNUAL RETURN

As required under Section 134(3)(a) and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the Extract of the Annual Return as at March 31, 2019 is put up on the Company's website and can be accessed at <https://www.atcomtech.co.in/annual-report-policies>

15. PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

The information required pursuant to Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

No related party transactions that were entered during the financial year. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Accordingly, the disclosure of related party transaction as require under Section 134(3)(h) of the Companies Act, 2013 in form AOC-2 is not applicable.

17. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

There has not been an occasion in case of the Company during the year to transfer any sums to the Investor Education and Protection Fund.

18. AUDITORS

Statutory Auditors

M/s. Gada Chheda & Co. LLP (Firm Registration No. W100059), Chartered Accountants, Mumbai, are the Statutory Auditors of the Company for the year ended March 31, 2020.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the last Annual General Meeting, held on September 26, 2019.

Audit Report

The Statutory Auditors of the Company have submitted Auditors' Report, which have certain Qualifications on the Financial Statements for the year ended on March 31, 2020.

Management's Explanation to the Auditor's Qualifications:

- a) In respect of the qualification with regards to term loans and working capital facilities availed by the company from various banks and financial institutions were classified as Non-Performing Assets (NPAs) in earlier financial years. The Company has not made any provision for interest on these loans over the years since no communication was received from the lenders regarding the amount of interest provision as the same was classified as NPAs. Management's Explanation is as under:

The Company became NPA in 2003-04. The only communication received by the lenders in this tenure has been accounted for in company's books. The lenders are not accounting for this interest income in their books since 2004, and therefore the Company has not reflected the notional interest expense in its books. The Company has also filed a lender's liability claim in DRT.

The Company has already resolved the claims of 5 bankers from the consortium and the resolution did not involve an interest amount. The company currently in the process of resolving with the remaining bankers. The qualifications will hold true only until the settlement is arrived it.

- b) In respect of the qualification with regards to accumulated losses and its network has been substantially eroded. The Company is currently under liquidation in the High Court. Further the Company has also filed a Scheme of rearrangement & compromise with the NCLT. These