
NHN CORPORATION LIMITED

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15TH ANNUAL REPORT

BOARD OF DIRECTORS

Mr. Vikram A. Doshi
Chairman & Managing Director

Mr. Chirag S. Gandhi
Director

Mrs. Leena V. Doshi
Director

Mr. Mahendra Sanghavi
Director

Mr. Suresh Talwar
Director

BANKERS

ICICI BANK
HDFC Bank Limited

AUDITOR

G. C. Patel & Co.,
Chartered Accountants

SHARE REGISTRAR &
TRANSFER AGENT

Bigshare Services Pvt. Ltd.
E - 2/3, Ansa Industrial Estate,
Sakivihar Road, Sakinaka,
Andheri (E), Mumbai - 400 072.
Tel. No. 28470652/40430200
Fax No. 28525207.
Email : info@bigshareonline.com

REGISTERED OFFICE

NHN Corporation Limited
6, Lalwani Industrial Estate,
H, C.D. Ambekar Road,
Wadala, Mumbai - 400 031.

WORKS

Daman Industrial Estate,
Airport Road, S. No.74/13,
Village Kadaiya,
Daman - 396 210.

BRANCH OFFICE

Vaghela Avenue, 2nd Floor,
Behind Havmor Restaura,
Navrangpura, Ahmedabad - 380 004.

H-6, Agarwal Tower,
14, 2nd Floor, Netaji Subhash place,
New Delhi 110034

17A, Somnath Industrial Estate,
Somnath Road,
Village Dabhel,
Daman - 396 210.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MONDAY, JUNE 15, 2009 AT 4 P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT 6, LALWANI INDUSTRIAL ESTATE, 14, G.D. AMBEKAR ROAD, WADALA, MUMBAI 400031, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2009, Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Leena Doshi who retires by rotation and, being eligible, offer herself for re-appointment.
3. To appoint a Director in place of Mr. Mahendra Sanghavi who retires by rotation and, being eligible, offer himself for re-appointment.
4. 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 Messer's G.C. Patel & Co. Mumbai, 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 to be fixed by the Board of Directors".

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Resolution passed earlier and pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board") to borrow from time to time, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, any sum or sums of money not exceeding at any time the sum of Rupees Two Hundred crores over and above the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company apart from the temporary loans obtained from the Company's bankers in the ordinary course of business, will exceed the aggregate of the paid-up capital of the Company and its free reserves, not set apart for any specific purpose.

"AND RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary or desirable to give effect to this Resolution."

6. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in supersession of the Ordinary Resolution passed earlier be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors mortgaging and/or charging and/or pledging all or any of the immovable properties and movable properties, including but not limited to shares, stocks, bonds, debentures, inventories, sundry debtors, cash & bank balances and/or any other current assets, of the Company, whatsoever and wheresoever situate, both present and future and/or a floating charge on the movable properties of the Company, together with the power to take over the management of the Company in certain events, to or in favour of the banks financial institutions, debenture trustees or any other person to secure any loans or borrowing from such banks, financial institutions or any other person or other indebtedness incurred by the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalise and execute documents for creating the aforesaid mortgages and/or charges and/or pledges and to do all such acts, deeds, matters and things as may be necessary for giving effect to the aforesaid Resolution."

7. To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT the name of the Company be changed from the present name "NHN CORPORATION LIMITED" to "ATCO CORPORATION LIMITED" subject to the approval of the Central Government in accordance with Section 21 of the Companies Act 1956,

"RESOLVED FURTHER THAT upon change of the name becoming complete and effective in pursuance of Section 23 of the Companies Act, 1956, the name "AFCO CORPORATION LIMITED" be substituted for the present name of the Company wherever appearing in the Company's Memorandum of Association and Articles of Association."

Registered Office:
6, Lalwani Industrial Estate,
14, G. D. Ambekar Road,
Wadala, Mumbai - 400 031.

For and on behalf of the board

sd/-

sd/-

Place: Mumbai
Date: 12th May 2009

Vikram A. Doshi Mahendra Sanghavi
Director Director

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 only on poll and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered office of the Company not less than forty eight before the commencement of the meeting.
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956, in respect of special businesses is annexed hereto.
3. Members/Proxies should fill the Attendance Slip for attending the meeting.

All documents referred to in the accompanying Notice are open for inspection at the Registered office of the Company during office hours on all working days except Saturdays/Holidays between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

4. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting and members who hold shares in electronic form (Demat) are requested to bring their Client ID and DP ID numbers for identification of attendance at the meeting.
5. The Register of Members and Share Transfer Books will remain closed from Tuesday, the 9th June, 2009 to Monday, the 15th June, 2009 (both days inclusive).
6. Members are requested to notify the change in their address to the Company and/or Registrar & Share Transfer Agent of the Company in physical mode and always quote their folio no. in all correspondence with the Company. In respect of holding in electronic form, members are requested to notify any change of address and change in bank details to their Depository participants.
7. Members are requested to bring their copy of Annual Report to the Meeting.
8. Members seeking further information on the accounts or any other matter contained in the Notice are requested to write to the Company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.
9. Company shares are listed at Bombay Stock Exchange Ltd. Trading in the scrip not available because scrip is suspended and the Company has completed all the formalities for revocation of suspension for trading of shares. Company has paid Listing fees upto the F.Y 2009-2010.
10. Requirement under the Listing Agreement pursuant to the requirement of clause 49 of the Listing agreement the required information pertaining to the two directors Mr.s. Leena Doshi and Mr. Mahendra Sanghavi who retire by rotation being eligible offer themselves for reappointment is furnished below.

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Details of the Directors seeking re-appointment in the ensuing Annual General Meeting

Name of Director	Mrs. Leena Doshi	Mr. Mahendra Sanghavi
Date of Birth	01/05/1965	18-05-1956
Date of Appointment	30/09/2008	30/09/2008
Expertise in specific functional area	HR Management	Marketing
Qualification	B.Com	M.Com
No. Equity Shares held	3792927	NIL
List of outside Company Directorship held	1. Anew Electronic Industries Private Limited 2. Covet Securities & Leasing Private Limited 3. Harvest Electronics Private Limited 4. Kinaya Shopee Limited 5. Doshi Enterprises Private Limited 6. Edesk Services Limited	Atcom Technologies Ltd Atcommart Services Ltd
Chairman/Member of committee of the Board of Directors of the Company	--	Audit Committee- Member Shareholders' Committee - Member Remuneration Committee - Member
Chairman/Member of Committees of Director of other Companies in which he/she is a Director a) Audit Committee b) Remuneration Committee	--	<u>Audit Committee</u> Atcom Technologies Ltd <u>Remuneration Committee</u> Atcom Technologies Ltd
c) Shareholders/Investors Grievance Committee/Share Transfer Committee	--	Atcom Technologies Ltd

Registered Office:
6, Lalwani Industrial Estate,
14, G. D. Ambekar Road,
Wadala, Mumbai - 400 031.

Place: Mumbai
Date: 12th May 2009

For and on behalf of the Board

sd/-

sd/-

Vikram A. Doshi
Director

Mahendra Sanghavi
Director

ANNEXURE TO NOTICE DATED 12th May 2009**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE BUSINESS (Annexure to the notice)**

As required by Section 173(2) of the Companies Act, 1956, (hereinafter referred to as "the Act") the following Explanatory Statement sets out all material facts relating to the Special business mentioned of accompanying Notice dated 12th May, 2009

Item No. 5 & 6

In order to provide for additional funds that may be needed for future expansion and/or diversification activities, it is proposed to increase the limit to Rupees Two Hundred crores, over and above the aggregate of the paid-up capital and free reserves, that is to say reserves not set apart for any specific purpose, of the Company apart from the temporary loans obtained from the Company's bankers in the ordinary course of business. Accordingly, the consent of the Members under Section 293(1)(d) of the Act is being requested to enable the Board to borrow moneys upto the above increased limit. The Directors recommend the passing of the Resolution at item No. 5 of the Notice. The Resolution at Item No. 5 of the Notice, if passed, is of an enabling nature and would be in supersession of the Resolution passed earlier by the Members.

Further the said borrowings may be required to be secured by the mortgage / charge over all or any part of the moveable or immovable properties of the company and as per section 293(1)(a) of Companies Act 1956. The said mortgage / charge over all or part of the moveable or immovable properties of the company may be deemed as a disposal of the whole or substantially the whole of the undertakings of the Company and hence requires the approval of the shareholders of the company.

Your directors recommend the resolutions as set above for your approval. None of the directors, in any way concerned or interested in the said resolutions.

Item No. 7

The board of directors proposed to change the name of the company from "NHN Corporation Ltd" to "ATCO Corporation Ltd". The Company was formerly known as Atco healthcare Ltd. The Company has received approval from Register of companies with regards to availability of said name.

Registered Office:
6, Lalwani Industrial Estate,
14, G. D. Ambekar Road,
Wadala, Mumbai - 400 031.

For and on behalf of the Board

sd/-

sd/-

Place: Mumbai
Date: 12th May, 2009

Vikram A. Doshi
Director

Mahendra Sanghavi
Director

DIRECTORS' REPORT

To
The Members,

Your Directors are presenting the 15th Annual Report of the Company together with Audited Accounts for the period ended March 31, 2009.

FINANCIAL RESULTS

	2008 - 2009	(Rupees in lacs) 2007 - 2008
Sales & Other Income	1778.34	995.46
Profit/(Loss) before Depreciation & Tax	23.11	60.90
Less: Depreciation	21.17	24.39
Less: Provision for Taxation	2.53	0.72
Add: Income from Extra Ordinary Item	480.57	
Profit/(Loss) after Depreciation & Tax	479.98	35.79
Income Tax Paid (Prior Year)	0.00	0.00
Less: Prior Period Expenses	0.00	(0.92)
Profit/ (Loss) Account Bal B/F	(1258.03)	(2989.21)
Add : Debit Bal of Profit & Loss A/c of Erstwhile Atcomaart Ltd	0.00	(29.74)
		(3019.87)
Less: On Reduction of Share Capital	0.00	1536.12
Waiver of Interest of GIC Loan for Earlier year	0.00	189.93
		1293.82
Balance carried to Balance Sheet	(778.05)	(1258.03)

Business Overview:

This is the second year since the amalgamation of Atcomaart Limited with the NHN Corporation Ltd. Atcomaart Limited is a dealer of Industrial & Business Products and has developed a good franchise network. It is planning to roll out more and more allied products work with the idea to provide a one stop for all industrial Business Products in India. The distribution network of the Company has already been set up and the Company will reap the benefits from full fledged distribution network in the coming year. It plans to create a strong distribution network catering to the industrial and business supply. The entire network is initially planned to be created on a franchisee basis as well as own warehouse stores, which is very cost effective model. The business model aims to create a common platform for buyers and sellers and its role would be largely service oriented.

The Company's business has shown a sign of improvement this year as compared to the Previous Financial Year. The carry forward losses to the extent of Rs 479.98 lacs have been wiped off. The Company has been trying to put in lot more efforts to sustain in the Packaged Drinking Water business and the management is confident of making a come back. The company has been exploring other business opportunities so as to add Value to the shareholders of the company.

Dividend:

Due to the losses incurred in the past few years, the Board of Directors have not recommended any dividend.

Fixed Deposits

The Company has not accepted any "deposits" from the public during the year under review.

Corporate Governance:

Your Company believes in coherent and self-regulatory approach in the conduct of its business to achieve better standard of Corporate Governance. It has complied with the requirement of the Corporate Governance as stipulated by SEBI. A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to and forms part of the report.

Employee Relations:

Relations between the employees and the Management continued to be cordial during the year. A statement of particulars of employees as required under section 217 (2A) of the Companies Act, 1956 is not annexed hereto as none of the employees drawing remuneration exceeding Rs.2,00,000/- p.m. or Rs.24,00,000/- p.a.

Trade Relations:

Your Company continued to receive unstinted support and co-operation from its retailers, stockist, suppliers of goods/services and all others associated with it. Your Board wishes to record its appreciation and your Company would continue to build and maintain strong links with its business partners.

Energy, Technology Absorption and Foreign Exchange:

Details of energy conservation and research and development activities undertaken by the Company along with the information in accordance with the provisions of Section 217(1)(e) of the Companies Act read with the Companies

NHN Corporation Limited**15th ANNUAL REPORT 2009**

(Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are annexed hereto and forms part of this report.

Directors:

In accordance with the articles of the association Mrs. Leena Doshi and Mr. Mahendra Sanghavi retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Auditors:

M/s. G.C. Patel & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of this Annual General Meeting and have expressed their willingness to be reappointed. Their reappointment, if made, would be within the limits specified under section 224 (1-B) of the Companies Act, 1956. Members are requested to reappoint them and fix their remuneration.

Directors' Responsibility Statement:

Pursuant to Section 217 (2A) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That 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 ended on 31st March, 2009 and of the loss of the Company for that period;
- iii) 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;
- iv) That the Directors have prepared the annual accounts on a going concern basis.

Acknowledgements:

The Directors sincerely appreciate the high degree of professionalism, commitment and dedication of the employees at all levels.

On behalf of the Board of Directors

Date: 12th May, 2009

Place: Mumbai

sd/-

sd/-

Vikram A. Doshi
Director

Mahendra Sanghavi
Director

ANNEXURE TO THE DIRECTORS' REPORT

Particulars required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

a. Energy conservation measures taken:

- Use of natural light through bigger windows, skylights etc.
- Increase in power factor by using additional capacitors and automation in control panel.
- Monitoring and control of running time of compressors and air conditioners.
- Replacement of conventional copper chokes with energy efficient electronic ballast.

b. Additional investment and proposals:

- It is planned to extend the measures taken during the current year which yielded good results, to other areas/equipment/offices.
- Electronizer equipment is actively being considered for optimizing energy consumption in lighting loads.
- It is planned to undertake Energy Audit through competent authorities.

c. Impact of measurement at a. and b. above for reduction of energy consumption and consequent impact on the cost of production of goods:

- The measures taken above have resulted in reduction of power consumption

(B) TECHNOLOGY ABSORPTION:

a. Research and Development (R & D)

Upgradation of QC laboratory to meet requirements of BIS for ISI mark and international Quality standards.

b. Technology absorption, adaptation and innovation:

1. The plants were audited by technical personnel for process efficiency, quality improvisation and innovation.

2. Benefits derived:

- Reduction in wastage.
- Improvement in output rate.
- Reduction in cost of production.

3. Information regarding technology imported during the last five years:

- | | |
|---|----------------|
| a. Technology imported | No |
| b. Year of import | Not applicable |
| c. Has technology been fully absorbed | Not applicable |
| d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of actions | Not applicable |

(C) Foreign Exchange Earnings Outgo

	2008-09	2007-08
Earning	Nil	Nil
Outgo	Nil	Nil

Date: 12th May 2009

Place: Mumbai

On behalf of the Board of Directors

sd/-

sd/-

Vikram A. Doshi
Director

Mahendra Sanghavi
Director

MANAGEMENT DISCUSSION AND ANALYSIS**Highlights of performance:**

31st March 2009 was the second year of amalgamated company NHN Corporation limited. Company is now operating two business lines and both of them have their strengths of being a futuristic and sustainable business. Business of water had been always a fastest expanding business all over India. The turnover of the Company has improved significantly since its amalgamation.

Opportunities, Initiatives and future Outlook:

Having a continuous close study of various available business opportunities, the company is planning to expand their water business through franchisee network and expand industrial and business supplies store through well thought out business strategy of reaching out to customers through product consultants. Company should be able to perform on both the businesses by reducing the carry forward losses drastically.

Risk & Concerns:

The Risks, be it external or internal, is inherent in every business. For our company main risk factor is to build a formidable team, who can support company's vision to turn around and perform with objectivity driven plan as per the way it has been forecasted.

Formalised process of identifying and accessing business risk, specific action monitoring mechanism are placed to manage the business risk.

Internal Control & their adequacy:

Your Company has adequate internal control procedure commensurate with its size and nature of business. These internal control procedures ensure the following:

- Efficient use and protection of resources
- Compliance with policies, procedures and statutes
- Accuracy and promptness of financial reports

The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures. The internal audit reports, the progress in implementation of recommendations contained in the audit reports and the adequacy of internal controls are reviewed by the Board on regular bases.

Financial Performance:

Financial Performance which has been highlighted in the Directors' Report need to be viewed in the context of the bold initiative by the management under the difficult market as well as financial constraints.

Human Resources:

In today's competitive world where creativity and innovation are increasingly becoming important, development of Human Resources is the call of the day. Your Company is taking various steps to develop the skills and enhance the knowledge of the Human Resources. Human brain ware is one of the key elements of sustainable competitive advantage and stakeholder value creation. Your Company's human resource philosophy aims at nurturing an organizational culture that respects people, empowers and enable them to deliver high quality performance and rewards talent with competitively superior compensation and accelerated career growth opportunities. Your Company values its people integrity, excellence and the entrepreneurial passion to achieve.

Cautionary Statement:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operation and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.