

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE **EIGHTEENTH ANNUAL GENERAL MEETING** OF THE MEMBERS OF **M/S. VINTRON INFORMATICS LIMITED** SHALL BE HELD ON THURSDAY, THE 10TH DAY OF SEPTEMBER 2009 AT 11.00 A.M. AT SHREE DELHI GUJARATI SAMAJ (REGD.), MAHATMA GANDHI SANSKRITIK KENDRA, MPCU SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, DELHI-110054 TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2009, the Profit & Loss Account for the year ended on that date together with the Auditors' Report thereon and the Directors' Report annexed thereto.
2. To appoint a Director in place of Shri Shiv Kumar Singhania, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Jagdish Singh Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to the provisions of Section 224(1B) and other applicable provisions, if any, of the Companies Act, 1956, M/s. O. P. Bagla & Company, Chartered Accountants, be and are hereby re-appointed as Statutory 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, and that the Board of Directors/ Audit Committee of the Board be and is hereby authorized to fix their remuneration."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Shri Satish Chand, who was appointed as an Additional Director of the Company with effect from 27th day of April 2009 and who holds charge up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read together with Schedule XIII and subject to the applicable provisions, if any, of the Companies Act, 1956 (as amended and prevailing for the time being) or any other law in force, the consent of the Company be and is hereby accorded to the re-appointment of Shri Raj Kumar Gupta as Chairman & Managing Director of the Company for a period of five years with effect from 1st day of October 2009 on the following terms and conditions:

**Salary:** Rs.30000.00 per month

**Housing:** The expenditure incurred by the Company on hiring unfurnished accommodation subject to ceiling of 50 % of Salary OR

In case no accommodation is provided by the Company, House Rent Allowance shall be paid @ 50% of Salary.

**Medical Reimbursement:** Expenses incurred on self and family subject to one month's salary in a year or three months salary over a period of three years.

**Leave Travel Concession:** Entitled to travel with family once in a year subject to a ceiling of one month's Salary

**Club Fee:** Fees of Clubs subject to maximum of two clubs excluding admission and life membership fee.

**Personal Accident Insurance:** Premium not exceeding Rs.4000/- per annum.

**Explanation:** Family shall mean to include the spouse, dependant children, and dependant parents of the appointee.

**Contribution to Provident Fund:** As per policy of the Company.

## 18th Annual Report 2008-2009

### NOTICE Contd.

**Gratuity:** Half month's Salary for every completed year of service.

**Telephone:** Provision of telephone at the residence with personal long distance calls to be billed by the Company to the appointee.

**Electricity Bill:** Payment of electricity bill of the residence on actual basis.

**Conveyance:** Provision of Car with driver for the use on Company's business. The use of Car for personal purposes shall be billed by the Company to the appointee.

**Commission:** The Commission on Net Profit to be paid @ 1% on the Net Profit of the Company, computed as per Section 349 & Section 350 of the Companies Act, 1956. The Commission will be payable with effect from 1st day of October 2009.

**"RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year, the above shall be treated as the minimum remuneration payable to Shri Raj Kumar Gupta and shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to alter and vary, on recommendation of the Remuneration Committee, any of the aforesaid terms in regard to remuneration and perquisites subject to the ceiling laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time."

**"RESOLVED FURTHER THAT** for giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** the consent of the Company be and is hereby accorded that the existing equity shares of the Company of Rs.10/- each be and is hereby subdivided/split into the equity share of Rs.1/- each, and that accordingly, the existing paid-up equity share capital of Rs.5,86,56,500/- divided into 5865650 equity shares of Rs.10/- each be split and converted into 58656500 equity shares of Rs.1/- each and the Board of Director of the Company is authorized to do all acts, deeds and things as may be necessary and deemed fit to give effect to the resolution."

**"RESOLVED FURTHER THAT** in furtherance of the aforesaid resolution, the Authorized Share Capital of the Company be altered and amended from the existing Rs.20,00,00,000/- (Rupees Twenty Crore only) divided into 1,60,00,000 (One Crore Sixty Lakhs) equity shares of Rs.10/- (Rupees ten) each and 4,00,000 (Four Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred) each to Rs.20,00,00,000/- (Rupees Twenty Crore only) divided into 16,00,00,000 (Sixteen Crore) equity shares of Rs.1/- (Rupees One) each and 4,00,000 (Four Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred) each."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 16, 94 and all other applicable provisions of the Companies Act, 1956 (including amendments, modifications thereof) the Authorized Share Capital of the Company be and is hereby altered by deleting the existing Clause V and substituting the same with the following amended Clause V:

V. The Authorized Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crore only) divided into 16,00,00,000 (Sixteen Crore) equity shares of Rs.1/- (Rupees One) each and 4,00,000 (Four Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred) each with the power to the Company to increase or reduce the capital of the Company and to divide the shares into several classes, and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any amendments, modifications and /or re-enactment(s) thereof for the time being in force) the Articles of Association of the Company be and are hereby altered as under:

Existing Article 5(a) of the Articles of Association of the Company, be and is hereby deleted and be substituted in its place by the following amended article:

## NOTICE Contd.

### Amended Article 5(a):

The Authorized Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crore only) divided into 16,00,00,000 (Sixteen Crore) equity shares of Rs.1/- (Rupees One) each and 4,00,000 (Four Lakhs) Preference Shares of Rs.100/- (Rupees One Hundred) each with the power to the Company to increase or reduce the capital of the Company and to divide the shares into several classes, and to attach thereto such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."

10. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 100, 101, 102 and other applicable provisions, if any, of the Companies Act, 1956, Articles 56 of the Articles of Association of the Company, other applicable laws and provisions in compliance with the order dated 02.06.2009 passed by the Hon'ble BIFR approving the Draft Revival Scheme (DRS) of the Company, the consent of the members of the Company be and is hereby accorded to the reduction / de-rating of its existing equity share capital by 90% and that accordingly an amount of Rs.5,27,90,850/- (Rupees Five Crores Twenty Seven Lacs Ninety Thousand Eight Hundred Fifty only) divided into 52790850 equity shares of Rs.1/- each being 90% of the existing paid up capital of the Company be and is hereby reduced by cancellation w.e.f. the record date fixed for the purpose of this Annual General Meeting or such other date as the Board may determine at its discretion."

**"RESOLVED FURTHER THAT** consent of the Company be and is hereby accorded that the after reduction of equity share capital of the Company as aforesaid by 90% all the equity shareholders of the Company whose name appear in the Register of Members of the Company as on the record date / book closure fixed by the Board of Directors for the purpose, shall be allotted one (1) equity share of Rs.1/- each for every one (1) equity share of Rs.10/- each and that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary for compliance of the resolution and deem fit."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby further authorized to take all such necessary steps as may be required in terms of SEBI guidelines on Investor Protection read with other rules, regulations and directions issued by SEBI and applicable to the Company and also to comply with the requirements of listing agreements with the Stock Exchange(s) and all such acts, deeds and things done by the Board of Directors or any officer authorized by them for this purpose shall be deemed to have been done on approval of the Company."

11. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in terms of Section 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 read with the provisions of the Articles of Association of the Company, SEBI guidelines / rules / regulations / directions, Listing Agreements and all other applicable provisions of law and in accordance with and conformity to the draft revival scheme as approved by the Hon'ble BIFR vide its order dated 02.06.2009, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 7,25,00,000 equity shares of Rs.1/- each on preferential basis to M/s. Goodworth Build Invest Private Limited, out of the secured and unsecured loan obtained by the Company from the said M/s. Goodworth Build Invest Private Limited and used in one time settlement of loans of the Company with banks/ financial institutions."

**"RESOLVED FURTHER THAT** all the aforesaid that the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary for allotment of aforesaid 7,25,00,000 equity shares of Rs.1/- each to M/s. Goodworth Build Invest Private Limited, which shall be counted and reckoned as promoters contribution towards revival of the Company and shall rank pari-passu with the existing equity share capital of the Company from the date of such allotment, provided however, that all such shares shall be subject to a lock-in period of three years from the respective date of allotment."

By order of the Board  
For Vintron Informatics Limited

Sd/-  
(RAJ KUMAR GUPTA)  
Chairman

Place : F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020  
Date : 03/07/2009

## 18th Annual Report 2008-2009

### NOTICE Contd.

#### NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- b) The documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and other public Holidays between 2.00 P.M. to 4.00 P.M. up to the date of Annual General Meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, the 1st day of September 2009 to Thursday, the 10th day of September 2009 (both days inclusive).
- d) Members are requested to bring their copies of Annual Report to the meeting, as spare copies will not be available.

#### RESUME OF DIRECTORS BEING RE-APPOINTED

Shri Shiv Kumar Singhania, aged about 61 years is a graduate from Pt. Ravi Shanker University, Madhya Pradesh. During his long working experience of more than 31 years, he has been associated in various lines of activities including forest and forest produce, international trade and commerce and for last 15 years he has been actively involved in the business of Computers and Computer Peripherals in IT Industry. During his last 15 years of association with IT Industry, he has gained deep inside knowledge of IT Industry and contributed in various ways to electronics and computer technology industry.

Shri Jagdish Singh Dalal, a Master in Military Science from Madras University is a retired Govt. servant. He has worked with Indian Air Force as a Pilot Officer and Air Commodore till October 2000. During his period of employment with the Indian Air Force, he has handled very challenging and responsible assignments during his tenure of service. He has commanded major equipment Depots and been Director-Purchase in Air HQ involving Foreign and Indigenous purchases. He has also been Director-Maintenance & Admn. involving financial responsibilities and he has been awarded "Vishisht Sewa Medal" and "Ati Vishisht Sewa Medal" by the President of India for his services of highest order. He has got specialization in inventory management, control of equipments and spares, personnel management, planning & control of funds and budgeting etc.

#### EXPLANATORY STATEMENT:

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the Notice and should be taken as forming part thereof.

#### Item No. 5

Shri Satish Chand was appointed as an Additional Director by the Board of Directors in their meeting held on 27th day of April 2009. In terms of the provisions of the Companies Act, 1956, he holds office up to the conclusion of this Annual General Meeting. Shri Satish Chand is eligible for appointment as Director and in respect of whom a notice has been received from a member of the Company notifying his intention of proposing his name for appointment as a Director at the Annual General Meeting. The Board considers it desirable that the Company should continue to avail the Services of Shri Satish Chand. Shri Satish Chand is a Chartered Accountant by profession, and having experience over 18 years, and it will be beneficial for your Company to avail the benefits of experience and expertise of Shri Satish Chand. Hence, the resolution is proposed.

None of the Directors except Shri Satish Chand himself is interested in the said appointment.

The Board recommends the passing of Resolution covered under item No.5 of the Notice read with the explanation given above.

#### Item No. 6

Shri Raj Kumar Gupta has been associated with the Company as Promoter Director and had been working as Chairman & Managing Director of the Company on the terms and conditions as approved by the respective annual / extra-ordinary general meetings. Shri Raj Kumar Gupta was lastly re-appointed as Chairman & Managing Director in Twelfth Annual General Meeting held on Monday, the 30th day of June, 2003 and his tenure was due to expire on 31.03.2008. However, since the Company was declared as a Sick Industrial Company on the basis of financial results for the year ended 31.03.2003 and the Company was not doing any business, Shri Gupta voluntarily foregone all his remunerations and benefits from the Company with effect from 01.04.2004 although continue to act as Chairman & Managing Director. Now, with the efforts of Shri Raj Kumar Gupta, the Company is at the path of revival under monitoring of agency appointed by the Hon'ble BIFR in terms of the draft revival scheme sanctioned vide order dated 02.06.2009. In view of the fact that the Company is all determined towards revival and rehabilitation under the able guidance and supervision of Shri Raj Kumar Gupta, it is of utmost importance that the services of Shri Raj Kumar Gupta be availed on whole time basis and therefore, it is proposed that Shri Raj Kumar Gupta be appointed as Chairman &

## NOTICE Contd.

Managing Director of the Company for a period of five years with effect from 01.10.2009 pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. Considering the increased responsibility in the path of revival of the Company, and his contribution to the Company, the Remuneration Committee of the Board of Directors, in its meeting held on 24th day of June 2009 have considered and recommended the appointment of Shri Raj Kumar Gupta, as Chairman & Managing Director for another period of five years with effect from 1st day of October 2009 on the same terms and conditions as set out in the resolution. His appointment, if approved by the shareholders, shall be in accordance with the provisions of Section 198, 269, 309 and 310 read together with Schedule XIII to the Companies Act, 1956.

Shri Raj Kumar Gupta is a Mechanical Engineer from the Birla Institute of Technology and Sciences (BITS), Pilani, and since 1977 he has been into the Electronics & Computer Industry, and gained wide experience in Personal Computers and Computer Peripheral Industry. Shri Raj Kumar Gupta is one of the main Promoter Director of the Company.

The Board recommends the passing of Resolution covered under item No.6 of the Notice read with the explanation given above.

None of the Directors except Shri Raj Kumar Gupta, to the extent of his shareholding in the Company are interested or concerned, in any way, in the Resolution covered under Item No.6 of the Notice.

### **Item No. 7**

The members are informed that based on the financial results for the year ended 31.03.2003, the Company was declared as a Sick Industrial Company by the Hon'ble BIFR vide order dated 01.02.2007 under case No.257/2003 & 309/2004. With the consistent effort of the promoters and management, the Company settled all its secured debts with the secured creditors during pendency of the case with BIFR and finally a draft revival scheme as proposed by the Company was approved by the Hon'ble BIFR vide its order dated 02.06.2009 thereby laying the foundation towards the path of revival and rehabilitation of the Company. In the process of settlement with the bankers / financial institutions, the management arranged various finance facilities from NBFC's and other parties. Accordingly, to recognize the contributions made by the promoters and their associates, a suitable provision was made in the DRS for reduction of paid-up equity share capital of the Company as one of the relief and the same was approved by the Hon'ble BIFR. In order to implement the said provisions of reduction of paid-up equity share capital of the Company by 90% in terms of approval of the Hon'ble BIFR, it is proposed that to equitably and proportionately allot equity shares to all the shareholders without reducing the number of members.

In view of the aforesaid, the Board recommends the passing of Resolution covered under item No.7 of the Notice read with the explanation given above.

None of the Director of the Company is interested, except to the extent of their shareholding in the Company.

### **Item No. 8 & 9**

As informed to the members in previous annual reports, the Company was declared as a Sick Industrial Company on the basis of audited annual results for the year ended 31.03.2003 under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 by the Hon'ble BIFR vide its order dated 01.02.2007 under case reference No. 257/2003 & 309/2004. During the pendency of case before the Hon'ble BIFR, the management of the Company made all its efforts to settle with the secured creditors and the same was materialized vide individual settlements entered with the bankers / financial institutions. In terms of the settlement, the Company arranged funds from NBFC's and other associate concerns and re-paid the bankers / financial institutions. Simultaneously, the Company was preparing its draft revival scheme for consideration and approval of Hon'ble BIFR in which, apart from other relief sought, the Company also proposed financial restructuring. Under the financial restructuring, the Company proposed that the existing paid-up equity share capital of the Company be reduced by 90% which was approved by the Hon'ble BIFR vide its order dated 02.06.2009. In order to implement the draft revival scheme of the Company as approved by the Hon'ble BIFR, it is required that every shareholder whose name appears in the Register of Members of the Company be allotted equity shares for a value of 10% of the shares held by them reducing thereby the total paid-up capital by 90%. The Board considered the matter in detail during which it is deliberated that on the existing denomination of equity shares, it will not be possible to equitably and proportionately implement the same and therefore, it is prudent that the denomination of equity shares be split from Rs.10/- each to Rs.1/- each, so that even after reducing the paid-up equity capital by 90%, neither any fraction of share is left out unrepresented nor a practical difficulty arises while allotting shares to the members who holds less than 10 equity shares.

In view of the above, it is recommended by the Board that the existing equity shares of Rs.10/- each be split/sub-divided into equity shares of Rs.1/- each and for implementation of the said decision the Clause V of the Memorandum and Article 5(a) of the Articles of Association needs to be amended suitably. Accordingly, the Board recommends the passing of Resolution covered under item No.8 & 9 of the Notice read with the explanation given above.

None of the Director of the Company is interested, except to the extent of their shareholding in the Company.

## 18th Annual Report 2008-2009

### NOTICE Contd.

#### Item No. 10

As informed to the members, the Company was declared as a Sick Industrial Company on the basis of audited annual results for the year ended 31.03.2003 under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 by the Hon'ble BIFR vide its order dated 01.02.2007 under case reference No. 257/2003 & 309/2004. During the pendency of case before the Hon'ble BIFR, the management of the Company made all its efforts to settle with the secured creditors and the same was materialized vide individual settlements entered with the bankers / financial institutions. In terms of the settlement, the Company arranged funds from NBFC's and other associate concerns and re-paid the bankers / financial institutions. Simultaneously, the Company was preparing its draft revival scheme for consideration and approval of Hon'ble BIFR in which, apart from other relief sought, the Company also proposed financial restructuring. Under the financial restructuring, the Company proposed that the existing paid-up equity share capital of the Company be reduced by 90% which was approved by the Hon'ble BIFR vide its order dated 02.06.2009.

In accordance with the order of the Hon'ble BIFR, and in terms of the DRS approved, it is proposed that to reduce / de-rate the existing paid-up equity capital of the Company by 90%, 52790850 equity shares of the Company after split / sub-division being of Rs.1/- each be cancelled and in lieu of every one (1) share of Rs.10/- each held by the members as on the record date fixed for this purpose, every member be allotted one (1) equity share of Rs.1/- each thereby leaving no balance of any fractional shares arising out of the financial restructuring.

In view of the above, the Board recommends the passing of Resolution covered under item No.10 of the Notice read with the explanation given above.

None of the Director of the Company is interested, except to the extent of their shareholding in the Company.

#### Item No. 11

During the process of entering into one time settlements with the bankers / financial institutions, the Company was required to arrange funds to the extent of Rs.1980.00 Lakhs being the aggregate amount of settlement with all the bankers / financial institutions. However, since there was neither any internal cash accrual nor any reserves lying with the Company and therefore, the promoters / directors were forced to arrange the said funds through their own resources and from their associates. To meet the aforesaid requirement of funds, the promoters / directors took the assistance of their various associates and obtained finances as secured as well as unsecured loans. Out of the total requirements, a sum of Rs.1450.00 Lakhs (Rs.450.00 Lakhs as Secured Loan and the remaining amount of Rs.1000.00 Lakhs as Unsecured Loan) has been advanced by M/s. Goodworth Build Invest Private Limited, an NBFC Company, which into the business of financing. The said M/s. Goodworth Build Invest Private Limited, having been convinced about the projects / potential and future prospect of the Company has agreed to not to charge any interest on the amount advanced by it, but to remain with the Company a long term investor and share the fruits on revival of the Company. On the basis of said understanding, it has been agreed that out of the total amount of Rs.1450.00 Lakhs, M/s. Goodworth Build Invest Private Limited be allotted equity shares in the Company to the extent of Rs.725.00 Lakhs thereby converting 50% of the total loan amount into equity and the balance 50% of the loan amount shall be re-payable to M/s. Goodworth Build Invest Private Limited in next five years without any interest thereon.

That the said agreement and understanding entered into between the Company and M/s. Goodworth Build Invest Private Limited was incorporated in the draft revival scheme submitted before the Hon'ble BIFR and the same has been duly approved vide order dated 02.06.2009 under the head "Revival Strategy". Accordingly, it is proposed that in terms of the DRS approved by the Hon'ble BIFR, 72500000 equity shares of Rs.1/- each be allotted to M/s. Goodworth Build Invest Private Limited on preferential basis, which will form a part of the promoters contribution towards revival of the Company and shall be subject to a lock-in period of three years from the date of allotment thereof.

In view of the above, the Board recommends the passing of Resolution covered under item No.11 of the Notice read with the explanation given above.

None of the Director of the Company is interested, except to the extent of their shareholding in the Company.

By order of the Board  
For Vintron Informatics Limited

Sd/-  
(RAJ KUMAR GUPTA)  
Chairman

Place : F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020  
Date : 03/07/2009

## DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Eighteenth Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2009.

### BUSINESS PHILOSOPHY

As informed to the members in previous reports, the Company was declared as a Sick Industrial Company by the Hon'ble BIFR vide its order dated 01.02.2007 on the basis of audited financial results for the year ended 31.03.2003 under the case reference No. 257/2003 & 309/2004. During the pendency of case before the Hon'ble BIFR, the Company and its promoters / directors entered into one time settlement with all the secured creditors and prepared a viable revival and rehabilitation scheme, which has been approved by the Hon'ble BIFR vide its order dated 02.06.2009. The Directors have a strong faith in the business prospect, products, market acceptability and competitiveness of the Company in terms of technology, price and quality of its products. Based on the faith founded on strong fundamental, the Directors are committed to bring back the glory of the Company within shortest possible time by putting all the resources at their disposal. Your Directors are confident that with the implementation of the revival scheme from the current financial year, the Company shall re-established itself in the market very shortly.

### OUTLOOK

Financial Year 2008-2009 has been an extremely difficult and challenging year for your Company and the circumstances prevailing with the Company during the previous years have continued to be dominant during the year under review as well. But, your Directors have not lost their heart and are working constantly towards a better future which has started showing the favourable result also. The Company has already settled all the secured creditors from the finances arranged by way of secured/unsecured loans etc. In addition to the above, the draft revival scheme as drawn by the Company for revival and rehabilitation has been approved by the Hon'ble BIFR which is being implemented from the current year. With the existing trend of increasing penetration and growing demand of Personal Computers/Computer Peripherals, Electronic Media Devices and their accessories, your Directors are confident that with the infrastructure available with the Company and brand influence over the market, the Company shall take no time to revive its operations and re-gain the glory of its brand from current year onwards.

Your Company's performance during the year as compared to the last year is as under:

### FINANCIAL RESULTS AND PERFORMANCE

We give below the financial highlights for the year under review:-

#### PARTICULARS

Turnover & Other Income/ Income from Operations (Job work)	305.74	114.58
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	19.07	9.27
Depreciation	69.79	74.45
Interest and Financial Charges	19.60	2.20
Profit/(Loss) before Extra-ordinary Items	(70.32)	(67.38)
Extra Ordinary Items Written Off	0.00	1,655.87
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	(70.32)	(1,723.25)
Income Tax Adjustments	(0.21)	(0.52)
Profit/(Loss) after Tax	(70.53)	(1,723.77)
Surplus brought forward	(4,559.34)	(2,835.57)
Balance in Profit & Loss A/c	(4,629.87)	(4,559.34)

(Rs. in Lacs)

Current Year	Previous Year
305.74	114.58
19.07	9.27
69.79	74.45
19.60	2.20
(70.32)	(67.38)
0.00	1,655.87
(70.32)	(1,723.25)
(0.21)	(0.52)
(70.53)	(1,723.77)
(4,559.34)	(2,835.57)
(4,629.87)	(4,559.34)

During the financial year under review, the Company had not been carrying its operations due to restraint order passed by the Hon'ble DRT restraining the Company not to alienate/part-with possession of any of the hypothecated goods. The Company had also been restrained from parting with any of the mortgaged assets. As a result of said stay order, the Company's operations were virtually stopped during the year under review, as any transactions with respect to the Company's movable/immovable properties including stocks would have amounted to violation of the said stay order. However, now since the Company has already settled with all the secured creditors, the Company is free from the said stay order and your Directors are confident to take the Company to new heights once again and restore its past glory.

Your management is confident that the Company, with its products, quality, marketing strength and other infrastructure facilities will once again come out of the red and move forward in a positive direction once the implementation of draft revival scheme as approved by the Hon'ble BIFR starts taking shape. With this commitment to the investors, work force and society at large, the management reassures you about the potential of the Company and expresses its gratitude for the confidence reposed in it.

### DIVIDEND

Considering the results of the Company into losses, the Board has not recommended dividend on shares.

## 18th Annual Report 2008-2009

### DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.

#### INDUSTRY STRUCTURE AND DEVELOPMENT

Even though, IDC forecasts a substantial growth in India in PC market but due to severe competition and erosion in selling prices, there has been no growth in value and profitability terms. With the introduction of low range Laptops in the market, even a sizeable segment of computer users have been shifting their choice to Laptops instead of Personal Computers. However, the loss of high segment consumers are well adjusted by the growing awareness, increased penetration and demand of Personal Computers in rural and semi-urban market, which has a vast potential and appetite ensuring the growing demand of Personal Computers in time to come.

#### OUTLOOK ON THREATS, RISKS AND CONCERNS

The Company has an integrated approach to managing the risks inherent in various aspects of its business. As a part of this approach, the Board of Directors (BoD) is responsible for monitoring risk levels on various parameters, and the Board of Directors supported by professionals in various fields is responsible for ensuring implementation of mitigation measures, if required. The Audit Committee provides the overall direction on the risk management policies.

The over all economic environments will have a strong bearing on how things shape in the coming years. Falling prices of the Personal Computers and its peripherals with the introduction of low priced Laptops are potential risks. The over all Industrial and Business sentiment is not very buoyant. Your Company has also plans of introducing high quality technically advanced gadgets in the Company's product basket once it starts its operations, which will expedite its revival scheme. Your Company, however, is confident that with the launch of high quality, competitively priced products, we will be able to expand our market share. In addition to the Personal Computers and related accessories, your Company is also venturing into other Electronic Media Devices slowly and gradually and your Directors have pleasure in informing you that the products of the Company are gaining appreciation in the market indicating to a vast potential.

#### SEGMENT WISE PERFORMANCE

The Company has been operating in the electronic industry and dealing & manufacturing only Personal Computers and computer peripherals. The Company's products are only related to computer hardware and Electronic Media Devices and therefore there are single segment of operation. In view of the same, segment wise reporting is not required.

#### INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Internal Control Systems of the Company are designed to provide adequate assurance on the efficiency of the operation and security of its assets, and the Company is committed to high standards in this regard. The accounting records are adequate for preparation of financial statements and other financial information. The adequacy and effectiveness of the Internal Control as well as compliance with laid down systems and policies are comprehensively monitored by your Company's Internal Auditors. The Audit Committee of the Board, which meets regularly, actively reviews Internal Control Systems as well as financial disclosures.

#### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company continues to have excellent employee relations. Your Directors acknowledge and thank the employees for their continuous support. The Company has strong commitments to follow the best of the HR practices and believes in up-lifting the over all competence of its employees through regular training, workshops and seminars.

The total number of employees and workforce at the end of the year was 93 as against 87 employees including permanent and irregular work force at the end of the previous year.

#### ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

Information in respect of conservation of energy, technology absorption etc. required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

#### DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Shiv Kumar Singhania and Shri Jagdish Singh Dalal, Directors of the Company are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. Shri Satish Chand, who was appointed as an Additional Director on the Board of the Company by the Board in its meeting held on 27th day of April 2009 to further broad base the Board and pursuant to provisions of Section 257 of the Companies Act, 1956, notice in writing has been received from the members of the Company proposing his candidature to hold the office of the Director. The Board recommends his appointment as a Director of the Company. Further that Shri Ashok Kumar Tiwari, Director of the Company has tendered his resignation from the office with effect from 27th day of April 2009 due to his pre-occupation.



## **DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.**

### **FIXED DEPOSITS**

Your Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposit) Rules, 1975, during the last financial year.

### **SUBSIDIARY COMPANY**

The Company holds a Wholly Owned Subsidiary by the name of VSOFT GLOBAL INC. at #107, 451 Village Green BLVD, ANN ARBOR, MI-48105 USA, with a total subscribed and paid-up capital of 1500 Capital Stocks held by your Company. The Company is making its all efforts to get the necessary documents and details including financials from the sole person who was looking after the affairs in USA.

### **AUDITORS**

The Auditors of the Company M/s. O. P. Bagla & Company, Chartered Accountants, New Delhi, retire on the conclusion of the ensuing Annual General Meeting in terms of the provisions of The Companies Act, 1956 and have offered themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be within the prescribed limits specified under Section 224 (1B) of the Companies Act, 1956.

### **AUDITORS' REPORT**

The Auditors' Report to the members together with Accounts for the year ended on 31st March 2009 and Notes thereon is attached, which are self-explanatory.

### **DIRECTORS VIEW ON AUDITORS OBSERVATIONS**

There is no adverse observation in the Auditors Report which needs any comments on the part of the Directors. The queries raised by the Auditors have been explained to the satisfaction of the Auditors and hence no comments are made under this para. The auditors report is self explanatory.

### **DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217**

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

- While preparing Annual Accounts, the applicable accounting standards have been followed.
- The Company had selected such accounting policies and applied them consistently and made judgements that are reasonable and prudent which gives true and fair view of affairs of the Company.
- The Company had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities.
- The Company had prepared accounts on a going concern basis.

### **PARTICULARS OF EMPLOYEES**

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 does not form part of this Report. No employee of your Company is covered as per provisions contained u/s 217(2A) of the Companies Act 1956 in this regard.

### **LISTING FEES**

The Equity Shares of the Company continue to be listed at the Stock Exchange(s) of Bombay, Calcutta and Delhi (Regional), and as on the date of signing of this report, the listing fees for Calcutta and Delhi Stock Exchanges are yet to be paid.

### **ACKNOWLEDGMENTS**

The Board appreciates the efforts put in by all employees for their commitment, and dedication to fulfil their corporate duties with diligence and integrity.

Your Directors are also pleased to place on record their appreciation for the excellent support received from Dealers, Business Associates and Customers by promoting and patronizing the products of the Company.

By order of the Board  
For Vintron Informatics Limited

Sd/-  
(RAJ KUMAR GUPTA)  
Chairman

Place : F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020  
Date : 03/07/2009

## 18th Annual Report 2008-2009

### ANNEXURE TO DIRECTORS' REPORT

#### ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure Of Particulars in the report of the Board Of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 31st March 2009.

#### A. CONSERVATION OF ENERGY

Your Company is not covered under Industries, which are required to furnish the information in Form-A under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. The consumption of energy in the operation of the Company is not significant. However, the Company has taken all steps to optimise the use of energy through improved operational methods.

#### B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R & D)

Specific areas in which R & D is carried out by the Company : R & D is carried out for improvement in production process and quality of products.

Benefits derived as a result of the above R & D : The products have found better acceptability in the market.

Future plan of action : The Company is carrying on R & D to enhance the product features and improve their quality.

Expenditure on R & D

- Capital	:	NIL
- Recurring	:	NIL
- Total	:	NIL
- Total R & D expenditure as a percentage of total turnover	:	NIL

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

None

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings/outflow of the Company were Rs. NIL as compared to Rs. NIL in the previous year. However, the Company has imported raw material amounting to Rs.198.42 Lacs as compared to Rs. NIL during the previous year.

By order of the Board  
For Vintron Informatics Limited

Sd/-  
(RAJ KUMAR GUPTA)  
Chairman

Place : New Delhi

Date : 03/07/2009

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

To  
The members of  
Vintron Informatics Limited  
New Delhi

We have reviewed the implementation of Corporate Governance procedures by Vintron Informatics Limited during the year ended 31st March, 2009 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliances of conditions of Corporate Governance is the responsibility of the management, our examination was limited to a review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

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

On the basis of our review and according to the information and explanation to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s) with the stock exchange(s) have been complied with in all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer Committee/shareholders Grievance Committee.

FOR O. P. BAGLA & CO.  
Chartered Accountants

Sd/-  
RAKESH KUMAR  
Partner  
Membership No. 87537

Place : New Delhi

Dated : 03/07/2009

## CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE

Securities and Exchange Board of India has codified the code of Corporate Governance, which has been implemented by amending the listing agreement entered into by the Company with various Stock Exchanges. In its efforts to comply with the code of Corporate Governance, the Company has taken various steps and endeavored to implement the requirements of code of Corporate Governance in clause 49 of the listing agreement. Given below is a brief report on the practices followed by Vintron Informatics Limited towards achievement of good Corporate Governance.

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

We, at Vintron Informatics Limited are committed to the concept and philosophy of Corporate Governance as a means of effective internal control, fair and transparent decision-making process and fullest support of the Board and Management for enhancing customer satisfaction and shareholders value. The basic mantras of Vintron "Customer satisfaction through Quality and Reliability of our products and services, to be achieved by our will to deliver better by consistently improving our products, systems and procedures" is the guideline to generate long term economic value for its shareholders while respecting the interest of customers and society as a whole, which is practised in your Company in its letter and spirit. The Company respects the inalienable rights of its members to information on the performance of the Company and considers itself a trustee of its members.

#### 2. BOARD OF DIRECTORS - COMPOSITION

The Company maintains an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. To ensure independence of the Board, the members of the Audit Committee is composed of suitable and competent independent directors. The current Board has three Independent Directors and one Executive Director. The Company does not pay any compensation to its non-executive Directors.

#### COMPOSITION AND CATEGORY OF DIRECTORS, AS OF MARCH 31, 2009

Category	No. of Directors	%
Executive Directors	1	25.00%
Non-Executive, Independent Directors	3	75.00%
<b>Total</b>	<b>4</b>	<b>100.00%</b>

The Chairman of the Board is an Executive Director.

#### RESPONSIBILITIES OF THE CEO

The current policy of the Company is to have an executive Chairman & Managing Director. The Chairman & Managing Director is responsible for corporate strategy, brand equity, planning, external contacts, and board matters. He is also responsible for all day-to-day operations, related issues and for the achievement of annual targets in customer satisfaction, sales, profitability, quality, productivity, recruitment, training and employee retention. The senior management makes periodic presentations to the board on their responsibilities, performance and targets.

Shri Raj Kumar Gupta, Chairman & Managing Director of the Company has certified to the Board and in terms of requirements of clause 49(V), it is certified that :

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - i) these statements do not contain any materially untrue statement 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) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated to the auditors and the Audit Committee
  - i) significant changes in internal control 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 they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system.

#### SIZE OF THE BOARD

At present, the Board has four members.

## 18th Annual Report 2008-2009

### CORPORATE GOVERNANCE REPORT Contd.

#### BOARD MEETINGS HELD DURING THE YEAR

Normally, Board Meetings are scheduled at least 7-15 days in advance. Most of them are held at the Registered Office of the Company situated at F-90/1A, Okhla Industrial Area, Phase-I, New Delhi-110 020, India. Under supervision of the Chairman, drafts of the Agenda for each meeting, along with explanatory notes are prepared and distributed in advance to the Board members. Every Board member is free to suggest the inclusion of items in the agenda. Normally, the Board meets once a quarter to review the quarterly unaudited results and other items in the agenda. The Board also meets on the occasion of the Annual General Meeting of the members of the Company. If necessary, additional meetings are held. Independent Directors are normally expected to attend at least four Board Meetings in a year.

The Board has unfettered and complete access to any information within the Company, and to any employee of the Company. At the Meetings of the Board, it welcomes the presence of managers who can provide additional insights into the items being discussed.

Five Board meetings were held during the financial year 2008-2009. They were held on 15th April 2008, 27th June 2008, 30th July 2008, 30th October 2008 and 30th January 2009 respectively.

The table given below gives details of Directors, Attendance of Directors at Board meetings, last Annual General Meeting, Number of Memberships held by Directors in Committees/other Boards. None of the Directors holds Directorship in more than 15 listed Companies, and no Director is a member of more than ten Committees or the Chairman of more than five Committees across all Companies in which they are Directors.

Director	Category	No. of Board Meeting attended	Attendance Particulars Last AGM	Number of other Directorships and Committee Member/Chairmanships		
				Outside Directorship*	Committee Membership**	Committee Chairmanship**
Sh. Raj Kumar Gupta	CMD	5	Yes	2	3	2
Sh. Manish Agrawal***	WTD	2	No	-	-	-
Sh. Shiv K. Singhania	NED	2	No	-	4	1
Sh. Jagdish S. Dalal	NED	5	Yes	-	4	-
Sh. A. K. Tiwari ****	NED	4	Yes	-	1	1
Sh. Satish Chand ****	NED	-	No	-	2	1

\* Excludes Directors of Companies incorporated outside India, and includes Directorships held in Private Limited Companies by the Directors of the Company.

\*\* This includes Chairmanship/Membership of Audit Committee, Compensation Committee, Investor Grievance Committee, Share Transfer Committee and Remuneration Committee, constituted by the Company.

\*\*\* Shri Manish Agrawal has resigned from the Board of Directors and Committees thereof with effect from 27/06/2008 and Shri A. K. Tiwari has resigned from the Board of Directors and Committees thereof with effect from 27/04/2009.

\*\*\*\* Shri Satish Chand has joined the Board of Directors and Committees thereof w.e.f. 27/04/2009.

#### TENURE

As per the statute two third of the total strength of the Board of Directors should be subject to retirement by rotation. Further one third of the retiring Directors are required to retire every year and if eligible, qualify for re-appointment. Accordingly, Shri Shiv Kumar Singhanis and Shri Jagdish Singh Dalal retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

### 3. BOARD COMMITTEES

#### Committees of the Board

Currently, the Board has five Committees; the Audit Committee, Compensation Committee, Share Transfer Committee, Remuneration Committee and the Investor Grievance Committee. All the Committees are composed of suitable and competent independent Directors.

#### Frequency and Duration of Committee Meetings and Committee Agenda

Under the supervision of the Chairman of the Company, and the Committee Chairman, the frequency and duration of the Committee Meetings are determined. Normally, the Committees meet depending on the issues, which need the attention of the particular Committee. However, the meeting of Audit Committee takes place normally Four to Five times a year. The recommendations of the Committee are submitted to the full Board for approval and necessary noting.

#### Quorum for the Meetings

The quorum is either two members or one-third of the members of the Committees, whichever is higher.

#### AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 3rd day of May 2001 whereafter it has been re-constituted from time to time with the sufficient number of directors with requisite qualifications. The terms of reference of the Audit Committee has been varied from time to time and the role of Audit Committee have been lastly re-defined and the same are as under:

## CORPORATE GOVERNANCE REPORT Contd.

### Role of Audit Committee

The role of the Audit Committee includes the following:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgement by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

In addition thereto the Audit Committee is also assigned with the role to review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor subject to review by the Audit Committee.

The Committee comprises of one Executive Director, and three Non-executive Directors. The Chairman of the Committee is Shri Ashok Kumar Tiwari, who is a Chartered Accountant by profession, and an Independent Director on the Board of the Company. The Committee met five times during the financial year 2008-2009, on 15th April 2008, 27th June 2008, 28th July 2008, 27th October 2008 and 28th January 2009. The below mentioned table gives the details of attendance of members at the meetings of the Audit Committee held during 2008-2009

Members	No. of Meetings Attended
Shri Raj Kumar Gupta	5
Shri Shiv Kumar Singhanian	3
Shri Jagdish Singh Dalal	5
Shri Ashok Kumar Tiwari	5
Shri Satish Chand **	-

\*\* : Shri Satish Chand has joined the Board of Directors and Committees thereof w.e.f. 27/04/2009.

### REMUNERATION COMMITTEE

The Board has delegated the authority to approve fixation/revision of remuneration and terms and conditions of appointment of Managing Director / Whole Time Directors. The Remuneration Committee comprises of one executive and two independent Directors, Shri Raj Kumar Gupta being Executive Director, Shri Shiv Kumar Singhanian and Shri Jagdish Singh Dalal being Non-executive/Independent Directors on the Board of the Company. This Committee meets depending on the requirements of the Company, and takes its views on fixation/revision of terms and benefits in respect of Managing Director / Whole Time Directors.

## 18th Annual Report 2008-2009

### CORPORATE GOVERNANCE REPORT Contd.

#### Remuneration to Directors

Shri Raj Kumar Gupta, Chairman & Managing Director and Shri Manish Agrawal, Director Operations, are the two Whole Time Directors who were drawing salary till 31.03.2004 as approved by the previous general meetings in terms of the resolutions passed there at. However, due to the financial crisis being faced by the Company, both the Directors have forgone their salary and other remuneration voluntarily since 1st April 2004 and have undertaken that they shall not claim the same in future. Accordingly they are not being paid any salary or benefits and during the last financial year they have not been paid any emolument.

All other Directors on the Board or any committee thereof are ordinary directors who are not paid any fixed remuneration except the sitting fee and conveyance expenses @ Rs.1000/- and Rs.500/- respectively for attending the meetings of the Board and Committee thereof.

#### INVESTOR GRIEVANCE COMMITTEE

The Board has constituted the Investor Grievance Committee to take care of the complaints/grievances of the shareholders/members of the Company and redressal thereof. The Investor Grievance Committee comprises of one executive and two independent Directors namely Shri Raj Kumar Gupta being an Executive Director, Shri Shiv Kumar Singhania and Shri Jagdish Singh Dalal being Non-executive/Independent Directors. This Committee meets from time to time depending on the needs and nature of shareholders/members complaints and grievance, and take appropriate decisions for redressal thereof. As informed by RTA, during the financial year 2008-2009, the Company has received a total number of NIL complaints, the details whereof is as under:

Received from	No. of Complaints	Remarks
SEBI	-	-
Stock Exchanges/ROC	-	-
NSDL/CDSL	-	-
Investors	-	-

#### SHARE TRANSFER COMMITTEE

The Board had delegated the authority to approve transfer of shares to a Committee of Directors. The Share Transfer Committee comprises of one executive and two independent Directors. Two meetings of the Committee are held every month to approve transfer, transmission, splitting and consolidation, Dematerialization and Re-materialization of shares issued by the Company. The minutes of the Meetings of the Share Transfer Committee are placed before the first next meeting of the Board of Directors for its information and ratification thereof.

#### COMPENSATION COMMITTEE

The Compensation Committee of the Board of Directors of the Company was constituted on 17th day of October 2000. The Committee comprises of one Executive Director, and two Non-executive/Independent Directors. The Chairman of the Committee is Shri Raj Kumar Gupta, an Executive Director.

#### 4. GENERAL BODY MEETING

Date, Venue and Time for the last three Annual General Meetings:

Year	Venue	Date	Time
2006	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2 Raj Niwas Marg, Delhi-54.	18/09/2006	10.00 a.m.
2007	-Do-	06/09/2007	1.30 p.m.
2008	-Do-	22/09/2008	9.30 a.m.

The following Special Resolutions were passed by the Company at the aforementioned General Meetings:

AGM	Details of Special Resolution
15th Annual General Meeting	- None -
16th Annual General Meeting	*Re-appointment of Shri Manish Agrawal, as Whole Time Director for another period of five years with effect from 22/08/2007
17th Annual General Meeting	- None -

\* : Shri Manish Agrawal has resigned from the Board of Directors w.e.f. 27/06/2008.

#### 5. COMPLIANCE

The Company has a competently staffed legal department, which ensures compliance with the legal requirements of the Company. Secretarial Department is presently looked after and supervised by the Chairman and Managing Director of the Company and who is responsible for compliance in respect of Companies Act and other allied laws, rules and regulations of SEBI and Stock Exchanges. Additionally, Shri Uma Shankar Lakhera, Sr. Officer - Secretarial of the Company, has been nominated as the Compliance Officer of the Company.

#### 6. MEANS OF COMMUNICATION

a) The quarterly results published in the Proforma prescribed by the Stock Exchanges are approved and taken on record by the Board of Directors of the Company within the stipulated period of the close of the relevant quarter. The approved results are forthwith sent to all the Stock Exchanges with whom the Company has listing arrangements.

## CORPORATE GOVERNANCE REPORT Contd.

Further, the results in the prescribed Proforma alongwith the detailed press release is published within 48 hours of the conclusion of the meeting of the Board of Directors in the media ensuring wider publicity.

b) The management discussion & analysis report forms part of the Directors' Report.

### 7. MANAGEMENT INFORMATION SYSTEMS

As a matter of transparency and good governance, key operational and financial data, and also other relevant information are furnished to the Directors in every meeting of the Board.

### 8. INVESTOR INFORMATION

#### ANNUAL GENERAL MEETING:

Date	:	10th day of September 2009
Time	:	11.00 A.M.
Financial Year	:	2008-2009
Venue	:	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2 Raj Niwas Marg, Delhi-110054
Book Closure	:	1st day of September 2009 to 10th day of September 2009 (both days inclusive)
Registrar & Share Transfer Agent	:	M/s. Skyline Financial Services Pvt. Ltd. 246, Sant Nagar, ISKCON Temple Road East of Kailash, New Delhi-110065 Phone: 91-11-26292682, 26292683 Fax: 91-11-26292681 E-mail: admin@skylinerta.com
Compliance Officer	:	Shri U. S. Lakhera, Sr. Officer-Secretarial
ISIN No.	:	INE043B01010

#### INVESTOR CORRESPONDENCE:

The shareholders may address their communication to the Registrar and Transfer Agent at their address mentioned herein above or to the Compliance Officer, Vintron Informatics Limited, F-90/1A, Okhla Industrial Area, Phase - I, New Delhi-110020. Phone(s): 011-26810815, 26810816, Fax: 011-26813681.

#### PROFILE OF DIRECTORS RETIRING BY ROTATION

##### Shri Shiv Kumar Singhania

Shri Shiv Kumar Singhania, aged about 61 years is a graduate from Pt. Ravi Shanker University, Madhya Pradesh. During his long working experience of more than 31 years, he has been associated in various lines of activities including forest and forest produce, international trade and commerce and for last 15 years he has been actively involved in the business of Computers and Computer Peripherals in IT Industry. During his last 15 years of association with IT Industry, he has gained deep inside knowledge of IT Industry and contributed in various ways to electronics and computer technology industry.

Shri Shiv Kumar Singhania is due to retire by rotation at the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

##### Shri Jagdish Singh Dalal

Shri Jagdish Singh Dalal, a Master in Military Science from Madras University is a retired Govt. servant. He has worked with Indian Air Force as a Pilot Officer and Air Commodore till October 2000. During his period of employment with the Indian Air Force, he has handled very challenging and responsible assignments during his tenure of service. He has commanded major equipment Depots and been Director-Purchase in Air HQ involving Foreign and Indigenous purchases. He has also been Director-Maintenance & Admn. involving financial responsibilities and he has been awarded "Vishisht Sewa Medal" and "Ati Vishisht Sewa Medal" by the President of India for his services of highest order. He has got specialization in inventory management, control of equipments and spares, personnel management, planning & control of funds and budgeting etc.

Shri Jagdish Singh Dalal is due to retire by rotation at the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

#### LISTING ON STOCK EXCHANGES

The Company's Equity Shares are listed on the following Stock Exchange/s:

- The Bombay Stock Exchange Limited  
Floor-25, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai - 400 001
- The Calcutta Stock Exchange Association Ltd.  
7 Lyons Range, Calcutta - 700 001
- The Delhi Stock Exchange Association Limited  
DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002

## 18th Annual Report 2008-2009

### CORPORATE GOVERNANCE REPORT Contd.

#### STOCK CODE

The Stock code for the Company's Equity Shares is as follows:

- The Bombay Stock Exchange Limited "517393"
- The Calcutta Stock Exchange Association Ltd. "10032155"
- The Delhi Stock Exchange Association Limited "122073"

STOCK PRICE DATA		(Amount in Rs.)	
2008-2009		The Stock Exchange, Mumbai	
Month	High	Low	
April 2008	3.47	2.02	
May 2008	4.40	2.32	
June 2008	4.04	3.27	
July 2008	3.85	2.86	
August 2008	3.80	3.00	
September 2008	3.88	2.90	
October 2008	3.00	2.66	
November 2008	2.63	2.53	
December 2008	2.51	1.98	
January 2009	2.10	1.83	
February 2009	1.99	1.38	
March 2009	1.32	1.08	

#### DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	11722	90.27%	1,651,925	28.21%
501-1000	695	5.35%	588,302	10.05%
1001-5000	488	3.76%	1,066,591	18.21%
5001-10000	40	0.31%	275,305	4.70%
10001 onwards	40	0.31%	2,273,677	38.83%
<b>Total</b>	<b>12,985</b>	<b>100.00%</b>	<b>5,855,800</b>	<b>100.00%</b>

#### CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH 2009

Category	No. of Shares Held	% of Shares Held
Promoters	1,584,912	27.07%
Persons acting in Concert	169,926	2.90%
Mutual Funds	0	0.00%
Financial Institutions	0	0.00%
Foreign Institutional Investors	0	0.00%
Banks	0	0.00%
Corporate Bodies	550,237	9.40%
NRIs / OCBs	4,502	0.08%
Public	3,546,223	60.55%
<b>Total</b>	<b>5,855,800</b>	<b>100.00%</b>
Number of Shares in Physical Form	2,049,737	35.00%
Number of Shares in Electronic Form	3,806,063	65.00%
<b>Total</b>	<b>5,855,800</b>	<b>100.00%</b>

#### REGISTERED & CORPORATE OFFICE

F-90/1A, Okhla Industrial Area,  
Phase-I, New Delhi-110020

#### PLANT LOCATION

- i) F-90/1A, Okhla Industrial Area,  
Phase-I, New Delhi-110020.
- ii) D-12, OIDC Udyog Nagar, Kachigam Road,  
Ringanwada, Nani-Daman, Daman-396210.
- iii) Plot No. 18, Sector-2, Kasauli Road,  
Parwanoo-173220.



## AUDITORS' REPORT

To  
The Members of  
VINTRON INFORMATICS LIMITED  
NEW DELHI

We have audited the attached Balance Sheet of **VINTRON INFORMATICS LIMITED** as at 31st March 2009 and the annexed Profit & Loss Account and 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 these financial statements based on our audit.

We 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 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.

- 1) As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order so far as applicable to the Company.
- 2) Further to our comments in the annexure referred to in paragraph 1 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 account 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 dealt with by this report are in agreement with the books of account.
  - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement comply with the Accounting Standards referred in sub-section 3(c) of section 211 of the Companies Act, 1956.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified from being appointed as Director as at 31<sup>st</sup> March, 2009 in terms of section 274(1) (g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together **with Significant Accounting Policies and Notes thereon in Schedule - 17** give the information as required by the Companies Act, 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:-

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31.03.2009.
- ii) In the case of the Profit & Loss Account of the **LOSS** for the year ended on that date.
- iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS

Sd/-  
(**RAKESH KUMAR**)  
Partner  
Membership No. 87537

Place : **New Delhi**  
Dated : **03/07/2009**

## 18th Annual Report 2008-2009

### ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009

1.
  - a) During the year under audit the Company could not produced the fixed assets records/ registers, before us for verification, which as explained has been maintained to show full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, major fixed assets have been physically verified by the management during the year (except assets lying at Daman & Parwanoo unit). We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.
  - c) As the Company has not disposed off any fixed assets during the year, paragraph 4 (i) (c) of the said order is not applicable.
2.
  - a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials lying at the factory premises of the Company.
  - b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion the Company is maintaining proper records of inventories. As explained to us the discrepancies noticed on such verification between the physical stocks and book records were not significant and the same has been properly dealt with in the books of account.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, relevant part of the paragraphs 4 (iii) of the order are not applicable.
4.
  - a) According to the information and explanations given to us, the Company has obtained loan, secured and unsecured, amounting to Rs. 14.50 crores from a Company namely Goodworth Build Invest Pvt. Ltd. covered in the register maintained under section 301 of the Companies Act, 1956.
  - b) According to the information and explanations given to us the terms and conditions of the loan are not prima facie prejudicial to the interest of the Company. Further the loan is a non interest bearing loan.
  - c) The loan is not yet due for repayment hence para 4 (iii)(g) of the order is not applicable.
5. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of goods and sale of goods and services. During the course of audit, no major weakness has been noticed in the underlying internal controls.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the Company has yet to implement an adequate internal audit system commensurate with its size and nature of its business.
8.
  - a) As per information and explanations given to us the Company has been generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, and Investors Education and Protection Fund and other statutory dues with the appropriate Authorities. However there are no undisputed statutory liabilities lying unpaid as at the year end for a period of more than six months from the date they become payable.

**ANNEXURE TO AUDITORS' REPORT Contd.**

b) We have been informed that following statutory dues have not been deposited on account of disputes and appeals for the same are pending with different forums as mention herein

NATURE OF DEMAND	AMOUNT INVOLVED (Rs.)	FORUM BEFORE WHICH THE CASE IS PENDING
Customs Act	6,06,47,000	H'able Calcutta High Court
Sales Tax Demand	95,18,000	Commissioner/ Appellate Tribunals
Demand under Foreign Exchange Laws	12,00,000	H'able Delhi High Court
ESI Demand	44,15,044	H'able Delhi High Court

9. The accumulated losses of the Company as at the end of the financial year have exceeded its net worth. The Company has incurred cash losses in the financial year under audit and in the immediately preceding financial year.
10. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institution and banks during the year.
11. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from Banks/Financial Institutions.
12. According to the information and explanations given to us the term loans taken by the Company in earlier years were applied for the purposes for which the loans were obtained.
13. According to the information and explanations given to us the funds raised on short-term basis have not been utilized for long-term investment.
14. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March 2009.
15. Other clauses of the order are not applicable to the Company for the year under report.

**For O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS**

Sd/-  
**(RAKESH KUMAR)**  
Partner  
Membership No. 87537

Place : **New Delhi**  
Dated : **03/07/2009**

**Vintron**

## 18th Annual Report 2008-2009

<b>BALANCE SHEET AS AT 31ST MARCH, 2009</b>			
DESCRIPTION	SCHEDULE	AS AT 31-3-2009 (RS.)	AS AT 31-3-2008 (RS.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	58,656,500	58,656,500
Reserves and Surplus	2	322,315,835	326,560,835
		380,972,335	385,217,335
<b>Loan Funds</b>			
Secured Loans	3	45,000,000	72,500,000
Unsecured Loans	4	120,685,000	120,495,000
		165,685,000	192,995,000
<b>TOTAL</b>		546,657,335	578,212,335
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	177,450,964	177,450,964
Less : Depreciation		88,358,795	81,379,574
<b>Net Block</b>		89,092,169	96,071,390
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	6	16,498,751	8,085,809
Sundry Debtors	7	3,715,558	14,010,495
Cash & Bank Balances	8	8,734,722	7,038,815
Loans & Advances	9	3,559,712	4,609,229
<b>TOTAL 'A'</b>		32,508,743	33,744,347
<b>Current Liabilities &amp; Provisions</b>	10	37,931,132	7,538,295
<b>TOTAL 'B'</b>		37,931,132	7,538,295
<b>NET CURRENT ASSETS ('A'-'B')</b>		(5,422,389)	26,206,052
Profit & Loss Account		462,987,555	455,934,893
<b>TOTAL</b>		546,657,335	578,212,335
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>	17		
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED FOR O. P. BAGLA & CO. CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD	
Place : New Delhi Dated : 03/07/2009	Sd/- (RAKESH KUMAR) Partner	Sd/- (KAJAL GUPTA) Company Secretary	Sd/- (SATISH CHAND) Director
			Sd/- (R. K. GUPTA) Chairman

## PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009

DESCRIPTION	SCHEDULE	YEAR ENDED	YEAR ENDED
		31-3-2009 (RS.)	31-3-2008 (RS.)
<b>INCOME</b>			
Sales	11	23,374,798	0
Increase/(Decrease) in Stocks	12	176,220	0
Job Work Receipts (TDS Rs.142001/-)		6,450,247	10,999,356
Interest Received (TDS Rs.112943/-)		572,566	458,278
<b>TOTAL</b>		<b>30,573,831</b>	<b>11,457,634</b>
<b>EXPENDITURE</b>			
Raw material consumed	13	16,503,559	0
Salaries, Wages and Amenities	14	6,809,781	5,638,465
Administrative, Selling & Other Expenses	15	2,004,797	1,552,898
Power & Fuel		3,018,075	3,313,223
Packing & Forwarding charges		126,258	0
Repairs and Maintenance		204,307	26,402
Interest & Financial Charges		1,959,743	220,217
Depreciation		6,979,221	7,445,230
<b>TOTAL</b>		<b>37,605,741</b>	<b>18,196,434</b>
<b>Loss for the year before extraordinary items</b>		<b>7,031,910</b>	<b>6,738,801</b>
Extra Ordinary Items	16	0	165,586,435
<b>Loss for the year after extraordinary items</b>		<b>7,031,910</b>	<b>172,325,235</b>
Provision for Fringe Benefit Tax		18,000	23,000
Income Tax/Fringe Benefit Adjustments		2,751	29,449
<b>Loss after tax adjustments</b>		<b>7,052,661</b>	<b>172,377,685</b>
<b>Balance b/f from previous year</b>		<b>455,934,893</b>	<b>283,557,208</b>
<b>Deficit carried over to Balance Sheet</b>		<b>462,987,555</b>	<b>455,934,893</b>
<b>Earning Per Share (Basic/Diluted)</b>		<b>(1.20)</b>	<b>(29.44)</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS</b>	17		

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED  
FOR O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi  
Dated : 03/07/2009

Sd/-  
(RAKESH KUMAR)  
Partner

Sd/-  
(KAJAL GUPTA)  
Company Secretary

Sd/-  
(SATISH CHAND)  
Director

Sd/-  
(R. K. GUPTA)  
Chairman

## 18th Annual Report 2008-2009

### SCHEDULES

DESCRIPTION		AS AT 31-3-2009 (RS.)	AS AT 31-3-2008 (RS.)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>			
<b>Authorised</b>			
1,60,00,000 Equity Shares (Previous Year 1,60,00,000) of Rs. 10/- each		1,60,000,000	1,60,000,000
4,00,000 Preference Shares (Previous Year 4,00,000) of Rs. 100/- each		40,000,000	40,000,000
		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed &amp; Paid up</b>			
58,55,800 Equity Shares of Rs. 10/- each fully paid up in cash at par		58,558,000	58,558,000
Add : Shares Forfeited		98,500	98,500
		<u>58,656,500</u>	<u>58,656,500</u>
<b>SCHEDULE - 2 : RESERVES AND SURPLUS</b>			
Share Premium A/c - As per last year	<b>A</b>	42,330,000	42,330,000
Capital Reserve - As per last year		284,230,835	0
Transferred (withdrawn) during the year		(4,245,000)	284,230,835
	<b>B</b>	<u>279,985,835</u>	<u>284,230,835</u>
	<b>A+B</b>	<u>322,315,835</u>	<u>326,560,835</u>
<b>SCHEDULE - 3 : SECURED LOANS</b>			
<b>From Financial Institutions</b>			
- Term Loan		0	15,000,000
<b>From a Non Banking Finance Company</b>			
- Corporate Loan		45,000,000	0
<b>From Banks</b>			
- Term Loan		0	57,500,000
		<u>45,000,000</u>	<u>72,500,000</u>
<b>NOTE:</b>			
1. Corporate Loan from non-banking finance Company is secured by way of first charge on one of the immovable property of the Company.			
<b>SCHEDULE - 4 : UNSECURED LOANS</b>			
From Companies		120,685,000	120,495,000
		<u>120,685,000</u>	<u>120,495,000</u>

## SCHEDULES Contd.

### SCHEDULE - 5 FIXED ASSETS AS AT 31ST MARCH, 2009

PARTICULARS	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 01.04.2008	ADDITIONS DURING THE YEAR	UPTO 31.03.2008	FOR THE YEAR	AS AT 31.03.2009	AS AT 31.03.2008
Land	14,182,014	0	0	0	14,182,014	14,182,014
Building	20,007,461	0	7,186,344	655,743	12,165,374	12,821,117
Plant & Machinery	114,627,345	0	53,876,328	5,190,825	55,560,192	60,751,017
Furnitures & Fixtures	9,242,185	0	5,938,959	585,030	2,718,195	3,303,226
Office Equipments	17,502,617	0	12,619,555	519,000	4,364,062	4,883,062
Vehicles	1,889,342	0	1,758,387	28,623	102,332	130,955
<b>Current Year</b>	<b>177,450,964</b>	<b>0</b>	<b>81,379,574</b>	<b>6,979,221</b>	<b>89,092,169</b>	<b>96,071,390</b>
Previous Year	177,450,964	0	73,934,344	7,445,230	96,071,390	103,516,620

## 18th Annual Report 2008-2009

### SCHEDULES Contd.

DESCRIPTION	AS AT 31-3-2009 (RS.)	AS AT 31-3-200 (RS.)
<b>SCHEDULE - 6 : INVENTORIES</b>		
(As taken, valued and certified by the Management)		
- Raw Material (Including Store Spares Etc.)	14,766,990	6,530,268
- Finished Goods	1,731,761	1,555,541
	<u>16,498,751</u>	<u>8,085,809</u>
<b>SCHEDULE - 7 : SUNDRY DEBTORS (UNSECURED)</b>		
a) Debts outstanding for a period exceeding six months		
- Considered Good	1,284,123	0
- Considered Doubtful	0	11,354,064
b) Other debts		
- Considered Good	2,431,435	2,656,431
	<u>3,715,558</u>	<u>14,010,495</u>
<b>SCHEDULE - 8 : CASH AND BANK BALANCES</b>		
Cash in hand	9,596	7,572
Balance with Scheduled Banks		
- In Current Account	985,335	686,242
In Fixed Deposits as Margin Money (Pledged with bankers against Bank Guarantees)	7,739,790	6,345,000
	<u>8,734,722</u>	<u>7,038,815</u>
<b>SCHEDULE - 9 : LOAND &amp; ADVANCES</b>		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	2,306,562	4,000,914
Security Deposits		
- With Govt. Deptts.	318,575	152,575
Advance Income Tax / TDS	501,303	455,738
Balance with Excise Authorities	433,272	0
	<u>3,559,712</u>	<u>4,609,229</u>
<b>SCHEDULE - 10 : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A. Current Liabilities</b>		
Sundry Creditors	21,430,714	2,857,102
Security Deposits from Dealers	750,000	3,554,550
Other Liabilities	15,583,531	954,656
Investors Education & Protection Fund - Unclaimed Dividend	148,887	148,987
<b>B. Provision</b>		
Fringe Benefit Tax	18,000	23,000
	<u>37,931,132</u>	<u>7,538,295</u>
<b>SCHEDULE - 11 : SALES</b>		
Sale	25,995,932	0
Less: Excise Duty	2,573,573	0
Less: Incentive & Discount to Dealers	47,561	0
	<u>23,374,798</u>	<u>0</u>



**SCHEDULES Contd.**

DESCRIPTION	AS AT 31-3-2009 (RS.)	AS AT 31-3-2008 (RS.)
<b>SCHEDULE - 12 : INCREASE/(DECREASE) IN STOCKS</b>		
Stock as on 01.04.2008		
- Finished Goods	1,555,541	92,316,811
<b>TOTAL "A"</b>	<b>1,555,541</b>	<b>92,316,811</b>
Less: Amount written off on devaluation/ discarded/ obsolete stocks	0	(90,761,270)
Stock as on 31.03.2009		
- Finished Goods	1,731,761	1,555,541
<b>TOTAL "B"</b>	<b>1,731,761</b>	<b>1,555,541</b>
<b>INCREASE / (DECREASE) IN STOCKS (B-A)</b>	<b>176,220</b>	<b>0</b>
<b>SCHEDULE - 13 : RAW MATERIAL CONSUMED</b>		
Opening Stocks	6,530,268	80,486,245
Purchases	24,740,281	0
	<b>31,270,549</b>	<b>80,486,245</b>
Less: Amount written off on devaluation/ discarded/ obsolete stocks	0	73,955,977
Less: Closing Stock	14,766,990	6,530,268
	<b>16,503,559</b>	<b>0</b>
<b>SCHEDULE - 14 : SALARY, WAGES &amp; AMENITIES</b>		
Salary, Wages, Allowances & Incentives	6,012,574	4,978,185
Contribution to PF & ESI	548,879	499,475
Staff Welfare	10,755	61,324
Contribution to Gratuity Fund/Gratuity Paid	237,573	99,481
	<b>6,809,781</b>	<b>5,638,465</b>
<b>SCHEDULE - 15 : ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Advertisement Expenses	83,327	78,212
AGM Expenses	26,694	41,814
Auditors Remuneration		
- As Audit Fees	55,150	44,944
- As Tax Audit Fees	3,932	6,742
- For Other Matters	15,168	10,112
Communication Expenses	78,907	95,336
Electricity & Water charges	6,641	6,460
Legal & Professional Charges	996,203	764,922
Miscellaneous Expenses	213,948	69,370
Printing & Stationery Expenses	14,746	10,506
Security Service Charges	231,463	207,763
Travelling & Conveyance Expenses	33,773	58,262
Sundry Balance written off	68,092	0
Vehicle Expenses	176,753	158,455
	<b>2,004,797</b>	<b>1,552,898</b>
<b>SCHEDULE - 16 : EXTRAORDINARY ITEMS</b>		
Interest adjustment on settlement with banks	0	(85,819,170)
Amount Written off	0	83,504,179
Investment written off	0	73,425
Loss on devaluation/ Write off of obsolete/ discarded inventories	0	167,828,001
	<b>0</b>	<b>165,586,435</b>

**Vintron**

## 18th Annual Report 2008-2009

### SCHEDULES Contd.

#### SCHEDULE - 17: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

##### A. SIGNIFICANT ACCOUNTING POLICIES

###### 1. Basis of Accounting:

The Company prepares its financial statements in accordance with applicable accounting standards and generally accepted accounting principles and also in accordance with the requirements of the Companies Act, 1956.

###### 2. Income & Expenditure:

Accounting of Income & Expenditure is done on accrual basis.

###### 3. Revenue Recognition:

Revenue from job work charges is accounted for on the basis of raising the invoice on completion of jobs.

Revenue from sales is recognized on actual dispatch of goods and in case of consignment on actual sale of goods by the consignee.

###### 4. Fixed Assets & Depreciation:

a) Fixed Assets are stated at their original cost of acquisition, inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/ installation.

b) Assets acquired from the partnership firm on its dissolution are shown as addition to fixed assets and WDV as on date of dissolution is considered as cost.

c) Depreciation is charged on Straight Line Method in accordance with the rates provided in Schedule XIV of the Companies Act, 1956.

d) Modvat credit availed on Capital Goods is accounted for by credit to respective Fixed Assets.

###### 5. Inventories:

Method of Valuation

a) **Raw Materials** - at cost or market price whichever is less.

###### b) Finished Goods

- Electronic Media Devices - at cost or market price whichever is less.

- Others - at cost or market price whichever is less.

###### 6. Contingent Liabilities:

Contingent Liabilities are determined on the basis of available information and are disclosed by way of Notes to the Accounts.

###### 7. Employee Benefit:

Gratuity liability has been provided on the basis of demand raised by the insurance Company under group gratuity scheme.

8. Unless specifically stated to be otherwise, these policies are consistently followed.

##### B. NOTES ON ACCOUNTS

1. The accumulated losses of the Company as at 31st March 2009 are Rs. 4629.87 Lakhs (Previous Year Rs. 4559.34 Lakhs) and the same are exceeding the net worth of the Company. On the basis of the accumulated losses and pursuant to the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 the Company is a declared sick industrial undertaking vide no.257/2003 and 309/2004. Pursuant to the revival scheme approved by BIFR, the amount foregone by the secured creditors in previous year is continued as "Capital Reserve". A sum of Rs.42.45 Lakhs being excess transferred in the previous year has been withdrawn during the year.

## SCHEDULES Contd.

2. The Company has obtained loans to the tune of Rs 14.50 crores from a non-banking finance Company M/s. Goodworth Build Invest Pvt. Ltd. of which Rs 4.50 crores is a secured loan pursuant to the Deed of Assignment dt. 27.6.2008 between IFCI Ltd and the aforesaid Company. According to the revival scheme approved by BIFR vide order dated 2.6.2009, 50% of the aforesaid loan of Rs 14.50 crores is proposed to be converted into share capital by allotment of equity shares of the Company to the aforesaid lending Company. The balance part of the loan shall be continued as interest free loan and shall be repaid in a period of five years.

3. Contingent Liabilities not provided for in the books of accounts :-

	<u>AS AT 31.03.2009</u> <u>(Rs. in Lakhs)</u>	<u>AS AT 31.03.2008</u> <u>(Rs. in Lakhs)</u>
a) Interest payable to banks/institutions on secured loans	NIL	NIL
b) Counter Guarantee issued against outstanding - Bank Guarantees	80.95	59.95
c) Demand under Foreign Exchange Laws (Pending being disputed)	12.00	62.00
d) Demand under Custom Act	610.45	606.47
e) Sales Tax disputed demand	86.70	86.70
f) ESI Demand	44.15	NIL

4. In the opinion of the Management the Current Assets, Loans and Advances have a value on realization in ordinary course of Business at least equal to the amount at which they are stated in the Balance Sheet, except otherwise stated elsewhere.

5. Claim against the Company (not acknowledged as Debts) - **Rs.54.14 Lakhs** (Previous Year Rs. 54.14 Lakhs)

6. Rupee equivalent as at 31.03.2009 of export obligation to be completed by the year ending 31st March 2009 under EPCG Scheme **Rs. 26.44 Crores** (Previous Year Rs.26.44 Crores)

7. Balance confirmation certificates from number of parties, included in debtors, creditors and advance recoverable were not available for verification.

8. No claim has been received from any of the Suppliers of their being a specific unit under Micro, Small and Medium Enterprises Development Act, 2006. Hence amount due to such entities is not ascertainable.

9. Keeping in view the recurring losses of the Company and insufficient projected profits in the future, Deferred Tax Asset in accordance with the provisions of Accounting Standard 22 on 'Taxes on Income' has not been recognized and provided in the accounts.

10. Related party transactions during the year in terms of the provisions of AS-18 of "Related Party Disclosures".

Name of the Associate	:	Goodworth Build Invest Pvt Ltd.
Transactions during the year	:	Loan Obtained and outstanding as at end of the year Rs 14.50 Crores

11. There are no reportable segments in the Company (Physical or geographical) hence segment-wise information in terms of the provisions of AS 17 on Segment Reporting' is not given.

12. Required disclosures pursuant to revised AS 15 on Employees Benefits are as under:-

**Defined Contribution Plan:**

The Company pays fixed contribution to Provident Fund at predetermined rates to regional authorities as per law. The contribution to the fund for the period is recognized as expense and is charged to the profit & loss accounts. The obligation of the Company is limited to such fixed contribution. An amount of Rs. 5.49 Lakhs has been recognized as expense for defined contribution plan (Contributory Provident Fund).

## 18th Annual Report 2008-2009

### SCHEDULES Contd.

#### Defined Benefit Plan:

- a) **Earned Leave Benefit:** Accrual of 30 day leave per annum is credited by the Company. Encashment is available at the time of retirement or superannuation. Amount as per entitlement as at the end of the year is recognized as expense. During the year Rs.76,621.00 has been provided towards leave encashment expenses.
- b) **Gratuity:** The same is in accordance with the provision of payment of gratuity act and since the number of employees and volume of amount involved is not material the Company has not obtained actuarial valuation. However the Company has obtained policy from LIC towards gratuity benefit. The Company's contribution towards the policy is recognized as expense. During the year Rs.236,954.00 has been provided towards the gratuity contribution.

13. Earning per share (EPS)-The numerators and denominators used to calculate Basic and Diluted Earning per share:

	Year Ended on <u>31.03.2009</u>	Year Ended on <u>31.03.2008</u>
Profit/(Loss) attributable to the Equity Shareholders -(A) (Rs. in Lakhs)	(70.53)	(1723.77)
Basic / Weighed average number of Equity Shares outstanding during the year (B)	5,855,800	5,855,800
Nominal value of Equity Shares (Rs.)	10.00	10.00
Basic/ Diluted Earning/(Loss) per share (Rs.) - (A)/(B)	(1.20)	(29.44)
Calculation of Profit attributable to Shareholders:		
Profit/(Loss) After Tax (Rs. in Lakhs)	(70.32)	(1723.25)
Less: Income Tax Adjustment /FBT Provision	(0.21)	(0.52)
Profit/(Loss) attributable to Shareholders	(70.53)	(1723.77)

14. Additional information pursuant to para 3 & 4(C) of Part II of the Companies Act, 1956:

A. CAPACITY & PRODUCTION	UNIT	QUANTITY
i) <b>Licensed Capacity</b>	Nos.	Not Applicable
ii) <b>Installed Capacity #</b> (For Finished Items)		
a. Computer Systems	Nos.	32,000
b. Modem/Monitors	Nos.	1,96,000
c. Populated PCB/Motherboards	Nos.	4,00,000
iii) <b>Actual Production</b>		
a. Electronic Media Devices	Nos.	2,983
b. Populated PCB	Nos.	35,050
# 1. As certified by the management and relied on by the Auditors being a Technical Matter.		

**SCHEDULES Contd.**

**B. DETAILS REGARDING STOCKS AND SALES**

	<u>QUANTITY</u> (Nos.)		<u>VALUE</u> (Rs.)	
	<u>2008-2009</u>	<u>2007-2008</u>	<u>2008-2009</u>	<u>2007-2008</u>
<b>Opening Stock</b>				
- Monitors	174	174	208,800	668,192
- Mouse/Scanners	1,988	1,988	3,976	295,943
- Communication Systems, Products & Accessories	181	181	100,000	4,523,740
- Other Misc. Items	526	526	82,065	582,225
- Computer System	4	4	12,000	206,538
- Software Package	0	12,581	0	74,736,464
- Mother Board	3,829	3,829	1,148,700	11,303,709
<b>Sale</b>				
Electronic Media Devices	2,859	NIL	25,995,932	NIL
Populated PCB	35,050	NIL		
<b>Closing Stock</b>				
- Monitors	174	174	208,800	208,800
- Mouse/Scanners	1,988	1,988	3,976	3,976
- Communication System, Products & Accessories	181	181	100,000	100,000
- Other Misc. Items	526	526	82,065	82,065
- Computer Systems	4	4	12,000	12,000
- Software Package	0	0	0	0
- Mother Board	3,829	3,829	1,148,700	1,148,700
- Electronic Media Devices	124	NIL	176,220	NIL
<b>Raw Material Consumed</b>			<b>CURRENT YEAR</b>	
			<b>Qty.</b>	<b>Value</b>
- Electronic Media Device Assembly			2,983	2,438,669
- Populated PCB Assembly			35,875	14,064,890
<b>Break up of Raw Material Consumed</b>			<b>%</b>	<b>Value</b>
- Indigenous			14.66	2,418,754
- Imported			85.34	14,084,805

VALUE (Rs. in Lacs)  
2008-2009      2007-2008

**C. VALUE OF IMPORTS ON CIF BASIS**

Raw Material/Stores	198.42	NIL
---------------------	--------	-----

15. Figures in the brackets represent previous year figures.

16. Previous Year figures have been regrouped or re-casted wherever considered necessary.

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED  
FOR O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi  
Dated : 03/07/2009

Sd/-  
(RAKESH KUMAR)  
Partner

Sd/-  
(KAJAL GUPTA)  
Company Secretary

Sd/-  
(SATISH CHAND)  
Director

Sd/-  
(R. K. GUPTA)  
Chairman

## 18th Annual Report 2008-2009

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

(AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956)

<b>I. <u>REGISTRATION DETAILS</u></b>	
Registration No.	45276
State Code	55
Balance Sheet Date	31st March, 2009
<b>II. <u>CAPITAL RAISED DURING THE YEAR</u></b>	
Public Issue	NIL
Right Issue	NIL
Private Placements (Including Premium)	NIL
Bonus Issue	NIL
<b>III. <u>POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS</u></b>	
Total Liabilities	584,588,467
Total Assets	584,588,467
<b><u>SOURCES OF FUNDS</u></b>	
Paid-up Capital	58,656,500
Reserve & Surplus	322,315,835
Secured Loans	45,000,000
Unsecured Loans	120,685,000
<b><u>APPLICATION OF FUNDS</u></b>	
Net Fixed Assets	89,092,169
Investments	NIL
Net Current Assets	(5,422,389)
Misc. Expenditure	NIL
Accumulated Losses	462,987,555
Deferred Tax Asset/(Liabilities)	NIL
Capital Work in Progress	NIL
<b>IV. <u>PERFORMANCE OF THE COMPANY</u></b>	
Turnover including other income	30,573,831
Total Expenditure	37,605,741
Profit before tax	(7,031,910)
Profit after tax	(7,052,661)
Earnings Per Share (Rs.)	(1.20)
Dividend Rate (%)	NIL
<b>V. <u>GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY</u></b>	
Item Code No.	847100
Product Description	Computers
Item Code No.	847180
Product Description	Mother Board

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED  
FOR O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi  
Dated : 03/07/2009

Sd/-  
(RAKESH KUMAR)  
Partner

Sd/-  
(KAJAL GUPTA)  
Company Secretary

Sd/-  
(SATISH CHAND)  
Director

Sd/-  
(R. K. GUPTA)  
Chairman

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31-3-2009

PARTICULARS	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2008
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before tax as per P & L Account	(7,031,910)	(6,738,802)
Adjusted for		
Net prior Year Expenses	0	0
Extra Ordinary Item Not Reported being non cash items	0	0
<b>Net Profit before tax and extraordinary items</b>	<b>(7,031,910)</b>	<b>(6,738,802)</b>
Adjusted for		
Depreciation	6,979,221	7,445,230
Miscellaneous Expenditure written off	0	0
Loss on sale of Fixed Assets	0	0
Interest Received	(572,566)	0
Interest Paid	1,959,743	0
Interest adjusted on waiver	0	0
	<b>8,366,398</b>	<b>7,445,230</b>
<b>Operating Profit before working capital change</b>	<b>1,334,488</b>	<b>706,428</b>
Adjusted for		
Trade & Other Receivables	11,390,019	118,845,306
Inventories	(8,412,942)	167,828,001
Trade Payables	30,397,837	(31,950,343)
Less Amount adjusted as Extra Ordinary item	0	(251,332,180)
	<b>33,374,914</b>	<b>3,390,784</b>
<b>Cash Generated from Operation</b>	<b>34,709,402</b>	<b>4,097,212</b>
Interest paid	(1,959,743)	(14,409,300)
Direct Taxes Paid/ Adjusted	(71,317)	(157,054)
	<b>(2,031,060)</b>	<b>(14,566,354)</b>
<b>Cash Flow before extraordinary items</b>	<b>32,678,342</b>	<b>(10,469,142)</b>
Net prior Year Expenses		
<b>Net Cash from Operation Activities</b>	<b>32,678,342</b>	<b>(10,469,142)</b>
<b>Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets including CWIP	0	0
Sales/ Adjustment of Fixed Assets	0	0
Decrease in Investments due to written off	0	0
Sales of Investments	0	0
Interest Received	572,566	0
Dividend Income	0	0
	<b>572,566</b>	<b>0</b>
<b>Net Cash used in Investing Activities</b>	<b>572,566</b>	<b>0</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital		0
Increase in Capital Reserves on Settlement with banks	(4,245,000)	0
Miscellaneous Expenditure incurred	0	0
Proceeds from Short Term Borrowings	190,000	120,495,000
including Increase in liability due to interest accrual		
Repayment of Long Term Borrowings	(27,500,000)	(107,611,346)
Short Term Loans Repaid	0	0
Dividend Paid (including Corporate Dividend Tax)	0	0
Effects of Exchange rate change	0	0
	<b>(31,555,000)</b>	<b>12,883,654</b>
<b>Net Cash used in Financing activities</b>	<b>(31,555,000)</b>	<b>12,883,654</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1,695,907</b>	<b>2,414,513</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>7,038,815</b>	<b>4,624,302</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>8,734,722</b>	<b>7,038,815</b>

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED  
FOR O. P. BAGLA & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi  
Dated : 03/07/2009

Sd/-  
(RAKESH KUMAR)  
Partner

Sd/-  
(KAJAL GUPTA)  
Company Secretary

Sd/-  
(SATISH CHAND)  
Director

Sd/-  
(R. K. GUPTA)  
Chairman