



## ***Board of Directors***

**Mr. Vikram A. Doshi**

*Managing Director*

**Mrs. Leena Doshi**

*Director*

**Mr. Nitin Datanwala**

*Director*

**Mr. Dilip Mehta**

*Director*

**Mr. Piyush Vora**

*Director*

**Mr. Pradip Dubhashi**

*Director*

### **Bankers**

ICICI BANK  
HDFC BANK LIMITED  
AXIS 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. +91 22 2847 0652 / 4043 0600  
Fax No. +91 22 2852 5207  
Email: info@bigshareonline.com

### **Registered Office**

Atco Corporation Limited  
6, Lalwani Industrial Estate,  
14, G.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,  
214, 2nd Floor, Netaji Subhash Place,  
New Delhi – 110 034

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**Annual General Meeting**

Date : 14th September 2010

Day : Tuesday

Time : 4.00 p.m

Place : Matunga Gujarati Club Ltd, 2nd Floor, Natalal Parekh Marg,  
Near Arora Cinema, Matunga Circle, Mumbai - 400 019 .

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON TUESDAY ,14<sup>th</sup> SEPTEMBER, 2010 AT 4.00 P.M. AT MATUNGA GUJARATI CLUB LTD, 2<sup>nd</sup> FLOOR, NATALAL PAREKH MARG, NEAR ARORA CINEMA, MATUNGA CIRCLE, MUMBAI - 400 019 . TO TRANSACT THE FOLLOWING BUSINESS**

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010, Profit & Loss Account for the year ended as on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mrs. Leena Doshi who retires by rotation and, being eligible, offer herself for re-appointment.
4. To consider and if thought fit 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 G.C. Patel & Co., 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.”

### **SPECIAL BUSINESS**

5. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT Mr. Nitin Datanwala, who was appointed as an Additional Director, and whose term expires at ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT Mr. Pradip Dubhashi, who was appointed as an Additional Director, and whose term expires at ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
7. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT Mr. Piyush Vora, who was appointed as an Additional Director, and whose term expires at ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
8. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT Mr. Dilip Mehta, who was appointed as an Additional Director, and whose term expires at ensuing Annual General Meeting of the Company, and for the appointment of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:  
“RESOLVED THAT pursuant to the proposed revision in Clause 49 of the Listing Agreement with the Stock Exchange, consent of the Company be and is hereby accorded to the payment to the non-executive Directors of the Company of Rs. 3000/- (Rupees Three Thousand only) or such other amount as may be approved by the Board of Directors from time to time but not exceeding the limit prescribed under the Companies Act, 1956 for each meeting of the Board of Directors and/or Committee(s) thereof attended by them.”

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

For and on behalf of the Board

Sd/-  
Vikram Doshi  
Managing Director

Place: Mumbai  
Date: 29/05/2010

## Notes:

- 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 hours before the commencement of the meeting
- Members/proxies should fill the Attendance Slip for attending the meeting. All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturday / Holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting.
- 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.
- The Register of Members and Share Transfer Book will remain closed from Tuesday, 7th September, 2010 to Tuesday, 14th September, 2010 (both days inclusive)
- Members are requested to notify the changes 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.
- Members are requested to bring their copy of Annual Report to the Meeting.
- 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 at the meeting.
- Company shares are listed at Bombay Stock Exchange Ltd. Trading in the scrip is available for our Company. Company has completed all the necessary submissions with stock exchange and Company has paid Listing fees upto the F.Y. 2010-2011.
- Pursuant to the requirement of clause 49 of the Listing Agreement the required information pertaining to the five directors Mrs. Leena Doshi, Mr. Nitin Datanwala, Mr. Pradip Dubhashi, Mr. Dilip Mehta and Mr. Piyush Vora is furnished below.
- The explanatory statement pursuant to section 173(2) of the companies Act 1956 relating to item nos. 5 to 9 setting out all material facts is annexed herewith.
- Dividend for the year ended March 31, 2010 as recommended by the Directors if declared at the annual General Meeting, will be paid within the prescribed time to
  - i ) Those members whose names appear on the Register of members of the company on September 7, 2010.
  - ii) Those whose names appear as beneficial owners as at the close of business hours on September 6, 2010 as per details to be furnished by the National Securities Depository Limited & Central Depository Services ( India) Limited.
- Members are requested to notify immediately any their address to the Company / Register & Transfer Agents. in case their shares are held in dematerialized form, the information should be passed on to their respective Depository participants without any delay.
- The Reserve Bank of india has initiated the national Electronic Clearance Services (NECS) for credit of dividend directly to the bank accounts of members. Members holding shares in physical form are requested to provide their latest bank accounts detail (Core Banking Solutions enabled accounts number, 9 digit MICR and 11 digit IFS code) along with their folio numbers to the Company's Registrars and Transfer Agents and if the shares are held in dematerialized form, the information should be provided to their respective Depository Participant to enable the Company to print the same on the dividend warrants/ to avail of ECS/NECS facility, wherever applicable.
- Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.

Name of Director	Mrs. Leena Doshi	Mr. Nitin Datanwala	Mr. Pradip Dubhashi	Mr. Dilip Mehta	Mr. Piyush Vora
Date of Birth	01/05/1965	29/11/1951	25/08/1948	20/10/1953	30/12/1961
Date of Appointment	17/12/2007	28/08/2009	19/01/2010	19/02/2010	19/02/2010
Expertise in specific functional area			Star performer in Business Development		
Qualification	B.Com	C.A., C.S.	MBA, BE electrical	B.Com	B.Com, F.C.A.
No. Equity Shares held	18964635	---	---	---	---
List of outside Company Directorship held	1. Covet Securities & Leasing Pvt. Ltd. Kimaya Wellness Ltd Kimaya Shoppee Ltd	1.Afco Industrial And Chemical Ltd. 2.Seawind Investment & Trading Company Ltd 3.Inor Medical Products Ltd 4.Medical Microtechnology Ltd. 5.Lexicon Infotech Ltd 6.Varinilam Investment & Trading Co. Ltd. 7.Innovamedia Publications Ltd. 8.Mecrofill Investment Ltd. 9.Harvard Plantations Ltd. 10.N W Exports Ltd. 11.Perman Project Supports Ltd.	1.Onward Technologies Ltd. 2.Prime Securities Ltd. 3.India Co. Ltd. 4.Microline India Pvt. Ltd. 5.Divgi Metal Pvt. Ltd. 6.PTP Technologies Ltd.		1. Rohan Developers 2. Shivalik Ventures
Chairman / Member of committee of the Board of Directors of the Company		Chairman of Audit Committee Member of Shareholders and Remuneration Committee	Member of Audit Committee and Shareholders Committee	Member of Remuneration Committee	Member of the Audit Committee
Chairman / Member of Committees of Director of other Companies in which he / she is a Director a) Audit Committee b) Remuneration Committee			Onward Technologies Ltd. and Prime securities Ltd. Chairman, Member Member		
c) Shareholders / Investors Grievance Committee / Share Transfer Committee					

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

For and on behalf of the Board

Sd/-  
Vikram Doshi  
Managing Director

Place: Mumbai  
Date:29/05/2010

## **Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect to the special business**

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 business mentioned under item no. 5 to 9

### **Item No. 5**

Mr. Nitin Datanwala was appointed as additional director w.e.f. 28/08/2009. He is CA & CS by profession and has 32 years experience in financial management, corporate affairs, Secretarial function and corporate restructuring. His terms of appointment is upto the date of forthcoming Annual General Meeting.

The company has received notice from members under section 257 of the Companies Act, 1956 proposing his candidature to appoint him as Director. None of the Director other than himself is interested. The further required information pursuant to clause 49 is provided in the notice.

### **Item No. 6**

Mr. Pradip Dubhashi was appointed as additional director w.e.f. 19/01/2010. He is MBA & BE Electrical by profession and has 30 years experience in strategy consulting field and has assisted several technology and mature companies through growth phase. His terms of appointment is upto the date of forthcoming Annual General Meeting. The company has received notice from members under section 257 of the Companies Act, 1956 proposing his candidature to appoint him as Director. None of the Director other than himself is interested. The further required information pursuant to clause 49 is provided in the notice.

### **Item No. 7**

Mr. Piyush Vora was appointed as additional director w.e.f. 19/02/2010. He is B.com & F.C.A. by profession. He has 30 years experience in strategy consulting field and has assisted several technology and mature companies through growth phase. His terms of appointment is upto the date of forthcoming Annual General Meeting. The company has received notice from members under section 257 of the Companies Act, 1956 proposing his candidature to appoint him as Director. None of the Director other than himself is interested. The further required information pursuant to clause 49 is provided in the notice.

### **Item No. 8**

Mr. Dilip Mehta was appointed as additional director w.e.f. 19/02/2010. He is B.Com by qualification and has 25 years in-depth knowledge and rich experience in the fields of Pharmaceutical Trading, Marketing and Distributing. His terms of appointment is upto the date of forthcoming Annual General Meeting. The company has received notice from members under section 257 of the Companies Act, 1956 proposing his candidature to appoint him as Director. None of the Director other than himself is interested. The further required information pursuant to clause 49 is provided in the notice.

### **Item No. 9**

One of the requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is that all the fees/compensation payable to non – executive Directors, including the independent Directors, shall be fixed by the Board of Directors and shall require previous approval of the member in the General Meeting. At present, the company is paying all the non-executive Directors of the Company sitting fees of Rs. 1000/- for each meeting of the Board and Rs 500/- for each meeting of the Committee thereof, attended by them pursuant to Articles of Association of the Company

In view of the said requirement of Clause 49 of the Listing Agreement, approval of the Member is being sought for payment to the non-executive Directors of the Company of Rs. 3000/- (Rupees Three Thousand only) or such other amount as may be approved by the Board of Directors from time to time but not exceeding the limit prescribed under the Companies Act, 1956, for each meeting of the Board of Directors and/ or Committee(s) thereof attended by them.

All non-executive Directors of the Company and Mr. Vikram Doshi, Managing Director being relative of Mrs. Leena Doshi may be deemed to be concerned or interested in the resolution as Item No 9 of the notice to the extent of the fees if any, that may be paid to them by the Board in pursuance of the said Resolution.

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

For and on behalf of the Board

Sd/-  
Vikram Doshi  
Managing Director

Place: Mumbai  
Date: 29/05/2010

## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 16th Annual Report of the Company together with Audited Accounts for the year ended March 31st, 2010.

### FINANCIAL RESULTS

Particulars	(Rupees in lacs)	
	2009-2010	2008-2009
Sales & Other Income	11214.97	1778.34
Profit/(Loss) before Depreciation & Tax	1102.11	23.11
Less: Depreciation	22.13	21.17
Less: Provision for Taxation	90.08	0.81
Add/Less : Provision for deferred tax	0.75	1.71
Less: Prior Year Expenses	2.02	0.00
Add: Income from extra ordinary items	0.00	480.57
Profit/(Loss) after Depreciation & Tax	988.63	479.98
Debit balance of profit & loss account brought forward	(778.05)	(1,258.03)
Profit/(Loss) A/c Appropriation	210.58	0.00
Less: declared dividend	51.04	0.00
Less: Tax on Dividend	7.88	0.00
Balance Carried Forward to Balance Sheet	151.66	(778.05)

#### Business Overview:

The turnover of Packaged Drinking Water Business during year is Rs. 117.32 Lacs as against Rs. 142.16 Lacs in previous year showing the decline of 17.47%.

The Company has started software business as new line of business. The turnover of software business during the year is Rs. 1216.45 Lacs

The income from Industrial Business Supplies during year is Rs. 9700.08 Lacs as against Rs. 1152.79 Lacs in previous year showing the growth of 841.44%.

The Company has started Business Publication as new line of business.

The Company's business of dealing in Industrial and Business supply, on amalgamation of erstwhile Atcomaart Limited has shown substantial growth over last two years. Your Company has developed a good franchise network. The Company 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 had 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 extend of Rs. 778.05 lacs have been fully absorbed. The Company has been trying to put a 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.

Profit after tax is Rs. 988.63 Lacs compared to Profit of Rs. 479.88 Lacs in previous year. Your Company has been able to set off the entire carried forward losses during the year under review and has Rs. 174.38 Lacs available for appropriation.

#### Sub-Division of share capital of the Company:

The Company's shares are listed on the Bombay Stock Exchange and are actively traded. The market price of the shares of the Company witnessed significant spurt over the last year. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the equity shares and convertible warrants of the nominal value of Rs. 10/- for each share /



warrant were subdivided into five shares / warrants of Rs. 2/- each during the year. As a result, the number of Equity shares and the outstanding warrants of the company increased proportionately.

#### **Finance:**

During the year, out of the 4,95,00,000 warrants of Rs. 2/- each (earlier 9900000 warrants of Rs. 10/- each) issued earlier to Promoter/ Promoter group company as per BIFR order, 1,65,00,000 warrants of Rs. 2/- each got converted into equal number of Equity Shares of the Company of Rs. 2/- each at par. Further 2,47,50,000 of Rs.2/- each. (earlier 4950000 warrants of Rs. 10/- each) issued earlier to Promoter/ Promoter group company as per BIFR order, got converted into equal number of Equity Shares of the Company of Rs. 2/- each at par. As a result the paidup Capital of the Company increased to 9,19,51,500 shares aggregating to Rs. 183,903,000/-

#### **Dividend:**

Your Directors recommend a Dividend at the rate of 5% (Rs. 0.10 per share) on 50701500 Equity Shares of Rs 2/- each and (Rs. 0.0008 per share) on 41250000 Equity Shares of Rs 2/- each on pro-rata basis to the members who are the members of the Company as on record date to be fixed by the Board of Director. The total cash outflow on account of dividend including tax on dividend is Rs. 58.93 lacs. The dividend will be paid to those shareholders whose names appear on the Register of Members on 7th September, 2010.

#### **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 prescribed under clause 49 of the Listing Agreement with Stock Exchanges. A separate report on Corporate Governance along with Auditor's Certificate on its compliance is annexed to and forms part of the report.

Ministry of corporate Affairs (MCA) has issued voluntary Guidelines on Corporate Governance during the year. Your Company being a listed Company, is already implementing requirements of Clause 49 relating to Corporate Governance; and thereby is in compliance with some of the requirements prescribed under the aforesaid Guidelines of MCA. Your Company is examining the possibilities of other requirements of said MCA Guidelines.

#### **Employees 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 have drawn 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, stockiest, suppliers of goods / services and all others associated with it. Your Board wishes to record its appreciation for the service rendered by them. Your Company would continue to build and maintain strong links with its business partners.

#### **Energy, Technology Absorption, Foreign Exchange & Export Market Developments:**

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

During the year, the Company earned a small amount of Rs. 96,038/- against Rs. NIL in previous year. Your Company is examining various possibilities as to how it can explore and develop overseas market for its product, which however, will take time to give results.

#### **Directors:**

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

Mr. Chirag Gandhi and Mr. Mahendra Sanghvi resigned from the post of Director. The Board took on record its appreciation for the service rendered by them as Director.

Mr. Nitin Datanwala, Mr. Piyush Vora, Mr. Pradip Dubhashi and Mr. Dilip Mehta were appointed as Additional Directors and hold the office as Directors upto the date of forthcoming Annual General Meeting. The Company has received notices from members proposing candidature of for Mr. Nitin Datanwala, Mr. Piyush Vora, Mr. Pradip Dubhashi and Mr. Dilip Mehta for their appointment as Directors at the forthcoming Annual General Meeting.

**Change of name of the Company:**

The name of Company has been changed from NHN Corporation Limited to Atco Corporation Limited w.e.f. 15th June, 2009, to identify the Company with ATCO Brand.

**Alteration in other objects of Memorandum of Association of the Company:**

The Company proposes to make investments in the areas of business of the Company as a measure of achieving greater financial flexibility and to enable optimal financial structuring or to park available funds temporarily. In view thereof, the scope of business activities of the Company was required to be widened to include activities relating to the business of investments. Accordingly the sub-clause 47 of Clause B of the Memorandum of Association of the Company was altered during the year.

**Scheme of Demerger:**

Over the years, your Company embarked on a process of vertical integration and at the same time ventured into new areas of business. As on date your company have several business carried out by itself and through its subsidiaries, these business can be segregated into Industrial and Business supply, Drinking Water, Software Business, Industrial Publications and Advisory & Investment Business. Each of this businesses has significant potential of growth and capable of attracting different kind of investors & strategic partners.

With a view to unable distinct focus of investors or strategic partners in this diverse business and to lay greater focus to their operations, your company proposes to reorganize and segregate by way of demerger its business undertaking engaged in

- a) Business of Industrial Publications business into Innovamedia Publications Ltd
- b) Business of application service providing and software development into eDesk Services Ltd.

Your company has submitted the scheme of Demerger to the Bombay Stock Exchange Ltd and awaits for its approval.

**Subsidiary Companies:**

Your Company as part of its activities has undertaken expansion and restructuring its business including promoting and investing in equity of the Companies. As a part of this activity, your company in during year invested in

- a. Atcomaart Services Limited
- b. eDesk Services Limited
- c. Innovamedia Publications Limited

This above three companies becomes subsidiaries of your company in the year under consideration.

In accordance with the Accounting Standard (AS) 21 on consolidated Financial Statements read with Accounting Standard (AS) 23 on Accounting for Investment in Subsidiaries, the Audited Consolidated Financial Statements are provided in the Annual Report. However subsequently as on 5th April, 2010 the Geo Thermal Water Limited became subsidiary of the Company.

A statement pursuant to section 212 of the Companies Act, 1956 in respect of these subsidiaries is annexed as part of this report.

**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 (1B) of the Companies Act, 1956. Members are requested to reappoint them and fix their remuneration.

**Director's 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, 2010 and of the profit of the year;
- 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.

**For and on behalf of the Board**

Place: Mumbai  
Date: 29/05/2010

Sd/-  
**Vikram Doshi**  
Managing Director

Sd/-  
**Nitin Datanwala**  
Director

## ANNEXURE TO THE DIRECTOR'S REPORT

The company does not fall under the industries included in schedule of Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, however following details are given :

### I. Particulars required under Companies (Disclosures 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 of 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 yield 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:

- Improvement in output rate
- Reduction in wastage
- 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 been taken place, reasons therefore and future plans of actions | : | Not applicable |

#### (C) FOREIGN EXCHANGE EARNING OUTGO & EXPORT MARKET DEVELOPMENTS:

	2009-2010	2008-2009
Earning	Rs. 96, 038/-	Nil
Outgo	Rs. 6,70,335/-	Nil

2. For the purpose of Interse Transfer of Shares under regulation 3(1)(e) of Sebi (Substantial acquisition of Shares and Takeovers) Regulation, 1997, the following person constitute "Group" as defined monopolistic and restrictive Trade Practises, 1969, (54 of 1969)

- |                              |                                    |                                      |
|------------------------------|------------------------------------|--------------------------------------|
| 1) Anantrai Hirachand Doshi  | 6) Tanvi V. Doshi                  | 11) eDesk Services Limited           |
| 2) Anusuyaben Anantrai Doshi | 7) Kimaya Wellness Ltd.            | 12) Innovamedia Publications Limited |
| 3) Leena V. Doshi            | 8) Covet Securities & Leasing Pvt. | 13) Geo Thermal Water Limited        |
| 4) Vikram A. Doshi           | 9) Kimaya Shoppe Ltd               | 14) Geo Water Technologies Limited   |
| 5) Harsh V. Doshi            | 10) Atcomaart Services Limited     | 15) Atco Water Technologies Limited  |

Place: Mumbai  
Date: 29/05/2010

For and on behalf of the Board  
Sd/-  
**Vikram Doshi**  
Managing Director

Sd/-  
**Nitin Datanwala**  
Director

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## MANAGEMENT DISCUSSION AND ANALYSIS

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### Highlights of performance:

31st March, 2010 was the third year of amalgamated Company Atco Corporation Limited. Company is now operating four 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 increased 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.

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

### Internal Control & their adequacy:

Your Company had 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, authorizations and approval procedures. The internal audit reports, the progress in implementation of recommendations contained in the 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 Director's 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 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.

## CORPORATE GOVERNANCE – CLAUSE 49 OF THE LISTING AGREEMENT

### 1. Company's Philosophy

The philosophy of the Company in relation to Corporate Governance is to ensure transparency, disclosures and reporting that confirm fully with laws, regulations and guidelines, and to promote ethical conduct throughout the organization, with the primary objective of enhancing shareholders value while being a responsible corporate citizen. The Company is committed to conforming to the highest standards of Corporate Governance in the Country. It recognizes that the Board is accountable to all shareholders and that each member of the Board owes his first duty to protecting and furthering the interest of the Company.

### 2. Board of Directors

The policy is to have an optimum combination of Executive, Independent and Non-Executive Directors, to ensure the independent functioning of the Board. The Board consists of six directors of which one is executive director and rests are non-executive directors. The Board has four independent Directors. The Chairman of the board is an executive director.

### Composition of Category of Directors

The details of directorship in other Companies, Chairmanship and the Committee Memberships in other board (excluding private limited companies, foreign companies and section 25 companies) held by the Directors as on 31st March, 2010 are given below.

Name of Director	Category	Attendance particulars		Other Boards		
		Annual General Meeting	Board Meeting	Directorship	Committee	Committee Membership
Vikram A. Doshi	Executive / Non Independent	Yes	6	11	2	3
Leena V. Doshi	Non Independent	Yes	6	6	-	-
Mahendra Sanghvi (resigned on 19/02/2010)	Independent	No	5	-	-	-
Chirag Gandhi (resigned on 19/01/2010)	Independent	Yes	3	-	-	-
Nitin H. Datanwala (appointed as additional director on 28/ 08/ 2009)	Independent	No	3	14	-	-
Pradip V. Dubhashi (appointed as Additional Director on 19/ 01/2010)	Independent	-	1	6	1	2
Piyush A. Vora (appointed as Additional Director on 19/02/2010)	Independent	-	-	-	-	-
Dilip A. Mehta (appointed as Additional Director on 19/02/2010)	Independent	-	1	1	-	-

Note: The Committee Membership also includes the chairmanship in other boards.

### Meeting of the Board of Directors:

During the financial year 2009-2010, the Board of Directors met six times on the following dates:- 29th April 2009, 12th May 2009, 29th July 2009, 08th October 2009, 03rd December 2009 and 19th January 2010. The time gap between any of the above meetings did not exceed the period of 4 months.

Mrs. Leena Doshi retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer herself for re-appointment. Mr. Chirag Gandhi and Mr. Mahendra Sanghvi resigned from the post of Director. Mr. Nitin Datanwala, Mr. Piyush Vora, Mr. Pradip Dubhashi and Mr. Dilip Mehta were appointed as Additional Directors and hold the office as Directors upto the date of forthcoming

Annual General Meeting. However there was no gap of more than 180 days in case of said resignation & appointment of office of independent director to fulfill the vacancy.

### 3. Audit Committee

#### Terms of reference:

The Audit Committee comprises of three Directors namely, Mr. Vikram Doshi (Non independent Director) and Mr. Nitin Datanwala & Mr. Dilip Mehta (Independent Director) provides assistance to the Board of Directors in fulfilling its responsibilities. All of them are financially literate and Mr. Nitin Datanwala, Chairman of Audit Committee who was appointed 28/8/2009 is non executive independent director. He is Qualified Chartered Accountant and Company Secretary and has 32 years of experience in financial management , corporate affairs , secretarial functions and corporate restructuring. Mr. Chirag Gandhi who was former Chairman of the audit committee attended the Annual General Meeting. The Audit Committee was reconstituted during the year. Mr. Mahendra Sanghavi and Mr. Chirag Gandhi have resigned as Director and committee member also; and Mr. Nitin Datanwala was appointed on 28/08/2009 and Mr. Pradip Dubashi was appointed on 19/01/2010.

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.

#### Meeting and attendance of the members of the Audit Committee during the year 2009-2010

During the year under review, the committee has met five times i.e. 29th April, 2009, 12th May 2009, 29th July 2009, 08th October 2009 and 19th January 2010. The maximum time gap between two meetings have not exceeded the period of 4 months. The requisite quorum was present at all the meetings held during the year.

The attendance of the same meetings is as follows:

Committee Members	No. of Meetings	
	Held	Attended
Mr. Nitin Datanwala (appointed as Additional Director on 28/08/2009)	4	2
Mr. Vikram Doshi	4	3
Mr. Chirag Gandhi (resigned on 19/01/2010)	4	2
Mr. Mahendra Sanghavi (resigned on 19/02/2010)	4	4

The role and terms of reference of the Audit Committee briefly include review of internal Audit Reports on the financial statements, general interaction with the Internal Auditors, selection of establishment of accounting policies, review of financial results, both quarterly and annual before submission to the Board, review of Management discussion and analysis of financial condition and results of operation and adequacy of internal control systems and other matters specified under Clause 49 of the Listing Agreement.

### 4. Remuneration Committee

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. The Committee consists of three Directors namely, Mr. Vikram Doshi (Non independent Director) and Mr. Nitin Datanwala & Mr. Dilip Mehta (Independent Director).

It was reconstituted during the year. Mr. Mahendra Sanghavi and Mr. Chirag Gandhi have resigned as Director and committee member also; and Mr. Nitin Datanwala was appointed on 28/08/2009 and Mr. Dilip Mehta was appointed on 19/02/2010.

In the financial under review no remuneration committee meeting was held.

### 5. Shareholders Committee (Share Transfer & Investor Grievance)

The Shareholders/Investors Grievance Committee focused on shareholders grievances and strengthening of investor relations. The functions of the Committee include specifically looking into Redressal of investor's grievances pertaining to transfer of shares,

dematerialization of shares, replacement of lost/stolen/mutilated share certificates and other related issues.

The Committee consists of three Directors namely, Vikram Doshi (Non independent Director) and Mr. Nitin Datanwala & Mr. Pradip Dubhashi (Independent Director). Mr. Nitin Datanwala acts as a chairman to the committee. Mr. Omprakash Talreja is the Compliance Officer.

It was reconstituted during the year. Mr. Mahendra Sanghavi and Mr. Chirag Gandhi have resigned as Director and committee member also; and Mr. Nitin Datanwala was appointed on 28/08/2009 and Mr. Pradip Dubhashi was appointed on 19/01/2010

The Committee has met five times during the year, i.e. 30th April, 2009, 29th July, 2009, 31st October, 2009, 17th February, 2010 and 10th March, 2010.

During the year under review, five complaints were received, which were disposed off and no complaints was pending at the end of the quarter.

## 6. Sitting Fees

The Company pays sitting fees to each of the Non – Executive Directors, for attending meeting of Directors or committee thereof.

The details of the sitting fees paid to the Non – Executive Directors during the year ended 31st March, 2010 are given below:

	Board	Audit Committee	Share Transfer & Investor Grievances Committee	Remuneration Committee
Leena Doshi	6000	-	-	-
Chirag Gandhi (resigned on 19/01/2010)	3000	1000	1000	-
Mahendra Sanghavi (resigned on 19/02/2010)	5000	2000	1500	-
Nitin Datanwala (appointed as additional director on 28/08/2009)	3000	1000	1000	-
Piyush Vora (appointed as additional director on 19/02/2010)	-	-	-	-
Dilip Mehta (appointed as additional director on 19/02/2010)	-	-	-	-
Pradip Dubhashi (appointed as additional director on 19/01/2010)	1000	-	-	-

## 7. General Body Meeting

Details of General Meeting held during last three year are given below:

Financial Year	Type of Meeting	Date Meeting	Place of Meeting	Time	Items of Special resolution passed
2008-2009	Annual General Meeting	15/06/2009	Registered Office- 6, Lalwani Industrial Estate, 14 G.D. Ambekar Road, Wadala, Mumbai – 400 031	4.00 P.M.	Change of name from NHN Corporation Ltd. to Atco Corporation Ltd.
2007-2008	Annual General Meeting	30/09/2008	-do-	3.30 P.M.	
2006-2007	Annual General Meeting	29/09/2007	-do-	3.30 P.M.	-

During the year following three special resolutions were passed through postal ballot on 25th February,2010 :

- Special Resolution to alter the Objects Clause in the Memorandum of Association of the Company in terms of Section 17 and other applicable provisions of the Companies Act, 1956;
- Special Resolution under Section 372A of the Companies Act, 1956 to make further investments.
- Special Resolution under Section 94(1)(d) of the Companies Act, 1956 for subdivision of existing equity shares from Rs. 10/-

each into five equity shares of Rs. 2/- each

The Board appointed K.C. Sanghvi & Co. , Chartered Accountants , as the scrutinizer to conduct postal ballot voting process.

After scrutinizing all the ballot forms received, the scrutinizer reported that all the shareholders representing 100% of the total voting strength voted in favour of the resolution, based on which the results were declared and resolution was carried on with overwhelming majority.

No Special resolution through Postal ballot is proposed at ensuing AGM.

#### 8. Disclosures:

- a) Transactions with related parties are disclosed in Annexure to the Notes to Accounts. These are not in conflict with the interests of the Company.
- b) There was no non-compliance of any law or regulations (during the last three years) and hence, no penalties / strictures imposed on the Company.
- c) A/C Treatment:- No treatment different from the Accounting Standards, prescribed by the Institute of Chartered accountants of India, has been followed in the preparation of financial statement.
- d) Risk Management:- As a policy, risks associated with the business of the company generally & risks specific to the company & procedure to minimize the same adopted by the executive management are periodically placed before the Board & deliberated. The same are reviewed & suitable minimization procedures as suggested by the Board are implemented from time to time.

**9 Auditors Certificate:** A Certificate from its statutory auditors certifying compliance by the company with the provisions related to the corporate governance as laid down in the clause 49 of the Listing Agreement, is annexed to this report.

**10 Code of Conduct:** The Board has laid down a code of conduct for all Board Members and senior Management personnel of the Company, which has been posted on the website of the Company [www.atco.in](http://www.atco.in)

All Board Members and senior Management personnel have affirmed Compliance with the Code for the year ended 31st March 2010. Declaration to this effect signed by CEO for the year ended on 31.03.2010 has been included elsewhere in this report.

**11 Certificate By CEO :** The necessary Certification from CEO in respect of Financial year ended 31.03.2010 has been annexed to this report.

**12 Subsidiary Companies:** The Company has 3 Subsidiaries that are Indian Company. List of subsidiaries as on 31st March, 2010 :

SR. NO	NAME OF SUBSIDIARY
1	Atcomaart Services Limited
2	Edesk Services Limited
3	Innovamedia Publications Limited

However subsequently as on 5th April, 2010 the Geo Thermal Water Limited became subsidiary of the Company. None of the above mentioned subsidiaries of the company fall under the category of material non listed Indian subsidiaries within the meaning of the explanation given in explanation 1 of Clause 49 (III) of the listing agreement. However the company has complied with the requirement of placing & reviewing the financial statement & investments made by the subsidiaries; before the Audit committee members of the company further the minutes of board meetings of unlisted subsidiaries in India & statement of all significant transactions & arrangements entered into by the unlisted subsidiary companies were placed before Board Members of the company for its review.

**13 Management Discussion And Analysis:** A detail chapter on Management Discussion And Analysis forming part of this report is enclosed.

#### 14. Means of Communication:

The Board of Directors of the Company approves and takes on record the unaudited financial results in the proforma prescribed by Bombay Stock Exchange Limited, Mumbai and forwards the results to all the Stock Exchanges where the Company's shares are listed and publishes the same in 'The Free Press Journal' and 'Navshakti'.

#### 15. General Shareholder Information:

The Annual general Meeting will be on Tuesday, 14th September 2010 at 2nd floor, Matunga Gujarati Club Ltd, Natalal Parekh Marg, near Arora Cinema, Matunga circle, Mumbai - 400 019 at 4.00 p.m.

Financial year is from 01/04/2009 to 31/03/2010, the Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 7th September, 2010 to Tuesday, 14th September 2010, both days inclusive.

Dividend Payment Date : On or after September 14, 2010.



**Financial Calendar (Tentative) for the year 2010-11:**

Audited Annual Results of previous year ended March 31, 2010

- 1st quarter results for quarter ended June, 2010
- 2nd quarter results for quarter ended September, 2010
- 3rd quarter results for quarter ended December, 2010
- Last quarter results for quarter ended March, 2011

By the end of June, 2010

By the end of July, 2010

By the end of October, 2010

By the end of January, 2010

By the end of April, 2011 (if unaudited) OR By

end of June, 2011 (if audited)

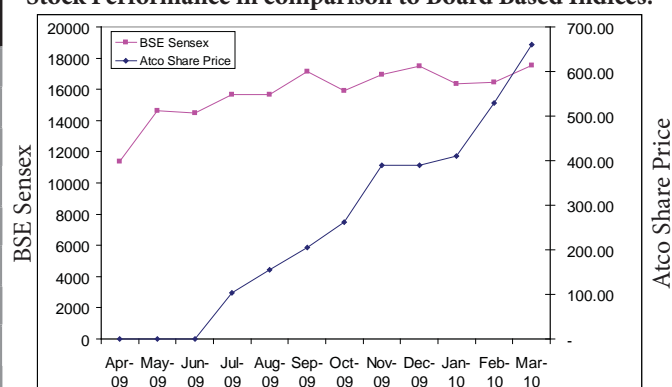
The Securities of the Company are listed on the Bombay Stock Exchange Ltd.

The Stock code is 532320 at Bombay Stock Exchange Ltd., Mumbai. ISIN is INE418B01030

Listing fees for financial year 2010-11 have been paid to The Bombay Stock Exchange.

**MARKET PRICE DATA for the financial year 2009-2010:**

Month	Face Value	High (Rs.)	Low (Rs.)
July 2009	10	103.00	50.00
August 2009	10	155.70	69.00
September 2009	10	205.00	128.10
October 2009	10	262.35	156.50
November 2009	10	389.95	264.00
December 2009	10	388.95	323.30
January 2010	10	410.00	321.00
February 2010	10	529.00	390.00
Upto 08th March 2010	10	610.00	547.00
From 09/03/2010 upto 31/03/2010	2	132.00	119.00

**Stock Performance in comparison to Board Based Indices:**

Source : Official Website of Bombay Stock Exchange Ltd

Note:

1. Suspension of the Script was revoked on 14th July 2009, hence there is no data for April, May and June 2009.
2. The nominal value of equity shares of the Company was sub-divided from Rs. 10/- per share into five equity shares of Rs. 2/- each; the stock price of equity share of the Company from 09/03/2010 is after the said sub-division of equity shares.

The transfer of shares of the Company is being done by M/s Bigshare Services Pvt. Ltd., the R & T Agents, having address at E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.

**Distribution of shareholding as on 31st March, 2010 is as follows:-**

No of Equity Shares Held	Shareholders	Share Amount			
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
Upto - 5,000	1844	95.89	11,46,604.00	0.62	
5,001 - 10,000	20	1.04	1,37,270.00	0.07	
10,001 - 20,000	21	1.09	2,85,420.00	0.16	
20,001 - 30,000	8	0.42	1,99,790.00	0.11	
30,001 - 40,000	6	0.31	2,15,870.00	0.12	
40,001 - 50,000	4	0.21	1,87,276.00	0.10	
50,001 - 1,00,000	4	0.21	2,55,190.00	0.14	
1,00,001 and above	16	0.83	18,14,75,580.00	98.68	
<b>TOTAL</b>	<b>1923</b>	<b>100.00</b>	<b>18,39,03,000.00</b>	<b>100.00</b>	

**Promoter and Promoter Group**

Promoters include Mr. Vikram Doshi, Mrs. Leena Doshi, Mr. Anantrai Doshi, Mrs. Anusuaben Doshi, Harsh Doshi (Minor), Tanvi Doshi and Vikram Anantrai Doshi HUF.

Promoters group include Kimaya Wellness Ltd., Covet Securities & Leasing Pvt. Ltd. and Kimaya Shoppe Ltd.

## Categories of shareholders as on 31st March, 2010

Category code	Category of Shareholder	Number of Shareholders	No. of shares	% of total capital
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
1	Indian			
(a)	Individuals	7	60513705	65.81
(b)	Bodies Corporate	3	14337730	15.59
2	Foreign	0	0	0.00
	<b>Sub total (A)</b>	<b>10</b>	<b>74851435</b>	<b>81.40</b>
<b>(B)</b>	<b>Public shareholding</b>			
1	Institutional investors	0	0	0.00
	Financial Institutions/Banks	0	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
2	Non-institutions			
(a)	Bodies Corporate	85	11979297	13.03
(b)	Individuals	1787	1321379	1.44
(c)	Atco Group Employee Trust	1	3500000	3.81
(d)	Clearing Members	32	13577	0.01
(e)	NRI	8	285812	0.31
	<b>Sub-Total (B)(2)</b>	<b>1913</b>	<b>17100065</b>	<b>19</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1913</b>	<b>17100065</b>	<b>19</b>
	<b>TOTAL (A)+(B)</b>	<b>1923</b>	<b>91951500</b>	<b>100</b>

**Outstanding ADR/GDR/ Other Instruments:**

During the year under review, the company has not issued any ADRs/GDRs/other instruments which is convertible into equity shares of the company. As on date, no such instruments were outstanding, except 33000000 warrants of Rs. 2/- each (arising on subdivision of balance 6600000 warrants of Rs. 10/- each) carrying right to convert to equal number of equity shares of Rs. 2/- each in equal instalments, in next two years i.e. 31.03.2011 & 31.03.2012.

**Plant Location:**

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

**Address for correspondence:**

6, Lalwani Industrial Estate, 14, G.D. Ambekar Road, Wadala, Mumbai – 400 031. Phone no. 4037607

**For and on behalf of the Board of Directors**

Place: Mumbai  
Date: 29/05/2010

Sd/-  
**Vikram Doshi**  
Managing Director

Sd/-  
**Nitin Datanwala**  
Director

## CEO's CERTIFICATION

Date : 29<sup>th</sup> May 2010

To,  
The Board of Directors of  
**Atco Corporation Ltd.**,  
6, Lalwani Industrial Estate,  
14 G.D. Ambekar Road,  
Mumbai – 400 031

Dear Sirs/Madam,

**Sub:** CEO Certification as required under sub-clause V of Clause 49 of the Listing Agreement with Bombay Stock Exchange.

I, Vikram Doshi, in my capacity as Managing Director of the Company, hereby certify as regards the accounts of the Company for the financial year ended on 31st March, 2010, the Balance Sheet as at that date, the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date, as under:

- a. I have reviewed the financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
  - (i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal Controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- c. I have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- d. There are to the best of their knowledge & belief no transaction entered by the company, during the year which are fraudulent, illegal or violative of company's code of conduct
- e. We further declare that all Board Members and Senior Management Personnel have affirmed Compliance with the Code of conduct for the current year.

**Sd/-**  
**Vikram Doshi**  
Managing Director

## AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To  
The Members  
**Atco Corporation Ltd**

**We have examined the compliance of conditions of corporate governance by ATCO Corporation Ltd. for the year ended 31st March, 2010, as stipulated in clause 49 of the listing agreement of the said Company with Stock Exchange of India.**

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for the review and the information and explanations given to us by the Company.

Based on such a review, in our opinion, the Company has complied with the conditions of the Corporate Governance, as stipulated in clause 49 of the Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For G.C. Patel & Co.**  
Chartered Accountants

Sd/-  
Gnaneshwar C. Patel  
Partner  
M. No. 47327

Place: Mumbai  
Date: : 29/05/2010

## AUDITOR'S REPORT TO THE MEMBERS OF ATCO CORPORATION LIMITED

We have audited the attached Balance Sheet of Atco Corporation Limited as on 31st March, 2010 and also the Profit & Loss Account of the Company for the year ended on that date annexed hereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph one above, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e. On the basis of the written confirmation received from the Directors and taken on record by, the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) In so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
  - (ii) In so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date
  - (iii) In so far it relates to the Cash Flow Statement of the cash flow of the Company for the year ended on that date

**For G.C. Patel & Co.**  
Chartered Accountants

Sd/-  
**Gnaneswar C. Patel**  
Partner  
M. No. 47327

Place: Mumbai  
Date: 29/05/2010

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph of the Auditor's Report of even date to the members of ATCO Corporation Limited on the accounts for to period ended 31st March, 2010)

1. (a) The Company has maintained proper records to show the full particulars of assets including quantitative details and situation of fixed assets, but the updating of the same is still in progress.
  - (b) The fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.
  - (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed by the Company during the year.
2. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedure of physical verification of Inventory followed by the management is adequate in relation to the size of the Company and the nature of its business.
  - (c) The company is maintaining the proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has given loan to a wholly owned subsidiary of the company .In respect of the said loan , the maximum amount outstanding during the year is 133.10 Lacs
  - (b) The Company has taken interest free unsecured loans amounted to Rs. NIL from the party covered in the register maintained under section 301 of the Companies Act, 1956..
  - (c) The other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company
  - (d) The payments of the Principal amount are regular.
4. In our opinion and according to the information provided by the Company to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. There is no major weakness in the internal control procedures.
5. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements enter in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more in respect of any party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company's present internal audit system is commensurate with the size and nature of its business.
8. We are informed that the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, in respect of Company's product.
9. a) The Company is regular in depositing undisputed statutory dues with the appropriate authority.  
 b) According to the information and explanations given to us there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales tax, Custom Duty,

Name of the statute	Nature of Dues	Rupees in Lacs	Period to which amount relates	Status
Services Tax	Software Sales	19.17	2009-10	Yet party payment not received

## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph of the Auditor's Report of even date to the members of ATCO Corporation Limited on the accounts for to period ended 31st March, 2010)

1. (a) The Company has maintained proper records to show the full particulars of assets including quantitative details and situation of fixed assets, but the updating of the same is still in progress.  
  
(b) The fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.  
  
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed by the Company during the year.
2. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
(b) The procedure of physical verification of Inventory followed by the management is adequate in relation to the size of the Company and the nature of its business.  
  
(c) The company is maintaining the proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has given loan to a wholly owned subsidiary of the company .In respect of the said loan , the maximum amount outstanding during the year is 133.10 Lacs  
  
(b) The Company has taken interest free unsecured loans amounted to Rs. NIL from the party covered in the register maintained under section 301 of the Companies Act, 1956..  
  
(c) The other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company  
  
(d) The payments of the Principal amount are regular.
4. In our opinion and according to the information provided by the Company to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. There is no major weakness in the internal control procedures.
5. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements enter in the register maintained under section 301 of the Companies Act, 1956 and aggregating during

## ATCO Corporation Limited

### BALANCE SHEET AS AT 31st March 2010

	PARTICULARS	SCHEDULE NO.	AS AT 31.03.2010 (Rs.)	AS AT 31.03.2009 (Rs.)
I	<b>SOURCE OF FUNDS</b>			
i	<b>SHARE HOLDERS FUND</b>			
	Share Capital	1	183,903,000	101,403,000
	Reserve & Surplus	2	42,732,477	27,567,000
ii	Convertible Warrants To be converted into fully paid up equity shares	3	66,000,000	120,750,000
iii	<b>LOAN FUNDS</b>			
	Secured Loan	4	32,121,080	32,121,080
	Unsecured Loan	5	883,839	1,778,396
			<b>325,640,396</b>	<b>283,619,476</b>
II	<b>APPLICATION OF FUNDS</b>			
i	Fixed Assets	6		
	Gross Block		156,971,017	178,940,760
	Less : Depreciation		14,596,183	35,654,725
	Net Block		<b>142,374,834</b>	<b>143,286,035</b>
	Capital Work- in- Progress		13,100,000	21,051,066
ii	<b>Investment</b>	8	27,449,935	960,000
iii	<b>Net Deferred tax Assets</b>	7	58,351	(17,546)
iv	<b>Current Assets Loans &amp; Advances</b>			
	Inventories	9	4,666,432	2,179,544
	Sundry Debtors	10	500,095,318	35,958,081
	Cash & Bank	11	15,138,328	326,966
	Loans & Advances	12	51,358,308	62,480,500
	<b>GROSS CURRENT ASSETS</b>		<b>571,258,386</b>	<b>100,945,091</b>
v	<b>Less: Current Liabilities &amp; Provisions</b>	13	428,601,111	60,419,399
	<b>NET CURRENT ASSETS</b>		<b>142,657,276</b>	<b>40,525,693</b>
III	<b>MISCELLANEOUS EXPENDITURE</b> (To the extent not written off or adjusted)	14	—	8,800
IV	<b>PROFIT &amp; LOSS ACCOUNT</b>		—	77,805,428
	<b>TOTAL</b>		<b>325,640,396</b>	<b>283,619,476</b>

As per significant accounting policies and Notes to Accounts

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Schedules referred to above form and integral part of these Accounts. As per our Attaches report of even date

As per Our Report of Even date

**G.C. Patel & Co.****CHARTERED ACCOUNTANT****For and on behalf of the Board of Directors**

sd/-  
(Gnaneshwar C. Patel)  
PARTNER  
Membership No. 047327  
Place: Mumbai  
Date: 29.05.2010

sd/-  
**Vikram A Doshi**  
Managing Director

sd/-  
**Nitin Datanwala**  
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST.MARCH , 2010			
PARTICULARS	SCHEDULE NO.	AS AT 31.03.2010 Total	AS AT 31.03.2009 Total
<b>INCOME :</b>			
Sales		1,100,950,295	169,960,560
Other income	15	18,110,536	8,337,633
Increase/(Decreases) in Inventory	16	2,436,451	(464,651)
		<b>1,121,497,282</b>	<b>177,833,542</b>
<b>EXPENDITURE :</b>			
Consumption of Raw Material	17	7,955,516	160,246,646
Other Purchase		993,376,423	—
Excise Duty		2,500	50,722
Employees Remuneration & Benefits	18	1,522,963	6,340,231
Operation & Establishment Expenses	19	7,400,176	8,391,370
Selling & Distribution Expenses	20	868,287	302,617
Interest /Bank Charges	21	151,598	181,839
Miscellaneous Expenses written off		8,800	8,800
		<b>1,011,286,263</b>	<b>175,522,225</b>
Depreciation		2,213,251	2,117,772
Profit / ( Loss) Before Taxation		107,997,768	193,545
Less: Current Year Taxation		9,008,130	—
Less: Fringe Benefit Tax		—	81,251
Less: Prior Year,s Expenses		202,000	—
Add : / (Less) Deferred Tax		75,897	(171,268)
Profit / ( Loss) After Taxation		<b>98,863,535</b>	<b>(58,970)</b>
Add: Extra Ordinary Items: Sundry Creditors Written Off			48,057,168
<b>Amount Available for Appropriations</b>		<b>98,863,535</b>	<b>(58,970)</b>
<b>Appropriations</b>			
Proposed Dividend on Equity Shares		5,104,054	—
Tax on Dividend		788,577	—
		<b>92,970,905</b>	<b>47,998,198</b>
Profit / ( Loss) Account Balance Brought Forward		(77,805,428)	(125,803,626)
Profit / ( Loss) Carried Forward To Balance sheet		<b>15,165,477</b>	<b>(77,805,428)</b>

Basic/Diluted earning per share of face value of Rs. 2/-  
(Previous year face value of Rs. 10/-)

1.01

4.73

As per significant accounting policies and Notes to Accounts  
Schedules referred to above form and integral part of these Accounts.  
As per our Attaches report of even date

**G.C. Patel & Co.**  
**CHARTERED ACCOUNTANT**

**For and on behalf of the Board of Directors**

sd/-  
(Gnaneshwar C. Patel)  
PARTNER  
Membership No. 047327  
Place: Mumbai  
Date: 29.05.2010

sd/-  
**Vikram A Doshi**  
Managing Director

sd/-  
**Nitin Datanwala**  
Director

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010		
PARTICULARS	AS AT 31.03.2010 Total	AS AT 31.03.2009 Total
<b>SCHEDULE -1: SHARE CAPITAL</b>		
<b>Authorised Share Capital:</b>		
182500000 Equity share of Rs.2/- each (Previous Year 3,65,00,000 at Rs. 10/- each)	365,000,000	365,000,000
5,00,000 Unclassified Shares of Rs. 100/- each	50,000,000	50,000,000
<b>TOTAL</b>	<b>415,000,000</b>	<b>415,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
i) 50701500 Equity shares of Rs.2/- each fully paid up ( Previous year 10,14,300 Equity shares of Rs. 10/- each)	101,403,000	69,903,000
ii) 15750000 Equity Shares of Rs. 2/- each Fully paid (Issued during the previous year as per Rehabilitation Scheme approved by hon'ble BFIR vide order dt. 01.10.2007		31,500,000
iii) 330000 warrants of Rs. 10/- each converted into 1650000 Equity Shares of Rs. 2/- each fully paid up	33,000,000	
iv) 4950000 warrants of Rs. 10/- each converted into 24750000 Equity Shares of Rs 2/- each fully paid up	4,95,00,000	
<b>TOTAL</b>	<b>183,903,000</b>	<b>101,403,000</b>
<b>SCHEDULE -2: RESERVRS &amp; SURPLUS</b>		
Share premium	8,025,000	8,025,000
General Reserve	19,542,000	19,542,000
Add. Profit & Loss Accounts	15,165,477	
<b>TOTAL</b>	<b>42,732,477</b>	<b>27,567,000</b>
<b>SCHEDULE -3: CONVERTIBLE WARRANT</b>		
Warrant Application Money		
I) 33000000 Warrant of Rs.2/- each issued as fully paid up warrants, to be converted into equivalent numbers of Equity Shares of Rs.2/- each (P.Y 6600000 warrants of Rs. 10/- each fully paid up)	66,000,000	
II) (Previous year 9900000 Warrant of Rs. 10/- each issued as fully warrants, tobe converted into equivalent number of equity shares of Rs 10/- each)		99,000,000
Notes: (a) The aforesaid warrants are to be converted into fully paid Equity Shares in the third & fourth year equally upon implementation of the scheme without any further payment		
(b) 4950000 Warrants of Rs. 10/- each issued as partly paid up warrants of Rs. 1/- each as per Rehabilitation Scheme approved by hon'ble BIFR. vide order dt. 01.10.2007		4950000
ADD: Further Application Money recieved during the Year against balance payment of Rs. 9/- per warrant	27,750,000	16,800,000
LESS: Transfer on allotment of shares on conversion of warrant	(27,750,000)	
<b>TOTAL</b>	<b>66,000,000</b>	<b>120,750,000</b>
<b>SCHEDULE -4: SECURED LOAN</b>		
GIIC Limited	32,121,080	32,121,080
<b>TOTAL</b>	<b>32,121,080</b>	<b>32,121,080</b>
<b>SCHEDULE - 5 : UNSECURED LOAN</b>		
Car Loan from ICICI Bank Limited	883,839	1,778,396
	883,839	1,778,396

## SCHEDULE - 6

ATCO Corporation Limited												
FIXED ASSETS SCHEDULE STATEMENT												
SR. NO.	Description of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		As At 1-Apr-09	Addition During the Year	Sale/Adj. during the Year	As At 31-Mar-10	As At 1-Apr-09	Provided on Adj of Assets	As At 31-Mar-10	As At 31-Mar-10	As At 31-Mar-09		
1	Airconditions	122,038	-	-	122,038	38,760	5,797	44,557	77,481	79,446		
2	Furnitures & fixtures	5,424,816	189,344	-	5,614,160	1,998,998	355,376	2,354,374	3,259,786	7,971,662		
3	Office Equipments	6,475,401	71,304	-	6,546,705	2,888,005	310,968	3,198,973	3,347,732	8,010,883		
4	Computers	1,203,896	963,297	-	2,167,193	832,882	264,427	1,097,309	1,069,884	576,170		
5	Motor Cars	4,356,599	-	-	4,356,599	2,339,226	413,877	2,753,103	1,603,496	2,431,250		
6	Motor Cars ( water division)	1,633,232	-	1,633,232.00	-	1,633,232	-	1,633,232	-	-		
7	Intangible Assets (Goodwill)	120,000,000	-	-	120,000,000	-	-	-	120,000,000	120,000,000		
8	Plant & Machinery	17,214,999	-	-	17,214,999	3,900,406	817,712	4,718,118	12,496,881	13,497,273		
8	Electronics data Processing	21,638,561	-	21,638,561.00	-	21,638,561	-	-	-	-		
10	Tools & Equipment	-	13,300	-	13,300	-	632	632	12,668	13,300		
11	Service Equipment	544,321	-	-	544,321	336,391	25,855	362,246	182,075	207,928		
12	Elect. Installation	326,897	64,805	-	391,702	48,264	18,606	66,870	324,832	279,910		
	<b>Total</b>	<b>178,940,760</b>	<b>1,302,050</b>	<b>23,271,793</b>	<b>156,971,017</b>	<b>35,654,725</b>		<b>14,596,183</b>	<b>142,374,834</b>	<b>153,067,822</b>		
	<b>Capital Work In Progress</b>		<b>13,100,000</b>		<b>13,100,000</b>				<b>13,100,000</b>			
	<b>Total</b>	<b>178,940,760</b>	<b>14,402,050</b>	<b>23,271,793</b>	<b>170,071,017</b>	<b>35,654,725</b>	<b>,213,251</b>	<b>14,596,183</b>	<b>155,474,834</b>	<b>153,067,822</b>		
	<b>Previous Year</b>	<b>178,669,942</b>	<b>270,818</b>	<b>-</b>	<b>78,940,760</b>	<b>33,536,953</b>	<b>,117,772</b>	<b>35,654,725</b>	<b>143,286,035</b>	<b>145,135,912</b>		

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010		
PARTICULARS	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE - 7 : NET DEFERRED TAX LIABILITIES / (Assets)</b>		
Opening Balance Deferred Tax Liabilities / (Assets)	(17,546)	153,722
Less: transferred to P/L	75,897	(171,268)
<b>TOTAL</b>	<b>58,351</b>	<b>(17,546)</b>
<b>SCHEDULE - 8 : INVESTMENTS</b>		
<b>Investment in subsidiary Companies</b>		
2555000 Equity Shares of Rs -2/- each of Atcomaart Services Limited	9,025,000	-
500000 Equity Shares of Rs -1/- each of Edesk Services Limited	500,000	-
500000 Equity Shares of Rs -1/- each of Innova Media Publication Limited	500,000	-
<b>Quoted Investment</b>		
50,000 Equity Shares of Rs 10/- each of Atcom Technologies Limited (Previous Year 50,000 Equity Shares)	10,000,000	10,000,000
Less: Diminution in value of shares	(10,000,000)	(10,000,000)
Aggregated market value of Quoted Investment is Nil( Previous Year Nil)		-
457913 Equity Shares of Rs. 10/- each of Atcom Technologies Limited.	1,648,487	
<b>Unquoted Investment</b>		
396900 Equity Shares of Rs.10/- each of Kimaya Shoppe Limited	3,969,000	
66400 Equity Shares of Rs.10/- each of Kimaya Wellness Limited	776,880	
2517642 Equity Shares of Rs.10/- each of Smart Sensors & Tranducers Limited	10,070,568	
95000 Equity Shares of Rs.10/- each of Anewera Marketing Pvt. Ltd.	950,000	950,000
1000 Equity Shares of Rs.10/- each of Saraswat Co-op Bank Ltd. ( Valued At cost verified and certified by the Directors)	10,000	10,000
<b>TOTAL</b>	<b>27,449,935</b>	<b>960,000</b>
<b>SCHEDULE - 9 : INVENTORIES</b>		
(At lower cost of net relisable value)	-	-
(As taken and valued by the Management)	-	-
Finished Stock	4,346,976	1,910,525
Raw Material	319,456	269,019
<b>TOTAL</b>	<b>4,666,432</b>	<b>2,179,544</b>
<b>SCHEDULE - 10 : SUNDRY DEBTORS</b>		
Debtors More than Six Month	86,732,723	10,380,316
Others	413,362,595	25,577,765
	<b>500,095,318</b>	<b>35,958,081</b>
<b>SCHEDULE - 11 : CASH &amp; BANK BALANCES</b>		
Cash in hand	28,243	22,066
Balance with Scheduled Bank in Current A/c	10,721,391	304,900
Fixed Deposit with Scheduled Bank	4,388,694	-
<b>TOTAL</b>	<b>15,138,328</b>	<b>326,966</b>
<b>SCHEDULE - 12 : LOANS &amp; ADVANCES</b>		
( unsecured, Considered Good)		
Advances Receivable in cash or Kind	43,314,509	57,276,646
Income Tax Refund / TDS Receivables of Last.Year/Advance Tax	2,679,053	2,339,558
Prepaid Expenses	2,887,847	158,987
Deposit	2,459,068	2,064,392
Central Excise A/c	17,831	17,831
Duties & Taxes	-	214,535
Sales / VAT Tax	-	382,216
Fringe Benefit Tax	-	26,336
<b>TOTAL</b>	<b>51,358,308</b>	<b>62,480,501</b>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010		
PARTICULARS	AS AT 31.03.2010 Total	AS AT 31.03.2009 Total
<b>SCHEDULE - 13 :CURRENT LIABILITIES &amp; PROVISION</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors for Goods	382,556,299	35,768,258
Sundry Creditors for Expenses	13,073,197	757,954
Duites & Taxes	7,766,225	177,691
Others Liabilites	2,369,400	6,797,475
Security Deposit / Deposits from Customers.	7,800,000	13,638,155
Others Provisions	108,596	1,097,697
	<b>413,673,717</b>	<b>58,237,230</b>
<b>b) Provisions</b>		
Bonus	26,633	1,053,583
Income tax	9,008,130	1,049,059
Proposed Dividend	5,104,054	79,527
Tax on Dividend	788,577	-
<b>TOTAL (a+b)</b>	<b>14,927,394</b>	<b>2,182,169</b>
<b>TOTAL</b>	<b>428,601,111</b>	<b>60,420,198</b>
<b>SCHEDULE - 14 : MISCELLANEOUS EXPENSES</b>		
( To the extent not written of or adjusted)	-	-
Deferred Revenue Expenses	8,800	17,600
Less : written off During the Year	8,800	8,800
<b>TOTAL</b>	<b>-</b>	<b>8,800</b>
<b>SCHEDULE -15 : OTHER INCOME</b>		
Dividend Recd	-	5,600
Miscellaneous Income	113,543	39,729
Interest on FDR	344,208	135,141
Antenna Rent	308,348	309,660
Repairing Charges & SparesReceived	15,099	34,694
Business service Provided	7,800,000	7,802,809
Balance Written Back	9,529,338	10,000
<b>TOTAL</b>	<b>18,110,536</b>	<b>8,337,633</b>
<b>SCHEDULE -16 : INCREASE / ( DECREASE) IN INVENTORY</b>		
Opening Stock as at 1 April 2009		
Finished Goods	1,910,525	2,375,176
Less: Closing Stock of Raw Material	43,46,976	19,10,525
<b>TOTAL</b>	<b>24,36,451</b>	<b>(464,651)</b>
<b>SCHEDULE -17 : CONSUMPTION OF RAW MATERIAL</b>		
Opening stock of Raw Material	269,019	493,359
Add: Purchase	8,005,953	160,022,306
Less: Closing Stock of Raw Material	319,456	269,019
	<b>7,955,516</b>	<b>160,246,646</b>
<b>SCHEDULE -18: EMPLOYEES REMUNERATION &amp; BENEFITS</b>		
Salary Wages & Bonus	1,229,237	5,892,411
Company's Contribution to providend & others funds	75,198	276,780
Staff Welfare	192,153	171,040
Gratuity	26,375	
<b>TOTAL</b>	<b>1,522,963</b>	<b>6,340,231</b>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010		
PARTICULARS	AS AT 31.03.2010 Total	AS AT 31.03.2009 Total
<b>SCHEDULE -19 : OPERATIONAL &amp; ESTABLISHMENT EXPENSES</b>		
Electricity Charges	1,265,747	1,507,286
Administrative Expenses	187,921	394,511
Rent	1,528,000	1,390,000
Courier, Postage & Telegram	21,357	18,873
Fees & Taxes	109,006	80,472
Repairs & Maintenance	246,993	605,470
Audit Fees	36,000	36,000
Communication (Server) Expenses	662,369	538,798
Professional Tax's	27,500	-
Insurance	83,317	95,045
Bad Debt/ Bal Written off	14,961	25,097
Printing & Stationery	96,138	102,174
Sundry Misc. Expenses	154,470	40,911
Motor Car Expenses	27,835	-
Miscellaneous Manufacturing Expenses	83,022	-
Books/ Periodicals & Subscription	39,498	-
Legal & Professional Charges	463,595	1,666,840
Stamping (W&M) Expenses	34,725	26,798
Travelling Expenses	-	65,647
Listing / Relisting Fees	563,961	91,236
Municipal Tax	200,536	-
Sales Tax/Vat Paid	-	838,104
Licence fees	83,703	129,338
Freight Expenses	152,428	67,805
Recruitment Charges	146,329	84,104
Directors sitting fees	31,000	27,000
Conveyance	47,160	24,238
Telephone Expenses	217,351	322,535
Clearing & Forwarding Expenses	1,667	37,964
Sundry Expenses	111,712	40,911
Security charges	69,336	116,038
Bank Charges	-	59,086
Retainership Charges	798,861	-
<b>TOTAL</b>	<b>7,400,176</b>	<b>8,391,370</b>
<b>SCHEDULE -20 : SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement Expenses	31,037	39,608
Other Selling Expenses	63,651	219,432
Field Travelling Expenses	768,691	43,577
Commission, Brokerage & Discount	4,908	-
<b>TOTAL</b>	<b>868,287</b>	<b>302,617</b>
<b>SCHEDULE - 21 : INTEREST / BANK CHARGES</b>		
Interest on Car Loan	116,503	181,839
Interest on F.B.T	2,003	-
Bank Charges	33,092	-
<b>TOTAL</b>	<b>151,598</b>	<b>181,839</b>

**SCHEDULE-22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.**

Notes annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the twelve months ended 31<sup>st</sup> March, 2010.

**A. SIGNIFICANT ACCOUNTING POLICIES:****Basis of Accounting:**

The accounts have been prepared under the historical cost on an accrual basis as a going concern. Revenue recognition and expenses incurred are accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

**Revenue Recognition:****Sales:**

Income from Product Sales/Services Charges is recognized upon completion of sales and rendering of the services respectively. Sales are inclusive of excise duty but accounted net of sales tax, whenever applicable. Income includes inter-divisional transfer at market price. The value of such inter divisional transfer is included in the value of materials purchase & sales.

**Dividend and Interest:**

Dividend income from investments is recognized when right to receive to payment is established. Interest income is accounted on its accrual on a time proportion.

**Employees' Remuneration:**

The Company's contributions to the Provident Fund are charged to Profit & Loss for the period.

**Depreciation :**

- i) Depreciation is charged on Fixed Assets (other than Goodwill) on Straight Line Method and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Goodwill is amortized over its estimated useful life commencing from the year in which it is determined.

**Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed assets up to the date the assets are put to use.

**Impairment of Assets:**

An asset is treated as impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Investments :**

Investments are classified as long term Investment.

As per the revised policy management has decided to value all investments at lower of cost or market value and accordingly diminution in value of investments as at year end is suitably adjusted in the accounts as per Accounting Standards issued by the Institute of Chartered Accountants of India.

**Inventories:**

- i) Finished Goods : At lower of cost or estimated net realizable value.
- ii) Service Components are valued at cost.
- iii) Raw materials are valued at cost.

**Foreign Currency Transaction:**

Any income or expenses on account of exchange the difference is either in settlement or on transaction is recognized as per revenue gain/loss.

**Income Tax:**

In view of the carried forward losses, it has been adjusted against current year's profit. Provision for Income Tax has been made against balance current year's profit.

**Deferred Tax Assets I Liabilities:**

Deferred Tax assets or liability for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profits are not like to be available to realize all or part of the deferred tax assets.

**Prior Period Expenses/ Income:**

All identifiable items of income and expenditure pertaining to prior period are accounts as per "Prior Period Adjustment".

**Retirement Benefits:**

Liability in respect of retirement benefits is provided and/or charged to profit & loss account as follows:

- a) **Gratuity:** : No provision is made in the accounts in respect of Gratuity payable to staff. These are charged in the accounts as and when paid. The management believes that the amount involved is not so significant.
- b) **Provident Fund:** Annual contribution to Provident Fund is charged to the Profit and Loss Account.
- c) Leave Encashment is not applicable.

**Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue

**Going Concern Assumption:**

The accounts are prepared on the going concern assumption. Amount payable/receivable in respect of sundry creditors, sundry debtors, loans given, unsecured loan obtained, advances recoverable, bank balance etc. are subject to reconciliation and confirmation.

**Contingent Liabilities:**

Contingent Liabilities not provided for in respect of:

- a) Income Tax Demand aggregating to Rs. 2.31 Lacs which has been disputed by company and appeal has been filed by company. (Previous year Rs. 2.31 Lacs)
- b) Sales Tax Liability in respect of disputed cases amounting to Rs.25,94,078/- (Previous Year Rs.25,94,078/-).
- c) Central Excise Liability in respect of disputed case amounting to Rs.25,00,000/- (Previous Year Rs.25,00,000/-)

**SCHEDULE-22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.****B. NOTES ON ACCOUNTS.**

1. **Segment Reporting:** - As per Annexure 1.
2. **Related Party Disclosure:** - As per Annexure 2.
3. **Particulars of goods manufactured/ traded in:** - As per Annexure 3.
4. **Value of imports calculated on CIF basis Rs.** - As per Annexure 4. (Previous year Rs. Nil)
5. **Expenditure in Foreign Currency :-** Rs. As per Annexure 4. (Previous year Rs. Nil)
6. Excise duty of Rs. Nil/- (Previous year Rs.12,251/-) Payable on finished goods lying in stock is provided for as per accounting standards 2 of The Institute of Chartered Accountants of India.



**7. Earning per share (EPS):** The numerators and denominators used to calculate Basic and Diluted Earning Per Share.

		2009-10	2008-09
Profit (Loss) attributable to the Shareholders (Rs.)	A	92970905	47998198
Basic/Weighted average number of Equity Shares Outstanding during the year	B	91951500	10140300
Nominal Value of Equity Shares (Rs.)		2	10
<b>Basic/Diluted Earning Per Share</b>	A/B	1.01	4.73

8. Company has kept various fixed deposit with the banks and others amounted to Rs. 43.89 Lacs (Previous year Rs.24.59 Lacs). Out of this deposits amounting to Rs. 35 lacs are kept in No Lien account as per the BIFR order received for settlement of term loan with GIIC. Remaining deposits were kept at the various places for different purposes. Interest provision on such deposit is not made as company is in the process of ascertaining the exact amount of interest receivable on such deposits.

9. Secured Term Loan from GIIC Ltd is against Plant & Machinery at Daman Factory and personal Guarantees by two promoting Directors.

10. As per the information available with the company, there is no small scale undertakings to whom the company owes a sum which is outstanding for more than 30 days.

11. Auditors' Remuneration:

	2009-10	2008-09
For Audit Fees	20000	20000
For Tax Audit	12000	12000
For Sales Tax Audit	-	-
For other services (including Certification etc.)	4000	4000
For Expenses	-	-
Total	36000	36000
Services Taxes	3708	3708
Grand Total	39708	39708

**12. Whole Time Directors' Remuneration:**

During the year no remuneration has been paid to the whole time directors as the remuneration has been waived by the whole time director. (Previous year Rs. Nil).

13.50,000 Equity shares of Atcom Technologies Ltd held by the company are lying with the Income Tax authority in connection with long pending income tax matter.

14. Previous year figures have been regrouped, rearranged wherever necessary.

As per our Report of even date

**G.C Patel & Co.**

Chartered Accountant

Sd/-  
(Gnaneshwar C. Patel)  
Partner  
Membership no.: 04732  
Place.: Mumbai  
Date .: 29/05/2010

**For and on Behalf of Board of Directors.**

Sd/- Sd/-  
Vikram Doshi Nitin Datanwala  
Managing Director Director

ATCO CORPORATION LIMITED

Annexure No. 2

Related party information for the year ended 31.03.2010

As per Accounting Standards 18	Sales	Purchases	Loan/Advance Given Or Repaid	Deposit Given Or Repaid	O/s As On 31.03.10		O/s As On 31.03.09		Other	Remark
					Debit	Credit	Debit	Credit		
E-Desk Services Ltd	78,202,700	-	1,736,055	-	79,938,755	-	55,248	-		
Innovamedia Publications Pvt. Ltd	-	13,100,000	-	-	-	2,659,931	1,000	-		
Atcomaart Services Ltd.	-	427,121	4,633,698	-	11,574,096	-	6,513,277	-		
Anewera Marketing Pvt Ltd	-	-	-	-	781,961	-	735,473	-		
Smart Sensors & Transducers Ltd.	260	251,442	-	-	982,445	-	-	-		
Atcom Technologies Ltd	1,911	343,970	986,042	-	10,584,007	-	9,255,906	-		
Centur Stud and Agrotech Ltd	-	-	4,150	-	16,650	-	12,500	-		

## SCHEDULE-22

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

## B. NOTES ON ACCOUNTS.

3 Additional information pursuant to the provision of paragraphs 3, 4C and 4D of part II of schedule VI to the Companies Act, 1956

Particulars	Current Year Value Rs.	Previous Year Value Rs.
Packaged Drinking Water	11,863,035	14,446,094
Industrial Business Supply	967,441,860	4,247,983
Computer software	121,645,400	151,266,483
Total	1,100,950,295	169,960,560

	Particulars	Units	Current Year		Previous Year	
			Quantity	Value Rs.	Quantity	Value Rs.
<b>b</b>	<b>Raw Material Consumed</b>					
	Caps	Nos	1,872,771	674,198	2,410,379	723,114
	Pet Perform	Nos	1,886,924	4,264,448	2,428,600	5,561,494
	Packing Material	Nos	154,602	927,612	5,269,340	1,783,892
	Misc Minerals/ Chemicals	Kgs	Numerous	563,413	Numerous	331,920
	Total			6,429,671		8,400,420
<b>c</b>	<b>Opening stock of finished goods</b>					
	Packaed Drinking Water	Nos	57,024	318,194	Numerous	421,920
	Retail Automation products	Nos	Numerous	Nil	3024	1,953,255
	Total			318,194		2,375,175
<b>d</b>	<b>Purchase of trading products</b>					
	Computer software & Hardware	Nos	Numerous	972,325,357	Numerous	151,266,483
<b>e</b>	<b>Closing stock of finished goods</b>					
	Packaged Drinking Water	Nos	10,944	62,291	Numerous	192,699
	Retail Automation products	Nos	Numerous	3,305,199	2640	1,717,826
	Total			3,367,490		1,910,525

## SCHEDULE-22

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

## B. NOTES ON ACCOUNTS.

## f Capacity and Production:

	ITEMS	UNITS	INSTALLED CAPACITY		PRODUCTION	
			2009-10 In Nos	2008-09 In Nos	2009-10 In Nos	2008-09 In Nos
	Water 1 Ltrs Pack ( Bottle )	Bottle	14,016,000	14,016,000	1,847,352	2,683,048
	Water 20 Ltrs Pack ( Bottle )	Bottle	1,314,000	1,314,000	40,255	38,853

## Previous Year

	Rupees	Rupees
g <u>Value of Imports calculated on CIF basis, in respect of Finished Product</u>	779,234	Nil
h <u>Expenditure in foreign currency on accounts of Travelling Expenses</u>	Nil	Nil
Other Matter	Nil	Nil
i <u>Earning in foreign currency</u>		
FOB value of Direct Exports	96,038	Nil

j. Value of raw materials/finished product, stores and spares etc. consumed during the period/year		<b>% of total</b>
	<b>Value - Rs.</b>	<b>Consumption</b>
<b>Raw Material /finished Product</b>		
Imported	779,234	0.08
Indigenous	998,810,621	99.92
Total	<b>999,589,855</b>	<b>100</b>
<b>Stores and spares ( Including packing materials )</b>		
Imported	-	-
Indigenous	1,742,084	100
Total	<b>1,742,084</b>	<b>100</b>

## SCHEDULE-22

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

## B. NOTES ON ACCOUNTS.

## Segment Reporting for the year ended 31.03.2010

Particulars	Packaged Drinking Water	Industrial Business Supply Stores	Software	Total
Total Revenue (net of excise duty)	11,732,627	970,008,358	121,645,400	1,103,386,385
Total Expenditure	9,606,830	918,613,638	83,065,795	1,011,286,263
Depreciation	1,181,327	934,504	97,420	2,213,251
Segment Results	944,470	50,460,216	38,482,185	89,886,871
less: Unallotted Corporate Expenses	-	-	-	-
Operating (loss) / profit	944,470	50,460,216	38,482,185	89,886,871
less: Interest Expenses (Prior year)	-	202,000	-	202,000
add: Interest Income	-	344,208	-	344,208
add: Other Income	237,729	17,525,989	2,610	17,766,328
add: Sundry Written Off	-	-	-	-
Net (loss) / Profit before tax	1,182,199	68,128,413	38,484,795	107,795,407
less: Provision for Tax				
- Current	-	-	9,008,130	9,008,130
Add: Provision for Deferred Tax	-	75,897	-	75,897
Net (loss) / Profit after Tax	1,182,199	68,204,310	29,476,665	98,863,174
Other Information				
Segment Assets	18,123,016	694,207,271	342,524,915	1,054,855,202
Segment Liabilities	1,580,026	426,834,154	377,020,613	805,434,793
Capital Expenditure during the year addition to fixed Assets	13,300	14,388,750	-	14,402,050
Depreciation	9,596,592	4,755,940	243,651	14,596,183
<u>Significant non - cash expenditure</u>				
Loss on sale of fixed assets (gross)	-	-	-	-
Fixed assets written off	-	-	-	-
Brand Write off	-	-	-	-
Capital Work-in-progress written off	-	-	-	-
Deferred Revenue expenditure written off	-	-	-	-
Bad debts and advance written off	-	-	-	-

## CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2010

Particulars	2009-2010	2008-2009
<b>A. Cash Flow From Operating Activities</b>		
Net Profit/Loss before Tax and Extra Ordinary Items.	107,997,768	193,549
<b>adjustments</b>		
provision for tax		
prior years exp	-	
less: Income from Investments	(5,600)	
deferred tax		
proposed dividend		
dividend tax on proposed dividend		
depreciation	2,213,251	2,117,772
Interest Charges		181,839
Extra Ordinary Items	48,057,168	
Interest Income		(135,141)
misc exp w/off	8,800	
		50,216,038
<b>Operating Flow before working Capital Changes</b>	<b>110,219,819</b>	<b>50,409,587</b>
Adjustment for :		
(Increase) / Decrease in Inventories	18,564,178	688,991
(Increase) / Decrease in Trade & Other Receivables	(464,137,237)	7,573,915
Increase /(Decrease) in Trade Payable & Provisions	354,409,537	(10,146,054)
(Increase) / Decrease in Loans & Advances	11,461,688	(43,282,611)
(Increase) / Decrease in Deferred tax	-	
<b>Cash Generated From Operating Activities</b>		
[ Before adjusting extra ordinary exp ]	<b>30,517,985</b>	<b>5,243,828</b>
prior years exp w/off	(202,000)	-
<b>Cash Generated From Operating Activities [ After adjusting extra ordinary exp but before tax ]</b>	<b>30,315,985</b>	<b>5,243,828</b>
Income Tax Paid	(1,388,554)	(81,251)
Interest Paid		(181,839)
<b>Net Cash flow from Operating Activities</b>	<b>28,927,431</b>	<b>4,980,738</b>
<b>B. Cash Flow from Investing Activities.</b>		
Purchase of Fixed Assets	(1,302,050)	270,818
Capial Work in Progress	(13,100,000)	(264,685)
Sale of Capital Work in Progress		
Sale of Fixed Assets		
Sale Of Investments		
Purchase of Investments	(26,489,935)	960,000
Income From Investment		140,741
Net Cash Flow From Investing Activities	B (40,891,985)	(825,392)
<b>C. Cash Flow From Financing Activities</b>		
Proceeds From Issue of Shares	-	31,500,000
Proceeds From Convertible Warrant Application Money	27,750,000	16,800,000
Repayment of		
Dividend paid	(79,527)	-
interest paid		
Increase / (Decrease) in Unsecured Loans	(894,557)	(53,036,185)
Net Cash Flow From Financing Activities	C 26,775,916	(4,736,185)
	<b>A+B+C</b>	<b>(580,839)</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2009	326,966	907,805
CASH OR CASH EQUIVALENT AS AT 31.03.2010	15,138,328	326,966
NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT	14,811,362	(580,839)

This is the cash flow statement referred to in our report of even date.

For G.C. Patel & Co.

Chartered Accountant

Sd/-  
(Gnaneshwar C. Patel)  
Membership No. : 047327  
Place : Mumbai  
Date : 29.05.2010

For and on Behalf of the Board of Directors

Sd/-  
Vikram A Doshi  
Managing Director

Sd/-  
Nitinandanwala  
Director

# Atco Corporation Ltd

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details:

Registration No	0	0	0	7	4	0	6	3
State Code	0	0	0	0	0	0	1	1
Balance sheet Date			3	1	0	3	1	0

### II Capital Raised during the year: ( Amount in Thousand )

Public issue							N	I	L
Bouns Issue									
Right Issue									
Private Placement				8	2	5	0	0	

### III Position of Mobilisation and Deployment Of Funds : ( Amount in Thousand )

Total Liabilities			4	2	8	6	0	1
Total Assets			5	7	1	2	5	8

#### Sources of Funds:

Paid - up Capital			1	8	3	9	0	3	
Share/Convertible Warrant Application Money				6	6	0	0	0	
Unsecured Loans						8	8	3	
Reserves and Surplus				4	2	7	3	2	
Secured Loans				3	2	1	2	1	
Deferred Tax Liability							N	I	L

#### Application of Funds :

Fixed Assets			1	4	2	3	7	4
Deferred Tax Asset						5	8	
Miscellaneous Expenditure								
Investment				2	7	4	9	9
Net Current Assets			1	4	2	6	5	7
Accumulated Losses								

### IV Performance of the Company : ( Amount in Thousand )

Turnover (including other income)			1	1	2	1	4	7	9
Profit / Loss Before Tax			1	0	7	9	9	3	
Earning Per Equity Share in Rs. - Basic				1	.	0	1		
Dividend Rate (%)							N	I	L
Total Expenditure			1	0	1	1	2	8	6
Profit / Loss After Tax				9	8	8	6	3	
Earning Per Equity Share in Rs. - Diluted					1	.	0	1	

### V. Generic Names of the Three Principal Products / Services of the Company ( as per monetary terms)

Item Code No. (ITC Code)				8	1	9	0														
Product Description	P	A	C	K	A	G	E	D	D	R	I	N	K	I	N	G	W	A	T	E	R
Item Code No. (ITC Code)				8	4	.	2	3													
Product Description	I	D	U	S	T	R	I	A	L	P	R	O	D	U	C	T	S				
Item Code No. (ITC Code)																					

For G.C. Patel & Co.  
Chartered Accountant

sd/-  
(Gnaneswar C. Patel)  
Partner  
Membership No. : 047327  
Place : Mumbai  
Date : 29.05.2010

For and on Behalf of the Board of Directors  
sd/-  
Vikram A Doshi  
Managing Director  
sd/-  
Nitin Datanwala  
Director

Statement pursuant to section 212(3) of the Companies Act, 1956 relating to Subsidiary Companies				
Name of the Subsidiary		Atcomaart Services Ltd.	Innovamedia Publications Ltd.	eDesk Services Ltd
Financial year of the Subsidiary Company ended		31.03.2010	31.03.2010	31.03.2010
Number of shares in the Subsidiary Company held by Atco Corporation Ltd. at the above date		2555000	500000	500000
Extent of interest of the holding Company in the Capital of subsidiary		100%	100%	100%
The Net aggregate of the Profit / (Losses) of the Subsidiary Company for the current period so far as it concerns the members of the Atco Corporation Limited				
		<b>Rs. In Lacs</b>	<b>Rs. In Lacs</b>	<b>Rs. In Lacs</b>
1	Dealt with in the accounts of Atco Corporation Limited amounted			
	a For the Financial period ended 31st March, 2010	Nil	Nil	Nil
	b For the previous year ended 31st march, 2009	Nil	Nil	Nil
2	Not dealt with in the accounts of Atco Corporation Limited amounted			
	a For the Financial period ended 31st March, 2010	77.49	2.12	2.00
	b For the previous year ended 31st march, 2009	1.04	(0.53)	(0.76)

For and on behalf of the Board

Place: Mumbai  
Date: 29/05/2010

Sd/-  
**Vikram Doshi**  
Managing Director

Sd/-  
**Nitin Datanwala**  
Director



# ATCO CORPORATION LIMITED

## Subsidiary Companies

- ▶ ATCO MAART  
SERVICES LIMITED
- ▶ eDESK  
SERVICES LIMITED
- ▶ INNOVA MEDIA  
PUBLICATIONS LIMITED

# **ATCO MAART** SERVICES LIMITED

## *Board of Directors*

**Mr. Mahendra J. Sanghvi**

**Mr. MahabirSingh K. Chaudhary**

**Mr. Sanjay J. Shah**

### **Bankers**

HDFC BANK LTD  
ICICI BANK LTD  
CORPORATION BANK  
AXIS BANK LTD

### **Auditor**

G.C. Patel & Co.  
Chartered Accountants

### **Registered Office**

Atcomaart Services Limited,  
6, Lalwani Industrial Estate,  
14, G.D. Ambekar Road,  
Mumbai – 400 031.

## DIRECTORS REPORT

To,  
The Members,  
ATCOMAART SERVICES LIMITED

Your Directors present the Annual Report on the working of the Company together

FINANCIAL RESULTS	for the Year Ended	
	31.03.2010	31.03.2009
	Rupees	Rupees
Gross Profit / (Loss) before interest and depreciation	78,38,316.00	1,31,772.00
Less: Interest	-	1,449.00
Depreciation	88,674.00	25,607.00
Profit / (Loss) before tax	77,49,642.00	1,04,716.00
Less: Provision for Taxation	10,39,372.00	-
Less: Provision for FBT	-	3,281.00
Less: Provision for Deferred Tax	9,748.00	38,315.00
Profit / (Loss) after tax	67,00,522.00	63,120.00
Less: Prior year Expenses	1,32,941.00	-
Profit / (Loss) brought forward	(64,99,853.00)	(65,62,973.00)
Profit / (Loss) carried to Balance Sheet	67,728.00	(64,99,853.00)
Basic and Diluted Earning per share (FV Rs. 10/-)	-	0.25
Basic and Diluted Earning per share (FV Rs. 2/-)	2.62	-

### DIVIDEND & APPROPRIATIONS

The profit of the Company will be used for the future benefits of the Company, therefore your directors regret their inability to recommend dividend for the year ended on 31st March, 2010

### SHARE CAPITAL

During the year under review the Company raises capital. The Company allotted 2,61,000 shares of Rs. 10/- each at premium of Rs. 15/- each share on 15/09/2009 to Atco Corporation Ltd.

In order to improve the liquidity of the Company's shares, the equity shares of the nominal value of Rs. 10/- for each share was subdivided into five shares of Rs. 2/- each during the year.

### FIXED DEPOSITS

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

### COMPLIANCE CERTIFICATE

Compliance certificate of the Secretary in whole-time practice under Section 383A of the Companies Act, 1956 in respect of the financial year ended 31st March, 2010 is annexed hereto.

### DIRECTORS

Mr. Mahendra Jagmohanbhai Sanghvi, the Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

### AUDITORS

The present Auditors M/s. G.C. Patel & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. Members are requested to appoint Auditors and fix their remuneration.

### PARTICULARS OF EMPLOYEES

There are no employees receiving remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 during the year under review, hence the Companies (Particulars of Employees) Rules, 1975 do not apply to the Company.

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

### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors, pursuant to Section 217(2AA) state –

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31st March, 2010 and of the loss of the Company for that period;
- 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 annual accounts on a going concern basis.

By Order of the Board of Directors

sd/-

Mahendra Sanghvi

Director

Place: Mumbai

Date: 29/05/2010

## AUDITOR'S REPORT

To,  
The Members,  
ATCOMAART SERVICES LIMITED

We have audited the attached Balance Sheet of Atcomaart Services Limited as on 31st March, 2010 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph one above, we report that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of such books;

- c. The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet and Profit & Loss Account complies with the accounting requirements of the mandatory accounting standards referred as to in Section 211 (3C) of the Companies Act, 1956, as prescribed under the provisions of Section 211(3C) of the Act.
- e. In our opinion and base on information and explanations given to us, none of the directors are disqualified as on 31st March 2010 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 and also give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
- ii. In so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date
- iii. In so far it relates to the cash flow statement of the cash flow of the company for the year ended on that date.

**For G. C. Patel & Co.**  
Chartered Accountants

Sd/-  
Gnaneshwar C. Patel  
Partner  
M. No. 047327  
Dated: 29/05/2010

#### ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph of the Auditor's Report of even date to the members of ATCOMAART SERVICES LIMITED on the accounts for to period ended 31st March, 2010)

1. (a) The Company has maintained proper records to show the full particulars of assets including quantitative details and situation of fixed assets, but the updating of the same is still in progress.  
(b) The fixed assets have been physically verified by the management and no material discrepancies were noticed on such verification.  
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed by the Company during the year.
2. (a) Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedure of physical verification of inventory followed by the management is adequate in relation to the size of the Company and the nature of its business.  
(c) The company is maintaining the proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. (a) The Company has taken interest free unsecured loan amounted to Rs. 115.74 Lacs from a Holding company .In respect of the said loan , the maximum amount outstanding during the year is 115.74 Lacs  
(b) The other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company  
(c) The payments of the Principal amount are regular.
4. In our opinion and according to the information provided by the Company to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. There is no major weakness in the internal

- control procedures.
5. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements enter in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more in respect of any party.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company's present internal audit system is adequate commensurate with the size and nature of its business.
8. We are informed that the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of Company's product.
9. a) The Company is regular in depositing undisputed statutory dues with the appropriate authority.  
b) According to the information and explanations given to us there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax.
10. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to the financial institutions or Banks.
12. The Company has not granted any loans and advances on the basis of security by were of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund are not applicable to the Company.
14. Since the Company is not dealing in shares, this clause is not applicable.
15. The Company has not raised any term loans during the year
16. The Company has not given any guarantees during the year
17. According to the information and explanations received the Company has not applied short term borrowings from long term use and vice versa.
18. The Company has made preferential allotment of 2,61,000 Equity Shares of Rs. 10/- each at premium of Rs. 15/- each during the year on 15/09/2009 and the equity shares of the nominal value of Rs. 10/- for each share was subdivided into five shares of Rs. 2/- each during the year
19. The Company has not issued any debenture during the year
20. The Company has not raised any money by way of public issue during the year
21. As per the information and explanation provided by the Company to us no material fraud on or by the Company has been noticed during the year.

**For G.C. Patel & Co.**  
Chartered Accountants

Sd/-  
Gnaneshwar C. Patel  
Partner  
M. No. 47327

Place: Mumbai  
Date: 29/05/2010

**ATCOMAART SERVICES LTD.**

(Formerly known as HARVEST ELECTRONICS LIMITED)

**BALANCE SHEET AS AT 31 ST MARCH 2010**

PARTICULARS		AS AT 31/3/2010 RS.	AS AT 31/3/2009 RS.
<b>SOURCE OF FUNDS</b>			
<b>SHARE HOLDERS FUNDS</b>			
Share Capital	1	5,110,000	2,500,000
Share Application Money		-	2,500,000
Reserves & Surplus	2	7,007,728	3,025,000
<b>LOAN FUNDS</b>			
	3	11,574,096	-
<b>TOTAL</b>		<b>23,691,824</b>	<b>8,025,000</b>
<b>II APPLICATION OF FUNDS</b>			
<b>A) Fixed Assets</b>			
Gross Block	4	2,153,645	3,305,587
Less : Depreciation		1,747,881	2,753,334
Net Block		405,764	552,253
Capital Work In Progress		2,180,328	-
Deffered Tax Asset		66,081	75,829
<b>B) Current Assets Loans &amp; Advances</b>			
Inventories	5	10,743,712	11,131,463
Sundry Debtors	6	435,511,858	1,807,547
Cash & Bank Balances	7	4,088,572	78,670
Loans & Advances	8	436,834	737,939
<b>TOTAL</b>		<b>450,780,975</b>	<b>13,755,619</b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	9	428,535,968	12,773,227
Provisions	10	1,205,357	85,328
<b>TOTAL</b>		<b>429,741,325</b>	<b>12,858,555</b>
<b>NET CURRENT ASSETS</b>		<b>21,039,650</b>	<b>897,065</b>
<b>C) PROFIT &amp; LOSS ACCOUNT</b>			
		-	6,499,853
<b>TOTAL</b>		<b>23,691,824</b>	<b>8,025,000</b>

Notes to Accounts 18  
Schedules referred to above form an integral part of these accounts.

As per our Attached report of even date.  
For G.C.PATEL & CO.  
CHARTERED ACCOUNTANTS

ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
Gnaneshwar C. PATEL -  
Partner  
Membership No. 047327  
PLACE- MUMBAI  
DATED- 29/05/2010

Sd/-  
Mahendra Sanghvi  
Director

Sd/-  
M. S. Chaudhary  
Director

**ATCOMAART SERVICES LTD.**

(Formerly known as HARVEST ELECTRONICS LIMITED)

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH 2010**

PARTICULARS		AS AT 31/3/2010 RS.	AS AT 31/3/2009 RS.
<b>INCOME :</b>			
Sales & Service Income	11	592,587,576	1,671,505
Other income	12	70,061	71,603
<b>TOTAL</b>		<b>592,657,636</b>	<b>1,743,108</b>
<b>EXPENDITURE :</b>			
Consumption of Raw Materials	13	580,683,465	869,219
Employees Remuneration & Benefits	14	3,184,373	522,925
Operation & Establishment Expenses	15	769,226	192,645
Selling Expenses	16	176,122	9,418
Depreciation	3	88,674	25,607
Financial Expenses	17	6,134	18,578
<b>TOTAL</b>		<b>584,907,994</b>	<b>1,638,392</b>
<b>Profit / ( Loss) Before Taxation</b>		<b>7,749,642</b>	<b>104,716</b>
Less: Provision for Tax		10,39,372	-
Add/(Less): Provision for Deferred Tax		9,748	(38,315)
Less: Fringe Benefit Tax		-	(3,281)
Profit / ( Loss) After Taxation		6,700,522	63,120
Profit / ( Loss) Account Balance Brought Forward		(6,499,853)	(6,562,973)
Less: Prior Expenses		132,941	-
<b>Profit / (Loss) Carried Forward To Balance sheet</b>		<b>67,728</b>	<b>(6,499,853)</b>
Basic /Diluted earing per Share of face value of Rs.2/ (Previous year face value of Rs.10/-)		2.62	0.25

Significant accounting policies & notes to accounts 18

Schedules referred to above form an integral part of these accounts.

As per our Attached report of even date.

For G.C.PATEL & CO.  
CHARTERED ACCOUNTANTS

ON BEHALF OF BOARD OF DIRECTORS

sd/-  
G.C. PATEL - Partner  
Membership No. 047327  
PLACE- MUMBAI  
DATED- 29/05/2010

sd/-  
Mahendra Sanghvi  
Director

sd/-  
M. S. Chaudhary  
Director

**ATCOMAART SERVICES LIMITED**

(Formerly known as HARVEST ELECTRONICS LIMITED)

**Schedules forming part of Balancesheet for the year ended 31st March 2010**

PARTICULARS	AS AT 31/3/2010 RS.	AS AT 31/3/2009 RS.
<b>SCHEDULE -1: SHARE CAPITAL</b>		
Authorised Share Capital:		
50,00,000 Equity Shares of Rs. 2/- each (P.Y. 10,00,000 Equity share of Rs.10/- each)	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>		
25,55,000 Equity share of Rs.2/- each fully paid up (P.Y. 2,50,000 Equity share of Rs.10/- each fully paid up)	5,110,000	2,500,000
Share Application Money	-	2,500,000
<b>TOTAL</b>	<b>5,110,000</b>	<b>5,000,000</b>
<b>SCHEDULE -2: RESERVES AND SURPLUS</b>		
Reserves & Surplus( Forfeited Share Application Money)	3,025,000	3,025,000
Reserves & Surplus( For Share Premium)	3,915,000	-
Add: Profit & Loss	67,728	-
<b>TOTAL</b>	<b>7,007,728</b>	<b>3,025,000</b>
<b>SCHEDULE -: 3 LOAN FUND</b>		
Secured Loan	-	-
Unsecured Loan	11,574,096	-
<b>Total</b>	<b>11,574,096</b>	<b>-</b>
<b>SCHEDULE -:5 INVENTORIES</b>		
(As taken and valued by the management) (At lower of cost or net realisable value)		
Raw Material, Stores & Consumables	10,743,712	10,946,463
	<b>10,743,712</b>	<b>10,946,463</b>
<b>SCHEDULE -:6 SUNDRY DEBTORS</b>		
Debtors More than Six Months	34,143,404	-
Others	401,368,454	1,807,547
<b>TOTAL</b>	<b>435,511,858</b>	<b>1,807,547</b>
<b>SCHEDULE -: 7 CASH &amp; BANK BALANCES</b>		
Cash in hand	4,820	13,695
Balance with Scheduled Bank in Current A/c	4,083,752	64,976
<b>TOTAL</b>	<b>4,088,572</b>	<b>78,670</b>

PARTICULARS	AS AT 31/3/2010 RS.	AS AT 31/3/2009 RS.
<b>SCHEDULE - 8: LOANS &amp; ADVANCES</b>		
( Unsecured, Considered Good)		
Advances Receivable in cash or Kind		
TDS Receivable	-	18,275
TDS On Interest ( A.Y. 2008-09)	2,220	-
TDS On Interest ( A.Y. 2009-10)	4,409	-
Prepaid Expenses	-	28,640
Dealership Deposits	15,000	15,000
Other advances	-	8,648
Modvat Receivable	400,266	630,131
Deposit with Government Authorities & Others	14,940	14,940
VAT Input receivable	-	22,305
<b>TOTAL</b>	<b>436,834</b>	<b>737,939</b>
<b>SCHEDULE - 9 : CURRENT LIABILITIES</b>		
Sundry Creditors for goods & expenses	428,396,062	12,674,508
Duties & Taxes	139,906	98,719
<b>TOTAL</b>	<b>428,535,968</b>	<b>12,773,227</b>
<b>SCHEDULE - 10 : PROVISIONS</b>		
For Bonus	102,160	28,182
For Gratuity	21,934	21,934
For Expenses	-	8,212
For Audit fees payable	41,891	27,000
MAT for F.Y. 2009-10	1,039,372	-
<b>TOTAL</b>	<b>1,205,357</b>	<b>85,328</b>

**ATCOMAART SERVICES LIMITED**

(Formerly known as HARVEST ELECTRONICS LIMITED)

**Schedules forming part of Profit & Loss Account for the year ended 31st March 2010**

PARTICULARS	AS AT 31/3/2010 RS.	AS AT 3/31/2009 RS.
<b>SCHEDULE -11: SALES &amp; SERVICE INCOME</b>		
Sales	592,587,576	1,671,505
Service Income		-
<b>TOTAL</b>	<b>592,587,576</b>	<b>1,671,505</b>
<b>SCHEDULE -12: OTHER INCOME</b>		
Packing & Forwarding Charges	6327	5964
Stamping Charges	17794	11070
Miscellaneous Income	45,950	22,496
Interest on Fixed Deposit		32,074
<b>TOTAL</b>	<b>70,061</b>	<b>71,603</b>
<b>SCHEDULE -13: CONSUMPTION OF RAW MATERIAL</b>		
Opening Stock of Raw Material	11,131,463	11,431,261
Add: Purchases	580,295,714	569,421
	591,427,177	12,000,682
Less: Closing stock of Raw Material	10,743,712	11,131,463
<b>TOTAL</b>	<b>580,683,465</b>	<b>869,219</b>

PARTICULARS	AS AT 31/3/2010 RS.	AS AT 31/3/2009 RS.
<b>SCHEDULE -14: EMPLOYEES REMUNERATION</b>		
Salary Wages & Bonus	2,939,946	499,112
Employees Contribution to P.F. & Other Funds	244,427	23,813
<b>TOTAL</b>	<b>3,184,373</b>	<b>522,925</b>
<b>SCHEDULE -15: OPERATIONAL &amp; ADMINISTRATIVE EXPENSES</b>		
Security Guard Charges	24,326	25,269
Factory Maintainance Charges	5,954	-
Retainership Fees	240,712	-
Housekeeping Services	23,128	-
Insurance Expenses	12,719	15,736
Telephone Expenses	73,613	21,811
Sundry Admin Expenes	20,409	31,894
Postage, courier & xerox expenses	4,493	3,537
Fees & Taxes	7,850	8,000
Staff welfare	8,605	180
Water Charges	2,785	1,755
Conveyance & Travelling	8,215	4,799
Electricity Charges	148,478	29,660
Internet Expenses	17,598	-
Printing & Stationery	11,471	1,836
Professional Tax	12,500	-
Repairs & Maintenance	33,726	2,410
Registration Exp.	28,640	-
Audit Fees	13,500	13,500
Service Tax Paid	2,275	-
Legal & Professional Charges	28,000	17,500
Miscellenous Expenses	30,738	14,758
Petrol Exp	9,491	-
<b>TOTAL</b>	<b>769,226</b>	<b>192,645</b>
<b>SCHEDULE -16: SELLING EXPENSES</b>		
Incentives	37,344	2,657
Reimbursement Expences Selling	121,254	-
Transportation Charges	17,524	6,761
<b>TOTAL</b>	<b>176,122</b>	<b>9,418</b>
<b>SCHEDULE -17: FINANCIAL EXPENSES</b>		
Interest on car loan	-	1,449
Bank charges	6,134	17,129
<b>TOTAL</b>	<b>6,134</b>	<b>18,578</b>

Atcomart Services Ltd. (Harvest Electronics Limited)												
SCHEDULE - 4: FIXED ASSETS												
SN	Description of Asset	Rate of Depreciation	GROSS BLOCK			DEPRECIATION			NET BLOCK			
			As at 4/1/2009	Addition during the year/Adjustment	Scrap/ Squared	As at 3/31/2010	As at 1/4/2009	P.Y. Dep. (Claimed in prior year exp.)	Amt. written off/ Adjustment of P.Y.	Provided during the year	Provided up to 31-3-2010	As at 3/31/2009
1	Computer 1	40.00	26,552	-	-	26,552	1,140	1,149	1,149	24,828	1,724	4,013
	Computer 2	40.00	1,125,000	-	1,125,000	0	1,125,000	1,125,000	1,149	24,828	1,724	4,013
2	Tools & Equipment	13.91	58,020	-	40,839	58,020	1,652	2,160	38,093	44,651	13,369	17,181
3	Motor Car	25.89	1,393,653	79,409	1,232,936	1,473,062	92,992	4,283	1,419	1,368,304	104,758	240,126
4	Printer	40.00	20,750	-	15,119	20,750	2,084	2,120	18,622	18,622	2,128	5,631
5	Air Conditioners	13.91	32,000	-	15,138	32,000	1,621	2,120	18,879	13,121	16,862	16,862
6	Internet Installation Charges	40.00	135,000	-	106,351	-	106,351	-	581	4,074	3,598	4,623
7	Electronic Time Recorder	13.91	7,672	-	3,049	7,672	444	43,151	268,522	267,067	343,226	343,226
8	Plant & Machinery	13.91	535,589	-	192,363	535,589	33,008	88,674	1,747,881	405,764	631,662	631,662
	<b>Total</b>		<b>3,334,236</b>	<b>79,409</b>	<b>1,260,000</b>	<b>2,153,645</b>	<b>132,941</b>	<b>1,235,634</b>	<b>88,674</b>	<b>1,747,881</b>	<b>405,764</b>	<b>631,662</b>

## SCHEDULE: 18- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

Notes annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the twelve months ended 31<sup>st</sup> March, 2010.

### 1. Significant Accounting Policies:

#### Basis of Accounting:

The accounts have been prepared under the historical cost on an accrual basis as a going concern. Revenue recognition and expenses incurred are accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

#### Revenue Recognition:

##### Sales:

Income from Product Sales/Services Charges is recognized upon completion of sales and rendering of the services respectively. Sales are inclusive of excise duty but accounted net of sales tax, whenever applicable. Income includes inter-divisional transfer at market price. The value of such inter divisional transfer is included in the value of materials purchase & sales.

#### Dividend and Interest:

Dividend income from investments is recognized when right to receive to payment is established. Interest income is accounted on its accrual on a time proportion.

#### Employees' Remuneration:

The Company's contributions to the Provident Fund are charged to Profit & Loss for the period.

#### Fixed Assets:

Fixed assets are stated at cost of acquisition less accumulated depreciation.

#### Depreciation:

Depreciation is charged on the Fixed Assets on Written Down value Method at the rates prescribed in Schedule XIV of the Companies Act, 1956 Depreciation is charges on pro-rata basis for the assets purchases/ sold during the year.

#### Employees retirement benefits:

Liability in respect of retirement benefits is provided and/or charged to profit & loss account as follows:

a) **Gratuity:** No provision is made in the accounts in respect of Gratuity payable to staff. These are charged in the accounts as and when paid. The management believes that the amount involved is not so significant.

b) **Provident Fund:** Annual contribution to Provident Fund is charged to the Profit and Loss Account.

c) Leave Encashment is not applicable.

#### e) Inventories:-

Inventories of Raw Materials & Work in Progress are accounted at Cost Finished Goods has been valued at cost or market value whichever is less.

#### f) Taxation

In view of the carried forward losses, it has been adjusted against current year's profit. Provision for Income Tax has been made against balance current year's profit.

#### Foreign Currency Transaction:

Any income or expenses on account of exchange the difference is either in settlement or on transaction is recognized as per revenue gain/loss.

#### g) Deferred tax Asset/ Liabilities:

Deferred Tax assets or liabilities for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying

amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profit is not like to be available to realize all or part of the deferred tax assets.

#### Prior Period Expenses/ Income:

All identifiable items of income and expenditure pertaining to prior period are accounts as per "Prior Period Adjustment".

#### Going Concern Assumption:

The accounts are prepared on the going concern assumption. Amount payable/ receivable in respect of sundry creditors, sundry debtors, loans given, unsecured loan obtained, advances recoverable, bank balance etc. are subject to reconciliation and confirmation.

#### h) Earning per Share:

	2009-10	2008-09
(a) Net profit after Tax available to Equity Share Holders	65,96,585	63,120
(b) Weighted Average Number of Equity Shares of Rs. 2/- each outstanding during the year (Rs. 10/- for previous year)	25,55,000	2,50,000
(c) Nominal Value of Equity Shares (Rs.)	2/-	10/-
(d) Basic/ Diluted Earning Per share Rs. (a / b)	2.62	0.25

## SCHEDULE: 19- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

2. Contingent Liabilities Rs. NIL (Previous Year Rs. Nil)

3. Value of imports calculated on CIF basis - Nil

4. Details of Goods Produced

Particulars	2009-10		2008-2009	
	Qty	Rs.	Qty	Rs.
Opening Stock	Numerous	1,11,31,463	Numerous	1,14,31,261
Closing Stock	Numerous	1,07,43,712	Numerous	1,11,31,463
Turnover	Numerous	59,25,87,576	Numerous	16,71,505

5. Balances of sundry debtors, Loans & Advances and Current Liabilities are subject to Confirmation and reconciliation, if any.

6. No Managerial Remuneration was given to the Director during the year under review.

7. Auditors remuneration:-

Particulars	Current Year Rs.	Previous Year Rs.
Audit Fees	13500/-	13500/-
Service Tax	1390.50	-
2. Co. Law Matters	Nil	Nil
<b>Total</b>	<b>14890.50</b>	<b>13500/-</b>

8. Loans and advances to the company under the same management Rs. NIL

9. Previous year figures has been regrouped / rearranged wherever necessary.

#### Signature to schedule 1 to 18

For G.C.PATEL & CO.

CHARTERED ACCOUNTANTS

On Behalf of the Board of Director

Sd/-  
Gnaneswar C. Patel  
Partner  
Mumbai,  
Date:- M. No. 047327  
Date: 29/05/2010

sd/-  
(Mahendra Sanghvi)  
Director

sd/-  
(M. S. Chaudhary)  
Director





**ATCOMAART SERVICES LIMITED**  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31,2010

Particulars	2009-2010
<b>A. Cash Flow From Operating Activities</b>	
Net Profit Before Taxation and Extra-ordinary Items	7,616,701
<b>Adjustments for :</b>	
Depreciation	88,674
Revaluation of Car	(75,126)
Interest Charges	6,134
<b>Operating Flow before working Capital Changes</b>	<b>7,636,383</b>
Adjustment for :	
(Increase) / Decrease in Inventories	387,751
(Increase) / Decrease in Trade & Other Receivables	(433,704,310)
Increase /(Decrease) in Trade Payable & Provisions	415762742
Increase /(Decrease) in Provisions	80,657
(Increase) / Decrease in Loans & Advances	301,105
<b>Cash Generated From Operating Activities</b>	<b>(9535673)</b>
Income Tax Paid	
<b>Cash Generated From Operations Before Extra-ordinary Items</b>	<b>(9535673)</b>
Prior period expenditure	132,941
<b>Net Cash flow from Operating Activities</b>	<b>(9402732)</b>
<b>B. Cash Flow from Investing Activities.</b>	
Purchase of Fixed Assets	
Capital Work in Progress	(2180328)
Sale of Fixed Assets	
Sale Of Investments	
Purchase of Investments	
Income From Investment	
<b>Net Cash Flow From Investing Activities</b>	<b>B (2180328)</b>
<b>C. Cash Flow From Financing Activities</b>	
Proceeds From Issue of Shares including Securities Premium	4,025,000
Interest Paid	(6,134)
Proceeds From Issue of Shares from conversion of Warrants	
Proceeds From Convertible Warrant Application Money	
Dividend paid	
Increase / (Decrease) in Unsecured Loans	11,574,096
<b>Net Cash Flow From Financing Activities</b>	<b>15,592,962</b>
	<b>A+B+C</b>
	<b>4,009,902</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2009	78,670
CASH OR CASH EQUIVALENT AS AT 31.03.2010	4,088,572
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT</b>	<b>4,009,902</b>

This is the cash flow statement referred to in our report of even date.

For G.C. Patel & Co.

Chartered Accountant

On Behalf of the Board of Director

Sd/-  
(Gnaneshwar C. Patel)  
Partner  
Membership No. : 047327  
Place : Mumbai  
Date : 29/05/2010

Sd/-  
Mahendra Sanghvi  
Director

Sd/-  
M. S. Chaudhary  
Director

# eDESK

## SERVICES LIMITED

### Board of Directors

**MR. VIKRAM A. DOSHI**

**MR. ANIL BHANDARI**

**MR. CHIRAG B. CHAVDA**

#### Bankers

HDFC BANK LTD  
THE GREATER CO.OP. BANK LTD

#### Auditor

Jain Anil & Associates.  
Chartered Accountants

#### Registered Office

eDesk Services Limited,  
Vaghela Avenue, 3rd Floor,  
Behind Havmor Restaurant,  
Nr. Navarangpura Bus Station,  
Navrangpura, Ahmedabad - 380004.

### DIRECTORS REPORT

To,

The Members,

**eDESK SERVICES LIMITED**

(Formerly known as Atcom Netconnect Limited)

Your Directors present the Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2010

FINANCIAL RESULTS	for the Year Ended	
	31.03.2010	31.03.2009
	Rupees	Rupees
Gross Profit / (Loss) before interest and depreciation	200000	(75,666)
Less: Interest	-	-
Depreciation	-	-
Profit / (Loss) before tax	200000	(75,666)
Less: Provision for Taxation	30900	-
Profit / (Loss) after tax	169100	(75,666)
Profit / (Loss) brought forward	(1,56,486)	(80,820)
Profit / (Loss) carried to Balance Sheet	12614	(1,56,486)

#### DIVIDEND & APPROPRIATIONS

The profit of the Company will be used for the future benefits of the Company, therefore your directors regret their inability to recommend dividend for the year ended on 31st March, 2010

#### SHARE CAPITAL

During the year under review our company has sub-divided nominal value of share capital of the Company from Rs. 10/- each into five equity shares of Rs. 2/- each and thereafter from Rs. 2/- each into two equity shares of Rs. 1/- each.

During the year under review the Company did not raise any capital

#### FIXED DEPOSITS

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

#### DIRECTORS

Mr. Anil Shukla resigned from the directorship and Mr. Chirag Chavda, management consultant, is being appointed as independent additional director.

Mr. Anil Bhandari, the Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

#### AUDITORS

The present Auditors M/s. Jain Anil & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Members are requested to appoint Auditors and fix their remuneration.

#### PARTICULARS OF EMPLOYEES

There are no employees receiving remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 during the year under review, hence the Companies (Particulars of Employees) Rules, 1975 do not apply to the Company.

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

#### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors pursuant to Section 217(2AA) state –

- 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 31st March, 2010 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.

By Order of the Board of Directors

Place: Ahmedabad  
Date: 29/05/2010

sd/-  
Vikram Doshi  
Managing Director

### AUDITOR'S REPORT

To,  
The Members,  
**eDESK SERVICES LIMITED**  
(Formerly known as Atcom Netconnect Limited)

We have audited the attached Balance Sheet of eDesk Services Limited as on 31st March, 2010 and also the Profit & Loss Account of the Company for the year ended on that date annexed hereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph one above, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e. On the basis of the written confirmation received from the Directors and taken on record by, the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and
  - a. attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. In so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and

- ii. In so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date
- iii. In so far it relates to the cash flow statement, of the cash flow of the company for the year ended on that date.

For Jain Anil & Associates  
Chartered Accountants

sd/-  
(Anil Jain)  
Proprietor  
Membership No. 39803  
Dated: 29/05/2010

### ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph of our report of even date on the accounts of eDESK SERVICES LIMITED for the year ended 31st March, 2010

1. The Company has not obtained any loans from the person listed in the register maintained under section 301 of the Companies Act, 1956 and / or from the Companies under the same management
2. The company has not granted any loans (secured or unsecured) to the directors, companies and firms and any other parties listed in the register maintained under section 301 of the Companies under the same management.
3. The Company has not accepted any deposit from the public during the year.
4. According to information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, and Excise Duty were outstanding as on 31st March, 2010 for a period more than six months from the date of becoming payable.
5. According to information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under the contractual obligation or in accordance with generally accepted business practice.
6. (a) The Company has taken interest free unsecured loan amounted to Rs. 17.34 Lacs from a Holding company. In respect of the said loan , the maximum amount outstanding during the year is 17.34 Lacs  
(b) The other terms and conditions of loan taken by the Company are prima facie not prejudicial to the interest of the Company  
(c) The payments of the Principal amount are regular.
7. In our opinion and according to the information provided by the Company to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. There is no major weakness in the internal control procedures.
8. In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements enter in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000/- or more in respect of any party.
9. In our opinion, the Company's present internal audit system is adequate commensurate with the size and nature of its business.
10. The Company is regular in depositing undisputed statutory dues with the appropriate authority.
11. The other provisions of the said Order are not applicable to the Company.

For Jain Anil & Associates  
Chartered Accountants

sd/-  
(Anil Jain)  
Proprietor  
Membership No. 39803  
Dated: 29/05/2010

**eDESK SERVICES LIMITED**

(Formerly Known as Atcom Netconnect Ltd.)

**BALANCESHEET AS AT 31ST MARCH 2010**

PARTICULARS	SCHEDULE NO.	As At 31/03/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>I. SHARE HOLDERS FUND</b>			
1. Share Capital	1	500,000	500,000.00
2. Reserves & Surplus	2	12,614	-
3. Loan Fund	3	1,733,605	-
		<b>2,246,219</b>	<b>500,000.00</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Asset</b>			
Computer Software		70,900,000	-
<b>Current Assets, Loans and Advances</b>			
i. Loans & Advances	4	406,489	424,298
ii. Sundry Debtors	5	2,080,328	-
ii. Cash & Bank Balance		34,656	3,803
		<b>2,521,473</b>	<b>428,101</b>
<b>Less :- Current Liabilities &amp; Provisions</b>	6	<b>71,236,584</b>	<b>145,917</b>
<b>NET CURRENT ASSETS (3-4)</b>		<b>(68,715,111)</b>	<b>282,184</b>
Miscellaneous Expenditure (to the extent not written off)	7	61,330	61,330
Profit & Loss Account		-	156,486
		<b>2,246,219</b>	<b>500,000</b>

**NOTES ON ACCOUNTS** 13

As per our reports of Even Date For Jain Anil &amp; Associates Chartered Accountants

sd/-  
Anil Jain  
Proprietor  
Membership No. 39803Place: Mumbai  
Date: 29/05/2010

For and on behalf of the Board

sd/-  
Vikram Doshi  
Director  
sd/-  
Chirag Chavda  
Director**eDESK SERVICES LIMITED**

(Formerly Known as Atcom Netconnect Ltd.)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010**

PARTICULARS	SCHEDULE NO.	As At 31/03/2010 (Rs.)	As At 31/03/2009 (Rs.)
<b>INCOME:</b>			
Sales & Services	8	2,080,328	-
Other Income	9	-	18,775
		<b>2,080,328</b>	<b>18,775</b>
<b>EXPENDITURE:</b>			
Operating & Establishment Exp.	10	270,937	4,603
Employees Cost	11	1,608,931	89,566
Financial Charges	12	460	272
		<b>1,880,328</b>	<b>94,441</b>
<b>Profit / (Loss) for the year before tax</b>		<b>200,000</b>	<b>(75,666)</b>
Provision for Taxation		<b>30,900</b>	-
<b>Profit / (Loss) for the year after tax</b>		<b>169,100</b>	<b>(75,666)</b>
Balance of Loss brought forward from previous year		(156,486)	(80,820)
<b>Profit / (Loss) Carried to Balance Sheet</b>		<b>12,614</b>	<b>(156,486)</b>
Basic /Diluted earning per Share of face value of Rs.2/ (Previous year face value of Rs. 10/-)		<b>3.38</b>	(1.51)

**NOTES ON ACCOUNTS** 13

As per our reports of Even Date For Jain Anil &amp; Associates Chartered Accountants

sd/-  
Anil Jain  
Proprietor  
Membership No. 39803Place: Mumbai  
Date: 29/05/2010

For and on behalf of the Board

sd/-  
Vikram Doshi  
Director  
sd/-  
Chirag Chavda  
Director

**eDESK SERVICES LIMITED**  
(Formerly Known as Atcom Netconnect Ltd.)  
SCHEDULE ANNEXED AND FORMING PART OF THE BALANCE SHEET AS AT  
31ST MARCH 2010

PARTICULAR	AS AT 3/31/2010 Amount (Rs.)	AS AT 3/31/2009 Amount (Rs.)	PARTICULAR	AS AT 3/31/2010 Amount (Rs.)	AS AT 3/31/2009 Amount (Rs.)
<b>SCHEDULE 1</b>			<b>SCHEDULE 6</b>		
Share Capital			Current Liabilities & Provisions		
1,00,00,000 Equity Shares of Rs1/- each (P.Y. 10,00,000 equity shares Rs. 10/- each)	10,000,000	10,000,000	Duties & Taxes	(7,315,301)	6,565
	<b>10,000,000</b>	<b>10,000,000</b>	Provision	73,670	1,103
Issued Subscribed and paid up.			Sundry Creditor	78,478,215	138,249
500000 Equity Shares of Rs.1/- each (P.Y. 50,000 equity shares Rs. 10/- each)	500,000	500,000		71,236,584	145,917
	<b>500,000</b>	<b>500,000</b>	<b>SCHEDULE 7</b>		
<b>SCHEDULE 2</b>			Miscellaneous Expenditure (to the extent not written off)		
<b>Reserves &amp; Surplus</b>			Preliminary Expenditure	61,330	61,330
Profit & Loss	12,614	-		61,330	61,330
	<b>12,614</b>	-	<b>SCHEDULE 8</b>		
<b>SCHEDULE 3</b>			Sales	2,080,328	-
<b>Loan Fund:</b>				<b>2,080,328</b>	-
Secured Loan	-	-	<b>SCHEDULE 9</b>		
Unsecured Loan	1,733,605	-	Income		
	<b>1,733,605</b>	-	Interest Received	-	17,673
<b>SCHEDULE 4</b>			Bal. write off	-	1,102
Current Assets, Loans & Advances				-	18,775
Trade Advance	403,601	424,298	<b>SCHEDULE 10</b>		
TDS A.Y. 2008-09	2,888	-	Operating & Establishment Exp.		
Total	<b>406,489</b>	<b>424,298</b>	Audit Fees	1,000	1,103
<b>SCHEDULE 5</b>			Electricity Charges	58,773	-
<b>Sundry Debtors</b>			Fees & Taxes	3,060	1,500
Others	2,080,328	-	Professional Fees	4,000	-
	<b>2,080,328</b>	-	House Keeping Charges	49,848	-
			Profession Tax-Co.	2,050	2,000
			Internet Charges	33,108	-
			Repairs Maintance	30,000	-
			Courier Charges	85	-
			Conveyance	50	-
			Miscellaneous Expenses	17,399	-
			Printing & Stationery	2,328	-
			Security Charges	25,161	-
			Telephone Exp.	42,909	-
			Sundry Admin Exp.	1,164	-
			Sundry Bal W/off	2	-
				<b>270,937</b>	<b>4,603</b>
			<b>SCHEDULE 11</b>		
			Employees Cost		
			Salaries & Wages	1,566,870	89,566
			Staff Welfare	42,061	-
				<b>1,60,8931</b>	<b>89,566</b>
			<b>SCHEDULE 12</b>		
			Financial Charges		
			Bank Charges	460	272

**SCHEDULE: 13 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

**1. Significant Accounting Policies:**

**a. Basis of Accounting:**

The accounts have been prepared under the historical cost convention on an accrual basis as a long concern. Revenue recognized and expenses incurred are accounted on accrual basis and applicable mandatory standards, and accordance with the requirements of the companies Act, 1956.

**b. Employees retirement benefits:**

Provision for other retirement benefit via Gratuity has not been made. The same will be considered at the time of actual payment.

**c. Taxation**

In view of the carried forward losses, it has been adjusted against current year's profit. Provision for Income tax has been made against the balance of current year's profit.

**d. Deferred tax Asset/ Liabilities:**

Deferred Tax assets or liabilities for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profit is not like to be available to realize all or part of the deferred tax assets.

**e. Earning per Share:**

	2009-10	2008-09
(a) Net profit after Tax available to Equity Share Holders	1,69,100	(75,666.00)
(b) Weighted Average Number of Equity Shares of Rs. 1/- each outstanding during the year (Rs. 10/- for previous year)	5,00,000	50,000
c) Nominal Value of Equity Shares (Rs.)	1/-	10/-
<b>(d) Basic/ Diluted Earning Per share Rs. (a / b)</b>	<b>3.38</b>	<b>(1.51)</b>

**SCHEDULE: 13 - SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

2. Contingent Liabilities Rs. NIL (Previous Year Rs. Nil)

3. Value of imports calculated on CIF basis – Nil

4. Details of Goods Produced

Particulars	2009-10		2008-2009	
	Qty	Rs.	Qty	Rs.
Opening Stock	Numerous	---	Numerous	----
Closing Stock	Numerous	---	Numerous	----
Turnover	Numerous	---	Numerous	----

5. Balances of sundry debtors, Loans & Advances and Current Liabilities are subject to Confirmation and reconciliation, if any.

6. No Managerial Remuneration was given to the Director during the year under review.

7. Auditors remuneration:-

Particulars	Current Year Rs.	Previous Year Rs.
1. Audit Fees	1000/-	1000/-
2 Co. Law Matters Add: Services Tax	Nil 103	Nil 103
<b>Total</b>	<b>1103/-</b>	<b>1103/-</b>

8. Loans and advances to the company under the same management Rs. NIL

9. Previous year figures has been regrouped / rearranged wherever necessary.

Signature to schedule 1 to 10  
For JAIN ANIL & ASSOCIATES  
CHARTERED ACCOUNTANTS

On Behalf of the Board of Directors

sd/  
(Anil Jain)  
Proprietor  
Date:- 29/05/2010  
M. No. 39803

sd/  
(Vikram Doshi)  
Director

Sd/  
(Chirag Chavda)  
Director

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956			
<b>I Registration Details :</b>			
Registration No.	U15540GJ2004PTC054759		
Country Code	IN		
Balance Sheet Date	31.03.2010		
<b>Ii Capital raised during the year. (Rs. In thousand) :-</b>			
Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private placement	Nil
<b>Iii Position of Mobilization and Deployment of Funds :-</b>			
Total Liabilities	2246219		
Total Assets	2246219		
<b>Sources of Funds</b>		<b>Application Funds</b>	
Paid Up Capital	500000	Net Fixed Assets	70900000
Reserve And Surplus	12614	Miscellaneous Expenditure	61330
Share Application		Net Current Assets	(68715111)
Secured Loan		Accumulated Loss	0
Unsecured Loans	1733605		
<b>Iv Performance of the Company:-</b>			
Total Income	2080328	Total Expenditure	1880328
Profit/Loss Before Tax	200000	Dividend Rate (%)	
Profit/Loss After Tax	169100	Earning Per Share	3.38

For JAIN ANIL & ASSOCIATES  
CHARTERED ACCOUNTANTS

On Behalf of the Board of Directors

sd/  
(Anil Jain)  
Proprietor  
Date:- 29/05/2010  
M. No. 39803

sd/  
(Vikram Doshi)  
Director

Sd/  
(Chirag Chavda)  
Director

## CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2010

Particulars	2009-2010
<b>A. Cash Flow From Operating Activities</b>	
Net Profit/Loss before Tax and Extra Ordinary Items.	200,000
<b>Adjustments for :</b>	
Depreciation	-
Interest Charges	460
Misc. Expenses Written Off	-
Dep. Written off/ Adjustment of P.Y.	-
Extra Ordinary Items	-
Prior period expenditure	-
less:Income from Investments	-
Interest Income	-
<b>Operating Flow before working Capital Changes</b>	<b>200,460</b>
Adjustment for :	
(Increase) / Decrease in Inventories	
(Increase) / Decrease in Trade & Other Receivables	(2,080,328)
Increase /(Decrease) in Trade Payable & Provisions	71,059,767
(Increase) / Decrease in Loans & Advances	17,809
Cash Generated From Operating Activities	69,197,708
Income Tax Paid	-
Interest Paid	-
<b>Net Cash flow from Operating Activities A</b>	<b>69,197,708</b>
<b>B. Cash Flow from Investing Activities.</b>	
Purchase of Fixed Assets	70,900,000
Capial Work in Progress	-
Sale of Fixed Assets	-
Sale Of Investments	-
Purchase of Investments	-
Income From Investment	-
<b>Net Cash Flow From Investing Activities B</b>	<b>70,900,000</b>
<b>C. Cash Flow From Financing Activities</b>	
Proceeds From Issue of Shares	-
Proceeds From Issue of Shares from conversion of Warrants	-
Proceeds From Convertible Warrant Application Money	-
Bank Charges / Interest paid	(460)
Dividend paid	-
Increase / (Decrease) in Unsecured Loans	1,733,605
<b>Net Cash Flow From Financing Activities C</b>	<b>1,733,145</b>
<b>A+B+C</b>	<b>30,853</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2009	3,803
CASH OR CASH EQUIVALENT AS AT 31.03.2010	34,656
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT</b>	<b>30,853</b>

This is the cash flow statement referred to in our report of even date.  
For Jain Anil & Associates  
Chartered Accountant

Sd/-  
(Jain Anil)  
Partner  
Membership No. : 39803  
Place : Mumbai  
Date : 29.05.10

On Behalf of the Board of Directors  
  
Sd/-  
**Vikram A Doshi**  
Director  
  
Sd/-  
**Chirag Chavda**  
Director



# INNOVAMEDIA PUBLICATIONS LIMITED

## *Board of Directors*

**MR. NITIN H. DATANWALA**

**MR. MAHABIRSINGH K. CHAUDHARY**

**MR. CHIRAG B. CHAVDA**

### Bankers

HDFC BANK LTD  
ICICI BANK LTD

### Auditor

Jain Anil & Associates.  
Chartered Accountants

### Registered Office

Innovamedia Publications Limited,  
Vaghela Avenue, 3rd Floor,  
Behind Havmor Restaurant,  
Nr. Navarangpura Bus Station,  
Navrangpura, Ahmedabad - 380004.

## DIRECTORS REPORT

To,

The Members,

**INNOVAMEDIA PUBLICATIONS LIMITED**

(Formerly known as Brilliant Nutraceuticals Limited)

Your Directors present the Annual Report on the working of the Company together with the audited accounts for the year ended 31st March, 2010

FINANCIAL RESULTS	for the Year Ended	
	31.03.2010 Rupees	31.03.2009 Rupees
Gross Profit / (Loss) before interest and depreciation	2,12,807	(53,321.00)
Less: Interest	-	-
Depreciation	-	-
Profit / (Loss) before tax	2,12,807	(53,321.00)
Less: Provision for Taxation	32,879	-
Profit / (Loss) after tax	1,79,928	(53,321.00)
Profit / (Loss) brought forward	(1,60,562.00)	(1,07,241.00)
Profit / (Loss) carried to Balance Sheet	19,366	(1,60,562.00)

### DIVIDEND & APPROPRIATIONS

The profit of the Company will be used for the future benefits of the Company, therefore your directors regret their inability to recommend dividend for the year ended on 31st March, 2010

### SHARE CAPITAL

During the year under review, the Company has sub-divided nominal value of entire share capital of the Company from Rs. 10/- each into five equity shares of Rs. 2/- each and thereafter from Rs. 2/- each to two equity shares of Rs. 1/- each.

During the year under review the Company did not raise any capital

### FIXED DEPOSITS

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

### DIRECTORS

Mr. Mahabirsingh Chaudhary, the Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

### AUDITORS

The present Auditors M/s. Jain Anil & Associates, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. Members are requested to appoint Auditors and fix their remuneration.

### PARTICULARS OF EMPLOYEES

There are no employees receiving remuneration as prescribed under Section 217(2A) of the Companies Act, 1956 during the year under review, hence the Companies (Particulars of Employees) Rules, 1975 do not apply to the Company.

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

### DIRECTORS RESPONSIBILITY STATEMENT

Your Directors pursuant to Section 217(2AA) state -

- 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 31st March, 2010 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.

By Order of the Board of Directors

sd/-

**Nitin Datanwala**  
Director

Place: Ahmedabad  
Date: 29/05/2010

#### AUDITOR'S REPORT

To,  
The Members,

#### INNOVAMEDIA PUBLICATIONS LIMITED

(Formerly known as Brilliant Nutraceuticals Limited)

We have audited the attached Balance Sheet of Innovamedia Publications Limited as on 31st March, 2010 and also the Profit & Loss Account of the Company for the year ended on that date annexed hereto and the cash flow statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 of India (the act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph one above, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books;
- c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts.
- d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the accounting standards as prescribed under the provisions of Section 211(3C) of the Act.
- e. On the basis of the written confirmation received from the Directors and taken on record by, the Board of Directors we report that none of the Directors of the Company is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies act, 1956;
- f. In our opinion and to the best of our information and according to the

explanations given to us, the said financial statements together with the notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
- ii. In so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date.
- iii. In so far it relates to the Cash Flow Statement, Cash flow of the company for the year ended on that date.

For Jain Anil & Associates  
Chartered Accountants

sd/-  
(Anil Jain)  
Proprietor

Membership No. 39803

Dated: 29/05/2010

#### ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph of our report of even date on the accounts of INNOVAMEDIA PUBLICATIONS LIMITED for the year ended 31st March, 2010

1. The Company has not obtained any loans from the person listed in the register maintained under section 301 of the Companies Act, 1956 and / or from the Companies under the same management
2. The company has not granted any loans (secured or unsecured) to the directors, companies and firms and any other parties listed in the register maintained under section 301 of the Companies under the same management.
3. The Company has not accepted any deposit from the public during the year.
4. According to information and explanations given to us, there were no undisputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, and Excise Duty were outstanding as on 31st March, 2010 for a period more than six months from the date of becoming payable.
5. According to information and explanations given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under the contractual obligation or in accordance with generally accepted business practice.
6. The other provisions of the said Order are not applicable to the Company.

For Jain Anil & Associates  
Chartered Accountants

sd/-  
(Anil Jain)  
Proprietor

Membership No. 39803

Dated: 29/05/2010

**INNOVAMEDIA PUBLICATIONS LIMITED**  
(Formerly known as Brilliant Nutraceuticals Ltd.)  
**BALANCE SHEET AS AT 31ST MARCH 2010**

PARTICULARS	SCHEDULE NO	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>(A) SHARE HOLDERS FUND</b>			
Share Capital	1	500,000	500,000
Reserves & Surplus	2	19,366	
		<b>519,366</b>	<b>500,000</b>
<b>Current Assets Loans and Advances</b>			
i. Trade Advance	3	2,759,931	310,773
ii. Cash & Bank Balance		55,948	26,774
		<b>2,815,879</b>	<b>337,547</b>
<b>Less :- Current Liabilities &amp; Provisions</b>			
	4	2,357,843	59,439
<b>NET CURRENT ASSETS (3-4)</b>			
		<b>458,036</b>	<b>278,108</b>
Miscellaneous Expenditure (to the extent not written off)	5	61,330	61,330
Profit & Loss Account			160,562
		<b>519,366</b>	<b>500,000</b>

**NOTES ON ACCOUNTS**  
As per our reports of Even Date  
For Jain Anil & Associates  
Chartered Accountants

For and on behalf of the Board

sd/-  
Anil Jain  
Proprietor  
Membership No. 39803

sd/- Nitin Datanwala Director  
sd/- Chirag Chavda Director

Place: Mumbai  
Date: 29/05/2010

**INNOVAMEDIA PUBLICATIONS LIMITED**

**SCHEDULE ANNEXED AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010**

PARTICULARS	AS AT 31/3/2010 (Rs.)	AS AT 31/3/2009 (Rs.)
<b>SCHEDULE 1</b>		
<b>Share Capital</b>		
1,00,00,000 Equity Shares of Rs1/- each (P.Y. 10,00,000 equity shares Rs. 10/- each)	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>Issued Subscribed and paid up.</b>		
500000 Equity Shares of Rs.1/- each (P.Y. 50,000 equity shares Rs. 10/- each)	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>SCHEDULE 2</b>		
<b>Reserves &amp; Surplus</b>		
Profit & Loss	19,366	-
	<b>19,366</b>	<b>-</b>
<b>SCHEDULE 3</b>		
<b>Current Assets Loans and Advances</b>		
i. Sundry Debtor	2,759,931	310,773
ii. Bank Balance	55,948	26,774
(Balance with schedule bank)		
	<b>2,815,879</b>	<b>337,547</b>

**INNOVAMEDIA PUBLICATIONS LIMITED**  
(Formerly known as Brilliant Nutraceuticals Ltd.)  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010**

PARTICULARS	SCHEDULE NO.	AS AT 31/03/2010 (Rs.)	AS AT 31/03/2009 (Rs.)
<b>INCOME</b>			
Sales	6	13,200,000	-
Indirect Income	7	-	1,212
		<b>13,200,000</b>	<b>1,212</b>
<b>EXPENDITURE</b>			
Purchase	8	11,694,499	-
Operating & Establishment Expenses	9	111,697	4,603
Employees Cost	10	1,180,572	49,930
Financial Charges	11	425	-
		<b>12,987,193</b>	<b>54,533</b>
<b>Profit / (Loss) for the year before tax</b>		<b>212,807</b>	<b>(53,321)</b>
Provision for Taxation		32,879	-
<b>Profit / (Loss) for the year after tax</b>		<b>179,928</b>	<b>(53,321)</b>
Balance of Loss brought forward from previous year		(160,562)	(107,241)
<b>Profit / (Loss) Carried to Balance Sheet</b>		<b>19,366</b>	<b>(160,562)</b>
Basic /Diluted earning per Share of face value of Rs.2/ (Previous year face value of Rs. 10/-)		3.60	-1.07

Notes to Accounts  
As per our reports of Even Date  
For Jain Anil & Associates  
Chartered Accountants

For and on behalf of the Board

sd/-  
Anil Jain  
Proprietor  
Membership No. 39803

sd/- Nitin Datanwala Director  
sd/- Chirag Chavda Director

Place: Mumbai  
Date: 29/05/2010

PARTICULARS	AS AT 31/3/2010 Amount (Rs.)	AS AT 31/3/2009 Amount (Rs.)
<b>SCHEDULE 4</b>		
<b>Current Liabilities &amp; Provisions</b>		
Duties & Taxes	(2,005)	4,167
Provision	63,863	1,103
Sundry Creditors	2,295,985	54,169
	<b>2,357,843</b>	<b>59,439</b>
<b>SCHEDULE 5</b>		
<b>Miscellaneous Expenditure</b>		
(to the extent not written off)	61,330	61,330
	<b>61,330</b>	<b>61,330</b>
<b>SCHEDULE 6</b>		
<b>Sales &amp; Service Income</b>		
Sales	13,200,000	-
	<b>13,200,000</b>	<b>-</b>

PARTICULARS	AS AT 31/3/2010 Amount (Rs.)	AS AT 31/3/2009 Amount (Rs.)
<b>SCHEDULE 7</b>		
Purchase	11,694,499	-
	<b>11,694,499</b>	-
<b>SCHEDULE 8</b>		
Indirect Income	-	-
Expenses written off	-	1,212
	-	<b>1,212</b>
<b>SCHEDULE 9</b>		
Operating & Establishment Expenses		
Audit Fees	1,000.00	1,103
Professional Charges	-	2,000
Fees & Taxes	21,560.00	1,500
Courier Charges	565.00	-
Electricity Charges	39,971.00	-
Internet Charges	29,716.00	-
Printing & Stationery	8,262.00	-
Professional Fees	4,000.00	-
Professional Tax Company	2,050.00	-
RNI Expenses	1,417.00	-
Repair & Maintenance Exp	850.00	-
Conveyance Expenses	584.00	-
Sundry Admin Expense	630.00	-
Miscellaneous Exp.	1,092.00	-
	<b>111,697.00</b>	<b>4,603</b>
<b>SCHEDULE 10</b>		
Salaries & Wages	1,179,869	49,930
Staff Welfare	703	-
	<b>1,180,572</b>	<b>49,930</b>
<b>SCHEDULE 10</b>		
Financial Charges		
Bank Charges	425	-
	<b>425</b>	-

**SCHEDULE: 11- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

1. Significant Accounting Policies:

a. Basis of Accounting:

The accounts have been prepared under the historical cost convention on an accrual basis as a long concern. Revenue recognized and expenses incurred are accounted on accrual basis and applicable mandatory standards, and accordance with the requirements of the companies Act, 1956.

b. Employees retirement benefits:

Provision for other retirement benefit via Gratuity has not been made. The same will be considered at the time of actual payment.

c. Taxation

No provision for the current taxation is made during the year due to carry forward losses.

d. Deferred tax Asset/ Liabilities:

Deferred Tax assets or liabilities for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance Sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profit is not like to be available to realize all or part of the deferred tax assets.

e. Earning per Share:

	2009-10	2008-09
(a) Net profit after Tax available to Equity Share Holders	1,79,928	(53,321.00)
(b) Weighted Average Number of Equity Shares of Rs.1/- each outstanding during the year (Rs. 10/- for previous year)	5,00,000	50,000
(c) Nominal Value of Equity Shares (Rs.)	1/-	10/-
(d) Basic/ Diluted Earning Per share Rs. (a / b)	3.60	(1.07)

**SCHEDULE: 11- SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

- Even though the company has substantial accumulated losses eroding its entire Net Worth, yet the Directors are confident of reviving the company and making it profitable. The Accounts are prepared on the going concern assumption.
- Contingent Liabilities Rs. NIL (Previous Year Rs. Nil)
- Value of imports calculated on CIF basis - Nil
- Details of Goods Produced

Particulars	2009-10		2008-2009	
	Qty	Rs.	Qty	Rs.
Opening Stock	Numerous	---	Numerous	---
Closing Stock	Numerous	---	Numerous	---
Turnover	Numerous	---	Numerous	---

- Balances of sundry debtors, Loans & Advances and Current Liabilities are subject to Confirmation and reconciliation, if any.
- No Managerial Remuneration was given to the Director during the year under review.
- Auditors remuneration:-

Particulars	Current Year	Previous Year
	Rs.	Rs.
1. Audit Fees	1000/-	1000/-
2 Co. Law Matters	Nil	Nil
Add: Services Tax	103	103
<b>TOTAL</b>	<b>1103/-</b>	<b>1103/-</b>

9. Loans and advances to the company under the same management Rs. NIL

10. Previous year figures has been regrouped / rearranged wherever necessary.

Signature to schedule 1 to 11

For Jain Anil & Associates  
Chartered Accountants

sd/-  
Anil Jain  
Proprietor  
Date:- 29/05/2010  
M. No. 39803

For and on behalf of the Board

sd/-                      sd/-  
Nitin Datanwala      Chirag Chavda  
Director                      Director

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956			
<b>I</b>	<b>Registration Details :</b>		
	Registration No.	U15540GJ1997PTC054760	
	Country Code	IN	
	Balance Sheet Date	31.03.2010	
<b>ii</b>	<b>Capital raised during the year. (Rs. In thousand) :-</b>		
	Public Issue	Nil	Right Issue
	Bonus Issue	Nil	Private placement
<b>iii</b>	<b>Position of Mobilization and Deployment of Funds :-</b>		
	Total Liabilities	519366	
	Total Assets	519366	
	<b>Sources of Funds</b>		<b>Application Funds</b>
	Paid Up Capital	500000	Net Fixed Assets
	Reserve And Surplus	19366	Investment
	Share Application	-	Net Current Assets
	Secured Loan	-	Accumulated Loss
	Unsecured Loans	-	Miscellaneous Expenditure
<b>iv</b>	<b>Performance of the Company:-</b>		
	Total Income	13200000	Total Expenditure
	Profit Before Tax	212807	Dividend Rate (%)
	Profit After Tax	179928	Earning Per Share

For Jain Anil & Associates  
Chartered Accountants

sd/-  
Anil Jain  
Proprietor  
Date:- 29/05/2010  
M. No. 39803

For and on behalf of the Board

sd/-                      sd/-  
Nitin Datanwala      Chirag Chavda  
Director                      Director

## CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2010

Particulars	2009-2010
<b>A. Cash Flow From Operating Activities</b>	
Net Profit/Loss before Tax and Extra Ordinary Items.	212,807
<b>Adjustments for :</b>	
Depreciation	-
Interest Charges	425
Misc. Expenses Written Off	-
Dep. Written off/ Adjustment of P.Y.	-
Extra Ordinary Items	-
Prior period expenditure	-
less:Income from Investments	
Interest Income	-
<b>Operating Flow before working Capital Changes</b>	<b>213,232</b>
Adjustment for :	
(Increase) / Decrease in Inventories	-
(Increase) / Decrease in Trade & Other Receivables	(2,449,158)
Increase /(Decrease) in Trade Payable & Provisions	2,265,525
(Increase) / Decrease in Loans & Advances	-
Cash Generated From Operating Activities	29,599
Income Tax Paid	-
Interest Paid	-
<b>Net Cash flow from Operating Activities A</b>	<b>29,599</b>
<b>B. Cash Flow from Investing Activities.</b>	
Purchase of Fixed Assets	-
Capial Work in Prograss	-
Sale of Fixed Assets	-
Sale Of Investments	-
Purchase of Investments	-
Income From Investment	-
<b>Net Cash Flow From Investing Activities B</b>	<b>-</b>
<b>C. Cash Flow From Financing Activities</b>	
Proceeds From Issue of Shares	-
Proceeds From Issue of Shares from conversion of Warrants	-
Proceeds From Convertible Warrant Application Money	-
Interest & Bank Charges paid	(425)
Dividend paid	-
Increase / (Decrease) in Unsecured Loans	-
<b>Net Cash Flow From Financing Activities C</b>	<b>(425)</b>
<b>A+B+C</b>	<b>29,174</b>
CASH OR CASH EQUIVALENT AS AT 01.04.2009	26,774
CASH OR CASH EQUIVALENT AS AT 31.03.2010	55,948
<b>NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT</b>	<b>29,174</b>

This is the cash flow statement referred to in our report of even date.

For Jain Anil & Associates

Chartered Accountants

sd/-

Anil Jain

Proprietor

Date:- 29/05/2010

M. No. 39803

Date: 29/05/2010

For and on behalf of the Board

sd/-

Nitin Datanwala

Director

sd/-

Chirag Chavda

Director

## Atco Corporation Limited (Consolidated)

### Auditor's Report

To the Board of Directors of Atco Corporation Limited

1. We have audited the attached Consolidated Balance Sheet of Atco Corporation Limited Group, as at 31st March, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash-Flow statement for the period from 01st April, 2009 to 31st March, 2010, annexed thereto. These financial statements are the responsibility of management of Atco Corporation Limited and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards required that, we have to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes, examining on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of two subsidiaries, whose financial statements reflect following:  
  
Total Assets of Rs. 7,09,00,000/- as at 31st March, 2010 and revenues of Rs. 1,31,00,000/- for the year then ended.  
  
In respect of a These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Atco Corporation Limited management in accordance with the requirement of Accounting Standard 9 ( AS) 21 issued by the Institute of Chartered Accountants of India .
5. We refer to the following in schedule 17
6. Based on our audit as aforesaid , and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components to the best of our information and according to the explanations given on us, we are of the opinion that the attached consolidated financial statements and subject to the limited extent of our comments in paragraph ( 6) above, give a true and fair view in conformity with the accounting principles generally accepted in India;
  - (i) In the case of the Consolidated Balance sheet, on the state of affairs of the Group as 31st March 2010
  - (ii) In the case of the Consolidated Profit & Loss accounts of the profit for the Group for the year ended on that date; and
  - (iii) In the case of the Consolidated Cash Flow Statement, of the flows for the year ended on that date.

Place: Mumbai  
Date: 29/05/2010

For G.C. Patel & Co.  
Chartered Accountants

Sd/-  
Gnaneshwar C. Patel  
Partner  
M. No. 47327

**ATCO CORPORATION LIMITED.**  
**CONSOLIDATED BALANCE SHEET AS AT 31st March 2010**

PARTICULARS SCHEDULE NO.		Consolidated 31.03.2010
<b>SOURCE OF FUNDS</b>		
<b>SHARE HOLDERS FUND</b>		
Share Capital	1	183,903,000
Reserve & Surplus	2	45,890,409
Convertible Warrants (To be converted into fully paid up equity shares)	3	66,000,000
<b>LOAN FUNDS</b>		
Secured Loan	4	32,121,080
Unsecured Loan	5	883,839
		<b>328,798,328</b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	6	230,024,662
Less : Depreciation		16,344,064
Net Block		213,680,598
Capital Work- in- Progress		
<b>Investment</b>		
	8	17,424,935
Net Deferred tax Assets	7	143928
<b>Current Assets Loans &amp; Advances</b>		
Inventories	9	15,410,144
Sundry Debtors	10	935,607,176
Cash & Bank	11	19,317,504
Loans & Advances	12	38893930
<b>GROSS CURRENT ASSETS</b>		
		<b>1,009,228,754</b>
<b>Less: Current Liabilities &amp; Provisions</b>		
	13	927,032,825
<b>NET CURRENT ASSETS</b>		
		82,195,929
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)	14	122,660
<b>PROFIT &amp; LOSS ACCOUNT</b>		
		15230278
<b>TOTAL</b>		
		<b>328798328</b>

G.C. Patel & Co.  
CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

sd/-  
(Gnaneshwar C. Patel)  
PARTNER  
Membership No. 047327  
Place: Mumbai  
Date: 29/05/2010

sd/-  
**Vikram A Doshi**  
Managing Director

sd/-  
**Nitin Datanwala**  
Director



**ATCO CORPORATION LIMITED.**  
**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH , 2010**

PARTICULARS	SCHEDULE NO.	Consolidated 31.03.2010 Rs.
<b>INCOME :</b>		
Sales		1,693,404,938
Other income	15	18,180,597
Increase/(Decreases) in Inventory	16	2,436,451
		1,714,021,986
<b>EXPENDITURE :</b>		
Consumption of Raw Material	17	600,200,547
Other Purchase		993376423
Excise Duty		2,500
Employees Remuneration & Benefits	18	7505444
Operation & Establishment Expenses	19	8543432
Selling & Distribution Expenses	20	1,044,409
Interest /Bank Charges	21	158,617
Miscellaneous Expenses written off		8,800
		<b>1610840174</b>
<b>Depreciation</b>		2,301,925
Profit / ( Loss) Before Taxation		<b>100879889</b>
Less: Current Year Taxation		<b>10047502</b>
Less: Fringe Benefit Tax		-
Less: Prior Year,s Expenses		<b>334,941</b>
Add : / (Less) Deferred Tax		<b>85,645</b>
Profit / ( Loss) After Taxation		<b>90583091</b>
Amount Available for Appropriations		<b>90583091</b>
Appropriations		
Proposed Dividend on Equity Shares		<b>5,104,054</b>
Tax on Dividend		<b>788,577</b>
		<b>84690460</b>
Profit / ( Loss) Account Balance Brought Forward		(84,622,329)
<b>Profit / ( Loss) Carried Forward To Balance sheet</b>		<b>68131</b>
<b>Basic /Diluted earning per share of face value of Rs. 2/- ( Previous year face value of Rs. 10/- )</b>		<b>0.98</b>

G.C. Patel & Co.  
**CHARTERED ACCOUNTANT**

**For and on behalf of the Board of Directors**

sd/-  
(Gnaneshwar C. Patel)  
PARTNER  
Membership No. 047327  
Place: Mumbai  
Date: 29/05/2010

sd/-                      sd/-  
**Vikram A Doshi**      **Nitin Datanwala**  
Managing Director      Director

**ATCO CORPORATION LIMITED.**  
**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET**  
**AS AT 31st MARCH 2010**

PARTICULARS	Consolidated 31.03.2010 Rs.
<b>SCHEDULE -1: SHARE CAPITAL</b>	
<b>Authorised Share Capital:</b>	
3,65,00,000(Previous Year 3,65,00,000) Equity share of Rs.10/- each	395,000,000
	-
5,00,000 Unclassified Shares of Rs. 100/- each	50,000,000
<b>TOTAL</b>	<b>445,000,000</b>
<b>Issued, Subscribed &amp; Paid-up Capital:</b>	
i) 34951500 Equity shares of Rs.2/- each fully paid up ( Previous year 69,90,300 Equity shares of Rs. 10/- each)	69,903,000
iii) 3150000 Equity Shares of Rs. 10/- each Fully paid (Issued during the year as per Rehabilitation Scheme approved by hon'ble BFIR vide order dt. 01.10.2007	31,500,000
iii) 330000 warrants of Rs. 10/- each converted into 1650000 Equity Shares of Rs. 2/- each fully paid up	33,000,000
iv) 4950000 warrants of Rs. 10/- each converted into 24750000 Equity Shares of Rs 2/- each fully paid up	49,500,000
	183,903,000
<b>SCHEDULE -2: RESERVRS &amp; SURPLUS</b>	
Share premium	11,050,000
General Reserve	19,542,000
Add: Profit & Loss Accounts	15,298,409
	45890409
<b>SCHEDULE -3: CONVERTIBLE WARRANT</b>	
<b>Warrant Application Money</b>	
I) 33000000 Warrant of Rs.2/- each issued as fully paid up warrants, to be converted into equivalent numbers of Equity Shares of Rs.2/- each (P.Y 6600000 warrants of Rs. 10/- each fully paid up)	66,000,000
	66,000,000
<b>SCHEDULE -4: SECURED LOAN</b>	
GIIC Loan	-
	32,121,080
	32,121,080
<b>SCHEDULE - 5 : UNSECURED LOAN</b>	
Car Loan from ICICI Bank Limited	-
Unsecured Loan	883,839
<b>TOTAL</b>	<b>883,839</b>

**ATCO Corporation Limited (Consolidated)**  
**CONSOLIDATED FIXED ASSETS SCHEDULE STATEMENT**

SR. NO.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 1-Apr-09	Addition During the Year	Sale/Adj. during the Year	As At 31-Mar-10	As At 1-Apr-09	Provided During the Year	Provided on Adj. of Assets	As At 31-Mar-10	As At 31-Mar-09	
1	Airconditions	154,038	-	-	154,038	55,519	7,917	-	63,436	90,602	79,446
2	Furnitures & fixtures	5,424,816	189,344	-	5,614,160	1,998,998	355,376	-	2,354,374	3,259,786	7,971,662
3	Office Equipments	6,483,073	71,304	-	6,554,377	2,891,498	311,550	-	3,203,048	3,351,329	8,010,883
4	Computers	2,376,198	963,297	1,125,000	2,214,495	1,998,764	266,995	1,125,000	1,140,759	1,073,736	576,170
5	Motor Cars	5,750,252	79,409.00	-	5,829,661	3,665,154	451,970	4,283	4,121,407	1,708,254	2,431,250
6	Intangible Assets (Goodwill)	120,000,000	-	-	120,000,000	-	-	-	-	120,000,000	120,000,000
7	Plant & Machinery	17,750,588	-	-	17,750,588	4,125,777	860,863	-	4,986,640	12,763,948	13,497,273
9	Electronics data Processing	21,638,561	-	21,638,561	-	21,638,561	-	21,638,561	-	-	-
10	Motor Cars ( water division)	1,633,232	-	1,633,232	-	1,633,232	-	1,633,232	-	-	-
11	Tools & Equipment	58,020	13,300	-	71,320	42,491	2,792	-	45,283	26,037	28,829
12	Service Equipment	544,321	-	-	544,321	336,391	25,855	-	362,246	182,075	207,928
13	Elect. Installation	461,897	64,805	135,000	391,702	154,615	18,606	106,351	66,870	324,832	279,910
14	Computer Software	70,900,000	-	-	70,900,000	-	-	-	-	70,900,000	-
	Total	253,174,996	1,381,459	24,531,793	230,024,662	38,541,000	2,301,925	24,507,427	16,344,064	213,680,598	153,083,351
	Previous Year	178,669,942	270,818	-	178,940,760	33,536,953	2,117,772	-	35,654,725	143,286,035	145,135,912

**ATCO CORPORATION LIMITED.**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010**

PARTICULARS	AS AT console 31.03.2010 (Total)
<b>SCHEDULE - 7 : NET DEFERRED TAX LIABILITIES / (Assets)</b>	-
Opening Balance Deferred Tax Liabilities / (Assets)	58,283
Less: transferred to P/L	85,645
<b>143928</b>	
<b>SCHEDULE - 8 : INVESTMENTS</b>	
261000 Equity Shares of Rs 10/- each of Atcomaart Services Limited	-
457913 Equity Shares of Rs 10/- each of Atcom Technologies Limited	1,648,487
396900 Equity Shares of Rs. 10/- each of Kimaya Shoppe Limited	3,969,000
66400 Equity Shares of Rs 10/- each of Kimaya Wellness Limited	776,880
2517642 Equity Shares of Rs 10/- each of Smart Sensors	10,070,568
Edesk	-
Innova Media	-
(Valued At cost verified and certified by the Directors)	-
Quoted Investment :	-
50000 Equity Shares (Previous Year 50000) of Rs 10/- each of Atcom Technologies Ltd.	-
Less : Diminution in Value of shares	-
Aggregated market value of Quoted Investment is Nil (Previous Year Nil)	-
Unquoted Investment	-
95000 Equity Shares of Rs.10/- each of Anewera Marketing	950,000
1000 Equity Shares of Rs.10/- each of Saraswat Co-op Bk	10,000
	17,424,935
<b>SCHEDULE - 9 : INVENTORIES</b>	-
(At lower cost of net relisable value)	-
(As taken and valued by the Management)	-
Finished Stock	4,346,976
Raw Material	11,063,168
	15,410,144
<b>SCHEDULE - 10 : SUNDRY DEBTORS</b>	-
Debtors More than Six Month	86,732,723
Others	848,874,453
	935607176
<b>SCHEDULE - 11 : CASH &amp; BANK BALANCES</b>	-
Cash in hand	33,063
Balance with Scheduled Bank	15,657,174
Fixed Deposit with HDFC Bank	3,627,267
	19,317,504
<b>SCHEDULE - 12 : LOANS &amp; ADVANCES</b>	-
( unsecured, Considered Good)	-
Advances Receivable in cash or Kind	30410409
Income Tax Refund / TDS Receivables of Last.Year/Advance Tax	2,688,569
Prepaid Expenses	2,887,847
Deposit	2,489,008
Excise A/c	17,831
Duties & Taxes	-
Sales Tax	-
Fringe Benefit Tax	-
MODVAT Receivable	400,266
	38893930

**ATCO CORPORATION LIMITED.**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010**

PARTICULARS	AS AT console 31.03.2010 (Total)
<b>SCHEDULE - 13 :CURRENT LIABILITIES &amp; PROVISION</b>	
a) Current Liabilities	
Sundry Creditors for Goods	885152697
Sundry Creditors for Expenses	13073197
Duites & Taxes	588,825
Expenses payable	-
Others Liabilites	4,144,896
Security Deposit / Deposits from Customers.	7,800,000
Others Provisions	1,221,722
	911981337
b) Provisions	-
Provision for Gratuity	21,934
Provision for Bonus	128,793
Provision for Income tax	-
Provision for Proposed Dividend	5,104,054
Provision for Proposed Dividend Tax	788,577
<b>Total</b>	<b>15,051,488</b>
	<b>927032825</b>
<b>SCHEDULE - 14 : MISCELLANEOUS EXPENSES</b>	
( To the extent not written of or adjusted)	
Deferred Revenue Expenses	8,800
Less : written off During the Year	8,800
Preliminary Expenditure	122,660
	<b>TOTAL</b>
	<b>122,660</b>
<b>SCHEDULE -15 : OTHER INCOME</b>	
Dividend Recd	-
Miscellaneous Income	183,604
Interest on FDR	344,208
Antenna Rent	308,348
Repairing Charges & SparesReceived	15,099
Business service Provided	7,800,000
Balance Written Back	5,766,838
Franchise Fees	3,178,000
Architect Fees	-
	<b>TOTAL</b>
	<b>18,180,597</b>
<b>SCHEDULE -16 : INCREASE / ( DECREASE) IN INVENTORY</b>	
Opening Stock as at 1 April 2009	-
Finished Goods	1,910,525
Closing Stock as at 31 March 2010	-
Finished Goods	4,346,976
	<b>TOTAL</b>
	<b>2,436,451</b>
<b>SCHEDULE -17 : CONSUMPTION OF RAW MATERIAL</b>	
Opening stock of Raw Material	11,400,482
Add: Purchase	599863233
Less: Closing Stock of Raw Material	11,063,168
	600,200,547
<b>SCHEDULE -18: EMPLOYEES REMUNERATION &amp; BENEFITS</b>	
Salary Wages & Bonus	6915922
Employees' Contribution to providend & others funds	319,625
Staff Welfare	243522
Gratuity	26,375
	<b>TOTAL</b>
	<b>7505444</b>

**ATCO CORPORATION LIMITED.**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST. MARCH 2010**

PARTICULARS	AS AT console 31.03.2010 Total
<b>SCHEDULE -19 : OPERATIONAL &amp; ESTABLISHMENT EXPENSES</b>	
Electricity Charges	1512969
Administrative Expenses	287302
Rent	1,528,000
Courier, Postage & Telegram	26,500
Fees & Taxes	172,391
Repairs & Maintenance	317523
Audit Fees	51,500
Communication Expenses	742791
Professional Tax's	44,100
Insurance	96,036
Bad Debt/ Bal Written off	14,963
Printing & Stationery	118,199
Sundry Misc. Expenses	203,700
Motor Car Expenses	37,326
Miscellaneous Manufacturing Expenses	83,022
Books/ Periodicals & Subscription	39,498
Legal & Professional Charges	499,595
Stamping Expenses	34,725
Listing / Relisting Fees	563,961
Municipal Tax	200,536
Licence fees	83,703
Freight Expenses	152,428
Recruitment Charges	146,329
Directors sitting fees	31,000
Website Expenses	5,390
Conveyance	56009
Telephone Expenses	333873
Clearing & Forwarding Expenses	1,667
Security charges	118,823
Retainership Charges	1,039,573
<b>TOTAL</b>	<b>8543432</b>
<b>SCHEDULE -20 : SELLING &amp; DISTRIBUTION EXPENSES</b>	
Advertisement Expenses	31,037
Other Selling Expenses	100,995
Field Travelling Expenses	889,945
Commission, Brokerage & Discount	4,908
Packaging & Forwarding Charges	17,524
<b>TOTAL</b>	<b>1,044,409</b>
<b>SCHEDULE - 21 : INTEREST / BANK CHARGES</b>	
Interest on Car Loan	116,503
Interest on F.B.T	2,003
Bank Charges	40,111
<b>TOTAL</b>	<b>158,617</b>

**SCHEDULE-22****SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS. (Consolidated)**

Notes annexed to and forming part of the Balance Sheet as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the twelve months ended 31<sup>st</sup> March, 2010.

**A. SIGNIFICANT ACCOUNTING POLICIES:****Basis of Accounting:**

The accounts have been prepared under the historical cost on an accrual basis as a going concern. Revenue recognition and expenses incurred are accounted on accrual basis and applicable mandatory standards and in accordance with the requirements of the Companies Act, 1956.

**Revenue Recognition:****Sales:**

Income from Product Sales/Services Charges is recognized upon completion of sales and rendering of the services respectively. Sales are inclusive of excise duty but accounted net of sales tax, whenever applicable. Income includes inter-divisional transfer at market price. The value of such inter divisional transfer is included in the value of materials purchase & sales.

**Dividend and Interest:**

Dividend income from investments is recognized when right to receive to payment is established. Interest income is accounted on its accrual on a time proportion.

**Employees' Remuneration:**

The Company's contributions to the Provident Fund are charged to Profit & Loss for the period.

**Depreciation :**

- i) Depreciation is charged on Fixed Assets (other than Goodwill) on Straight Line Method and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Goodwill is amortized over its estimated useful life commencing from the year in which it is determined.

**Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalized and include financing costs relating to the borrowed funds attributable to construction or acquisition of fixed assets up to the date the assets are put to use.

**Impairment of Assets:**

An asset is treated an impaired when the carrying cost of Assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which as asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**Investments :**

Investments are classified as long term Investment.

As per the revised policy management has decided to value all investments at lower of cost or market value and accordingly diminution in value of investments as at year end is suitably adjusted in the accounts as per Accounting Standards issued by the Institute of Chartered Accountants of India.

**Inventories:**

- i) Finished Goods : At lower of cost or estimated net realizable value.
- ii) Service Components are valued at cost.
- iii) Raw materials are valued at cost.

**Foreign Currency Transaction:**

Any income or expenses on account of exchange the difference is either in settlement or on transaction is recognized as per revenue gain/loss.

**Income Tax:**

In view of the carried forward losses, it has been adjusted against current year's profit. Provision for Income Tax has been made against balance current year's profit.

**Deferred Tax Assets I Liabilities:**

Deferred Tax assets or liability for timing difference between the profits per financial statements and the profit offered for income tax, based on tax rates that have been enacted or substantively enacted as at the Balance sheet date. Deferred tax assets are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which it can be realized. The carrying amount of deferred tax assets is reviewed at each Balance Sheet Date and reduced if sufficient taxable profits are not like to be available to realize all or part of the deferred tax assets.

**Prior Period Expenses/ Income:**

All identifiable items of income and expenditure pertaining to prior period are accounts as per "Prior Period Adjustment".

**Retirement Benefits:**

Liability in respect of retirement benefits is provided and/or charged to profit & loss account as follows:

- Gratuity:** : No provision is made in the accounts in respect of Gratuity payable to staff. These are charged in the accounts as and when paid. The management believes that the amount involved is not so significant.
- Provident Fund:** Annual contribution to Provident Fund is charged to the Profit and Loss Account.
- Leave Encashment is not applicable.

**Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue

**Going Concern Assumption:**

The accounts are prepared on the going concern assumption. Amount payable/receivable in respect of sundry creditors, sundry debtors, loans given, unsecured loan obtained, advances recoverable, bank balance etc. are subject to reconciliation and confirmation.

**Contingent Liabilities:**

Contingent Liabilities not provided for in respect of:

- Income Tax Demand aggregating to Rs. 2.31 Lacs which has been disputed by company and appeal has been filed by company. (Previous year Rs. 2.31 Lacs)
- Sales Tax Liability in respect of disputed cases amounting to Rs.25,94,078/- (Previous Year Rs.25,94,078/-).
- Central Excise Liability in respect of disputed case amounting to Rs.25,00,000/- (Previous Year Rs.25,00,000/-)

**Related Party Disclosures**

a Names of related party where control exists

<u>Name of the party</u>	<u>Nature of relationship</u>
1 atcomaart services limited	Subsidiary
2 edesk services limited	Subsidiary
3 innovamedia publications limited	Subsidiary

b related parties with whom transactions have taken place:

1 atcomaart services limited	Subsidiary
2 edesk services limited	Subsidiary
3 innovamedia publications limited	Subsidiary
4 Anewera Marketing Pvt Ltd	Enterprises over which key management personnel and their relatives are able to exercise significant influence.
5 Smart Sensors & Transducers Ltd.	
6 Atcom Technologies Ltd	
7 Kimaya Shoppe Ltd	
8 Kimaya Wellness Ltd	
9 Centur Stud and Agrotech Ltd	



## SCHEDULE-22

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS.

## B. NOTES ON ACCOUNTS.

## 3 Additional information pursuant to the provision of paragraphs 3, 4C and 4D of part II of schedule VI to the Companies Act, 1956

Particulars		Current Year - Value Rs.		Previous Year - Value Rs.	
a	<b>Turnover</b>				
	Packaged Drinking Water		11,845,344		14,446,094
	Retail Automation products & Computer Hardware		1,559,914,194		5,919,488
	Computer software		121,645,400		151,266,483
	<b>Total</b>		<b>1,693,404,938</b>		<b>171,632,065</b>
Particulars		Units	Current Year	Previous Year	
			Quantity	Quantity	Value Rs.
b	Raw Material Consumed				
	Caps	Nos	1,872,771	2,410,379	723,114
	Pet Perform	Nos	1,886,924	2,428,600	5,561,494
	Packing Material	Nos	154,602	5,269,340	1,783,892
	Misc Minerals/ Chemicals	Kgs	Numerous	Numerous	331,920
	<b>Total</b>				<b>8,400,420</b>
c	Opening stock of finished goods				
	Packaged Drinking Water	Nos	57,024	Numerous	421,920
	Retail Automation products	Nos	Numerous	3024	13,384,516
	<b>Total</b>				<b>13,806,436</b>
d	Purchase of trading products				
	Computer software & Hardware	Nos	Numerous	Numerous	151,266,483
e	Closing stock of finished goods				
	Packaged Drinking Water	Nos	10,944	Numerous	192,699
	Retail Automation products	Nos	Numerous	2640	12,849,289
	<b>Total</b>				<b>13,041,988</b>

## Segment Reporting for the year ended 31.03.2010

Particulars	Packaged Drinking Water	Industrial Supply Stores	Software	Publication	Total
Total Revenue (net of excise duty)	11,845,344	1,559,914,194	121,645,400	-	1,693,404,938
(from external customers)					
Total Expenditure	9,606,830	1,502,591,450	85,654,699	12,987,193	1,610,840,172
Depreciation	1,181,327	1,005,467	115,131	-	2,301,925
Segment Results	1,057,187	56,317,277	35,875,570	(12,987,193)	80,262,841
less: Unallotted Corporate Expenses	-	-	-		
Operating (loss) / profit	1,057,187	56,317,277	35,875,570	(12,987,193)	80,262,841
less: Interest Expenses (Prior year)	-	334,941	-	-	334,941
add: Interest Income	-	344,208	-	-	344,208
add: Other Income	237,729	17,563,518	35,142	-	17,836,389
add: Sundry Written Off	-	-	-	-	-
Net (loss) / Profit before tax	1,294,916	73,890,062	35,910,712	(12,987,193)	98,108,497
less: Provision for Tax					
- Current	-	10,047,502	-	-	10,047,502
- Deferred		85,645	-	-	85,645
<b>Net (loss) / Profit after Tax</b>	<b>1,294,916</b>	<b>63,928,205</b>	<b>35,910,712</b>	<b>(12,987,193)</b>	<b>88,146,640</b>

## CASH FLOW STATEMENT FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2010

Particulars	TOTAL
<b>A. Cash Flow From Operating Activities</b>	
Net Profit/Loss before Tax and Extra Ordinary Items.	116,027,276
Adjustments for :	-
Depreciation	2,301,925
Revaluation of car	(75,126)
Interest Charges	7,019
Misc. Expenses Written Off	8,800
Dep. Written off/ Adjustment of P.Y.	-
Extra Ordinary Items	-
Prior period expenditure	-
less:Income from Investments	-
Interest Income	-
Operating Flow before working Capital Changes	118,269,894
Adjustment for :	
(Increase) / Decrease in Inventories	18,951,929
(Increase) / Decrease in Trade & Other Receivables	(902,371,033)
Increase /(Decrease) in Trade Payable & Provisions	843,497,571
(Increase) / Decrease in Loans & Advances	11,780,602
(Increase) / Decrease in provisions	80,657
Cash Generated From Operating Activities	90,209,620
Prior years exp w/off	(69,059)
Cash Generated From Operating Activities ( After adjusting extra ordinary exp but before tax)	90,140,561
Income Tax Paid	(1,388,554)
Interest Paid	-
Net Cash flow from Operating Activities	A 88,752,007
<b>B. Cash Flow from Investing Activities.</b>	
Purchase of Fixed Assets	(72,202,050)
Capial Work in Progress	(15,280,328)
Sale of Fixed Assets	-
Sale Of Investments	-
Purchase of Investments	(26,489,935)
Income From Investment	-
Net Cash Flow From Investing Activities	B (113,972,313)
<b>C. Cash Flow From Financing Activities</b>	
Proceeds From Issue of Shares	4,025,000
Proceeds From Issue of Shares from conversion of Warrants	-
Proceeds From Convertible Warrant Application Money	27,750,000
Interest & Bank Charges Paid	(6,559)
Dividend paid	(79,987)
Increase / (Decrease) in Unsecured Loans	12,413,144
Net Cash Flow From Financing Activities	C 44,101,598
	A+B+C
	18,881,292
CASH OR CASH EQUIVALENT AS AT 01.04.2009	436,212
CASH OR CASH EQUIVALENT AS AT 31.03.2010	19,317,504
NET INCREASE / DECREASE IN CASH OR CASH EQUIVALENT	18,881,292

This is the cash flow statement referred to in our report of even date.

**G.C. Patel & Co.**

CHARTERED ACCOUNTANT

For and on behalf of the Board of Directors

(Gnaneshwar C. Patel)  
PARTNER  
Membership No. 047327  
Place: Mumbai  
Date: 29/05/2010

**Vikram A Doshi**  
Managing Director

**Nitin Datanwala**  
Director



**Atco Corporation Limited**  
 6A Lalwani Industrial Estate 14, G.D. Ambekar Road, Mumbai 400 031  
**16TH ANNUAL GENERAL MEETING**  
**FORM OF PROXY**

Folio No. : \_\_\_\_\_ No. of Shares Held : \_\_\_\_\_  
 DP ID : \_\_\_\_\_ DP Name : \_\_\_\_\_  
 Client ID : \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being a member / members of Atco Corporation Limited, hereby appoint

\_\_\_\_\_ of \_\_\_\_\_ or

failing him/her \_\_\_\_\_ of

\_\_\_\_\_ As my/our proxy to vote for me / us & on my /our behalf at the Annual General Meeting of the Company to be held on Tuesday,14th September, 2010 at 4.00 p.m.or at the adjournment thereof

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010  
 Signature of Shareholder(s), across the  
 Revenue Stamp, as per Specimen  
 Registered with the company

Affix 1 Rupee revenue stamp
--------------------------------------

Note: The proxy form must be returned so as to reach the Registered office of the company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a shareholder of a company.



**Atco Corporation Limited**  
 6A Lalwani Industrial Estate 14, G.D. Ambekar Road, Mumbai 400 031  
**16TH ANNUAL GENERAL MEETING**  
**ATTENDANCE SLIP**

I hereby record my presence at the Annual General Meeting of the shareholders of the company held on 14th September 2010 at 4.00 p.m. at Matunga Gujarati Club Ltd, 2nd Floor, Natalal Parekh Marg, Near Arora Cinema, Matunga Circle, Mumbai - 400 019 .

Full name of Member (in BLOCK LETTERS) \_\_\_\_\_

Folio No.: \_\_\_\_\_ No. of Shares Held : \_\_\_\_\_

DP ID : \_\_\_\_\_ DP Name : \_\_\_\_\_

Client ID: \_\_\_\_\_

Full Name of Proxy (in BLOCK LETTERS) \_\_\_\_\_

Signature of shareholder / proxy\* \_\_\_\_\_

\*Strike out which ever is not applicable.

## Book Post

If Undelivered please return to :



ATCO CORPORATION LIMITED

6A, Lalwani Industrial Estate,

14 G.D Ambekar Road,

Mumbai - 400 031.