

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. VINTRON INFORMATICS LIMITED SHALL BE HELD ON WEDNESDAY, THE 24TH DAY OF AUGUST 2011 AT 01.00 P.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 2011, 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 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 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:

1. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 293(1)(a) read with other provisions of the Companies Act, 1956 and Articles of Association of the Company, consent of the members are hereby accorded to sale, lease or otherwise dispose of the whole or substantially the whole of the properties, assets and undertakings of the Company at any time and on such terms and conditions as the Board of Directors of the Company deems fit and the Board of Directors of the Company is authorized to take all such decisions and actions as may be deemed fit.”

By order of the Board
For VINTRON INFORMATICS LIMITED

Sd/-
(RAJ KUMAR GUPTA)
Chairman & Managing Director

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

Date: **27/05/2011**

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 Saturdays, Sundays and other public Holidays between 2.00 P.M. to 4.00 P.M. up to one day prior to the date of Annual General Meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 13th day of August 2011 to Wednesday, the 24th day of August 2011 (both days inclusive).
- d) Members are requested to bring their copies of Annual Report to the meeting, as spare copies will not be available.

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RESUME OF DIRECTOR 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.

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. 4

As the members are aware that on the basis of Financial Result for the year ended March 2003, the Company became a Sick Industrial Company and a scheme of revival was approved by the Hon'ble BIFR during December 2009. The said scheme of revival is under implementation and the Company has come out of the purview of BIFR during December 2010 on its net worth becoming positive. However, as informed to the members during earlier years, the Company is facing acute shortage of working capital to re-start its full operations. The promoters and directors have already exhausted their resources during settlement with the secured creditors and are facing difficulty in arranging further funds for working capital from outside.

The members may appreciate that on the one hand, the Company is facing acute shortage of working capital and on the other hand the Company has huge fixed assets which is lying Idle and is not in their optimum use. The operations of the Company do not require such huge property. The operations of the Company can continue and achieve new heights in case the Company is able to arrange funds for working capital. The funds blocked in fixed assets lying idle can cater to the working capital requirements of the Company and the Company's operations can carry even from smaller premises whether owned or taken on lease.

It was therefore, considered by the Board that the Company may proceed to liquidate its properties which are not in optimum use and utilize the funds for working capital needs to enhance the working of the Company and accordingly, members consent is sought and your Directors recommend the resolution to be passed as special resolution.

None of the Directors of the Company are considered to be concerned or interested in the resolution.

By order of the Board
For **VINTRON INFORMATICS LIMITED**

Sd/-
(RAJ KUMAR GUPTA)
Chairman & Managing Director

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

Date: **27/05/2011**

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Twentieth Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2011.

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 Financial year 2009-2010, the Hon'ble BIFR vide its order dated 02.06.2009, sanctioned the revival scheme of the Company for its revival and rehabilitation with the reliefs as sought by the Company, and the same are under implementation. Your Directors have pleasure in informing you that based on the financial results of the Company for the financial year ended 31.03.2010, the networth of the Company became positive and on representation of the Company for de-registration, the Hon'ble BIFR was pleased to declare the Company out of the purview of BIFR declaring that the Company is ceased to be a Sick Industrial Undertaking u/s 3(l)(o) of the Act. However, the Hon'ble BIFR has further directed that Un-implemented provision of Sanctioned Scheme dated 02.06.2009 for the un-expired period of the said Scheme, would be implemented by the concerned agencies and their implementation would be monitored by the Monitoring Agency. Your 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.

OUTLOOK

Financial Year 2010-2011 has been difficult and challenging year for your Company because of various factors as this was the first year of implementation of the sanctioned revival scheme. The same was also a challenging year as the Company was to ensure that it does not incur any further losses despite of the acute shortage of working capital fund. Your Company has made all its efforts to optimally utilize all the resources available and achieve the maximum result. The circumstances prevailing with the Company during the previous years have almost continued to be dominant during the year under review as well. But, your Directors are working constantly towards a better future which has started showing the favourable result also as is evident from the fact that in the first year of implementation of the scheme, the networth of the Company has turned positive. The Company has already settled all the outside secured creditors from the finances arranged by the directors and their associates. With the existing trend of increasing penetration and growing demand of Personal Computers/Laptops, 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. The Company is also making all its efforts to enter into manufacturing and trading of innovative products in contemporary demand and has accordingly, re-structured its product basket by including new products such as CCTV Cameras, Digital Video Recorders (DVR) and its accessories etc. With a close and vigilant eye on the market and its demand, your Directors are making all their efforts to maintain the Company's competitiveness in terms of product and its acceptability.

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	(RS. IN LACS)	
	Current Year	Previous Year
Turnover & Other Income/Income from Operations (Job work)	602.64	998.33
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	197.83	384.00
Depreciation	67.69	68.81
Interest and Financial Charges	0.0	0.60
Profit/(Loss) before Extra-ordinary Items	130.14	314.59
Extra Ordinary Items Written Off	12.98	0.00
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	117.16	314.59
Income Tax Adjustments	0.00	1.65
Profit/(Loss) after Tax	117.16	312.94
Surplus brought forward	(4,316.94)	(4,629.87)
Balance in Profit & Loss A/c	(4,199.78)	(4,316.94)

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

The Company commenced implementation of the Sanctioned Revival Scheme from July 2009. However, due to the acute shortage of working capital fund, the performance of the Company was constraint. Despite of all the constraints, the Company and its Directors have made all its attempts and efforts to optimally utilize all the resources available at their disposal and the net worth of the Company has remained positive during the year under review and the accumulated losses of the Company has reduced.

Your management is confident that during the current year, the working capital fund requirement of the Company shall also be slowly met by arranging fresh funds for which the Directors of the Company are making all their efforts and with the strength of its products, quality, marketing and other infrastructure facilities, the Company is confident that it will once again move forward. With this commitment to the investors, work force and society at large, the management reassures you that your directors are putting all their efforts to arrange the working capital, which may take some time in view of the past history of the Company. But, they are confident about the potential of the Company and express their gratitude for the confidence reposed by the investors and all concerned in it.

DIVIDEND

Considering the results of the Company and inadequacy of Profits, the Board has not recommended dividend on shares.

INDUSTRY STRUCTURE AND DEVELOPMENT

Even though, IDC forecasts a substantial growth in India in PC / Laptop 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. Considering the changing trend and product demand, the Company has also entered into manufacturing and trading of other products, which has huge demand in the contemporary market. The management is also keeping a vigilant approach as regards the changes in the market with respect to demands of various products in the industry and is all determined to adapt to the changing demand considering its infrastructure.

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 showing a positive response and direction. Your Company has also plans of introducing high quality technically advanced gadgets in the Company's product basket once it meets the working capital requirement to start its operations in full capacity, 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 has also ventured into Security and Surveillance products and its accessories during the current year 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 till recently when the Company added Security & Surveillance products in its product basket. The Company's products are mainly electronic and therefore there is a 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.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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 overall competence of its employees through regular training, workshops and seminars.

The total number of employees and workforce at the end of the year was 121 as against 98 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, Director of the Company is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

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 VSOFTE 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. Despite of all efforts by the management and Directors of the Company, the necessary documents and details including financials of the said subsidiary could not be obtained from the sole person who was looking after the affairs in USA. The said person is now untraceable and due to the limited resources of the Company, the huge expenditure which may be required to incur in finding the said person has become burdensome considering the small investment. The Company had sought appropriate relief from the Hon'ble BIFR from penal provisions as applicable in the case and the Hon'ble BIFR has directed to approach the concerned authorities for the same.

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 2011 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.

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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 and Calcutta, and as on the date of signing of this report, the listing fees for both the Stock Exchanges has been paid. Further that in terms of the Revival Scheme of the Company as sanctioned by the Hon'ble BIFR vide its order dated 02.06.2009, it was directed to the Delhi Stock Exchange (DSE) to de-list the equity capital of the Company from DSE and the necessary intimation has been made to DSE.

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/-

Place: **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date: **27/05/2011**

(RAJ KUMAR GUPTA)
Chairman & Managing Director

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 2011.

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 of the Company were Rs. NIL as compared to Rs. NIL in the previous year. However, the Company has imported capital goods, raw material, finished goods and travelling expenses for amount aggregating to Rs.41.78 Lacs as compared to Rs.263.04 Lacs during the previous year.

By order of the Board
For **VINTRON INFORMATICS LIMITED**
Sd/-

Place: **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date: **27/05/2011**

(RAJ KUMAR GUPTA)
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

In terms of the Code of Corporate Governance, as framed by Securities and Exchange Board of India and amended from time to time, the Company has taken various steps and endeavored to implement the requirements of code of Corporate Governance in terms of clause 49 of the listing agreement. The Company has further ensured timely and effective implementation of requirements as stipulated from time to time. 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

Vintron Informatics Limited is 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, 2011

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

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), 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.

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CORPORATE GOVERNANCE REPORT Contd.

- 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.

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 2010-2011. They were held on 26th April 2010, 28th May 2010, 19th July 2010, 29th October 2010 and 28th January 2011 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**
Raj Kumar Gupta	CMD	5	Yes	2	3	2
Shiv K. Singhania	NED	–	No	–	5	–
Jagdish S. Dalal	NED	5	Yes	–	4	–
Satish Chand	NED	5	Yes	–	1	2

* 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.

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 by rotation every year and if eligible, qualify for re-appointment. Accordingly, Shri Shiv Kumar Singhania retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

1. 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.

CORPORATE GOVERNANCE REPORT Contd.

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:

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.

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CORPORATE GOVERNANCE REPORT Contd.

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 Satish Chand 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 2010-2011, on 26th April 2010, 28th May 2010, 19th July 2010, 29th October 2010 and 27th January 2011 respectively. The below mentioned table gives the details of attendance of members at the meetings of the Audit Committee held during 2010-2011.

Members	No. of Meetings Attended
Shri Raj Kumar Gupta	5
Shri Shiv Kumar Singhania	–
Shri Jagdish Singh Dalal	5
Shri Satish Chand	5

REMUNERATION COMMITTEE

The Board had delegated the authority to approve fixation/revision of remuneration and terms and conditions of appointment of Managing Director / Whole Time Directors. The Remuneration Committee was comprising of one executive and three independent Directors, Shri Raj Kumar Gupta being Executive Director, Shri Shiv Kumar Singhania, Shri Jagdish Singh Dalal and Shri Satish Chand 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. However, no meeting of the Remuneration Committee has taken place during year under consideration.

Remuneration to Directors

Shri Raj Kumar Gupta, Chairman & Managing Director is the only Whole Time Director who was appointed as such during the previous Annual General Meeting held on 10.09.2009 and is drawing salary as approved by the previous Annual General Meeting in terms of the resolution passed there at. Accordingly he has been paid salary and remuneration as approved by the General Meeting.

All other Directors on the Board or any committee thereof who are ordinary directors and are not paid any fixed remuneration, are paid sitting fee and conveyance expenses for attending the meetings.

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 2010-2011, the Company has received a total number of 3 complaints, the details whereof is as under:

Received from	No. of Complaints	Remarks
SEBI	–	–
Stock Exchanges/ROC	1	Redressed
NSDL/CDSL	–	–
Investors	2	Redressed

CORPORATE GOVERNANCE REPORT Contd.

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 consists of one Executive Director, and two Non-executive/Independent Directors. The Chairman of the Committee is Shri Raj Kumar Gupta, an Executive Director. No meeting of the Compensation Committee has taken place during the year under consideration.

4. GENERAL BODY MEETING

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

Year	Venue	Date	Time
2008	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium 2, Raj Niwas Marg, Delhi-110054.	22/09/2008	9.30 a.m.
2009	- Do -	10/09/2009	11.00 a.m.
2010	- Do -	25/08/2010	11.00 a.m.

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

AGM	Details of Special Resolution
17th Annual General Meeting	- None -
18th Annual General Meeting	<ol style="list-style-type: none"> 1. Appointment of Shri Raj Kumar Gupta as Chairman & Managing Director of the Company for a period of five years with effect from 01/10/2009 2. Splitting/Sub-division/re-classification of existing authorized/subscribed paid-up equity capital of the Company 3. Alteration of Clause 5(a) of the Articles of Association of the Company 4. Reduction of total Paid-up Equity Capital by 90% 5. Issuance of 72500000 equity shares of Re.1/- each to M/s. Goodworth Build Invest Private Limited on preferential basis
19th Annual General Meeting	- None -

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 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. 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.

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CORPORATE GOVERNANCE REPORT Contd.

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:

Day & Date	:	Wednesday, 24th day of August 2011
Time	:	1.00 P.M.
Financial Year	:	2010-2011
Venue	:	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2 Raj Niwas Marg, Delhi-110054
Book Closure	:	Saturday, the 13th day of August 2011 to Wednesday, the 24th day of August 2011 (both days inclusive)
Registrar & Share Transfer Agent	:	M/s. Skyline Financial Services Pvt. Ltd. D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Phone: 011-26812682, 26812683, 30857575 (10 Lines) Fax: 91-11-30857562 E-mail: admin@skylinerta.com
Compliance Officer	:	Shri U. S. Lakhera, Sr. Officer-Secretarial
ISIN No.	:	INE043B01028

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.

LISTING ON STOCK EXCHANGES

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

- i) The Bombay Stock Exchange Limited, Floor-25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
- ii) The Calcutta Stock Exchange Ltd., 7 Lyons Range, Calcutta - 700 001
- iii) The Delhi Stock Exchange Limited, DSE House, 3/1 Asaf Ali Road, New Delhi-110002
(De-listing is sought in terms of the sanctioned revival scheme)

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 Limited "10032155"
- The Delhi Stock Exchange Limited "122073"

STOCK PRICE DATA

(Amount in Rs.)

2010-2011 Month	The Stock Exchange, Mumbai	
	High	Low
April 2010	4.75	3.64
May 2010	4.95	3.60
June 2010	6.19	3.75
July 2010	5.97	3.75
August 2010	8.07	4.56
September 2010	8.49	5.20
October 2010	6.20	4.83
November 2010	5.44	4.00
December 2010	5.25	3.55
January 2011	4.95	3.11
February 2011	5.50	3.15
March 2011	4.50	3.01

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2011

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	11,340	89.91%	1,589,941	2.04%
501-1000	686	5.44%	580,722	0.74%
1001-5000	484	3.84%	1,040,602	1.32%
5001-10000	55	0.44%	385,400	0.49%
10001 onwards	48	0.38%	74,759,135	95.41%
Total	12,613	100.00%	78,355,800	100.00%

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

Category	No. of Shares Held	% of Shares Held
Promoters	1,503,095	1.92%
Persons acting in Concert	72,560,599	92.60%
Mutual Funds	0	0.00%
Financial Institutions	0	0.00%
Foreign Institutional Investors	0	0.00%
Banks	0	0.00%
Corporate Bodies	460,738	0.59%
NRIs / OCBs	5,607	0.01%
Public	3,825,761	4.88%
Total	78,355,800	100.00%
Number of Shares in Physical Form	74,529,402	95.12%
Number of Shares in Electronic Form	3,826,398	4.88%
Total	78,355,800	100.00%

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) Plot No. 18, Sector-2, Kasauli Road, Parwanoo-173220.

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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, 2011 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 or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review and according to the information and explanations given 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
FIRM REGN. NO. 000018N

PLACE : **NEW DELHI**
DATED : **27/05/2011**

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 2011 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 except provision of employee benefits, which is not in line with the provisions of relevant Accounting Standard AS-15. However, in our opinion the same would not have any material impact during the year.
 - e) On the basis of written representations received from the directors as on 31st March, 2011 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 31st March, 2011 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 31.03.2011.
- ii) In the case of the Profit & Loss Account of the **PROFIT** 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
FIRM REGN. NO. 000018N

PLACE: **NEW DELHI**
DATED: **27/05/2011**

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ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011

1.
 - a) During the year under audit the Company could not produce the fixed assets records/registers, before us for verification, which as explained to us are under preparation. In view of above we are unable to comment on the matter.
 - b) As explained to us, major fixed assets have been physically verified by the management during the year. 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) During the year the Company has not disposed off any fixed assets hence clause 4 (i) (c) of the 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) (a) to (d) 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.684.65 Lacs from a Company 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) As explained to us the repayment of loan is done as stipulated and there are no irregularities in the same.
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 fixed assets and goods and for the 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 to strengthen its internal audit system which though conducted but is not in commensurate with its size and nature of its business.
8.
 - a) As per information and explanations given to us the Company has been depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, and other statutory dues with the appropriate Authorities which were marginally delayed on some occasions. 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 REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT
ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2011 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. in Lacs)	FORUM BEFORE WHICH THE CASE IS PENDING
Customs Act	606.47 3.98	Hon'ble Calcutta High Court Commissioner of Customs (Exports)
Sales Tax Demand	95.18	Commissioner/ Appellate Tribunals
Demand under Foreign Exchange Laws	12.00	Appellate Tribunals for Foreign Exchange
ESI Demand	44.15	Senior Civil Judge, Saket Court, New Delhi

9. The accumulated losses of the Company as at the end of the financial year have exceeded 50% of its net worth. The Company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
10. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from Banks/Financial Institutions.
11. 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.
12. According to the information and explanations given to us the funds raised on short-term basis have not been utilized for long-term investment.
13. According to the information and explanations given to us the Company has not made any preferential allotment of shares during the year.
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, 2011.
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
FIRM REGN. NO. 000018N

PLACE: **NEW DELHI**
DATED: **27/05/2011**

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BALANCE SHEET AS AT 31st MARCH, 2011			
DESCRIPTION	SCHEDULE	AS AT 31-3-2011 (RS.)	AS AT 31-3-2010 (RS.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	78,365,650	78,365,650
Reserves and Surplus	2	<u>375,106,685</u>	<u>375,106,685</u>
		<u>453,472,335</u>	<u>453,472,335</u>
Loan Funds			
Secured Loans	3	19,375,000	19,975,000
Unsecured Loans	4	<u>49,090,000</u>	<u>50,190,000</u>
		<u>68,465,000</u>	<u>70,165,000</u>
TOTAL		<u>521,937,335</u>	<u>523,637,335</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	178,844,796	177,006,876
Less : Depreciation		<u>100,583,864</u>	<u>93,814,609</u>
Net Block		<u>78,260,932</u>	<u>83,192,267</u>
Current Assets, Loans & Advances			
Inventories	6	6,274,137	4,362,560
Sundry Debtors	7	26,484,205	15,413,909
Cash & Bank Balances	8	8,224,662	8,033,152
Other Current Assets	9	1,583,557	1,119,297
Loans & Advances	10	<u>9,409,359</u>	<u>3,883,459</u>
TOTAL 'A'		<u>51,975,919</u>	<u>32,812,376</u>
Current Liabilities & Provisions			
Current Liabilities	11	<u>28,277,450</u>	<u>24,061,183</u>
TOTAL 'B'		<u>28,277,450</u>	<u>24,061,183</u>
NET CURRENT ASSETS ('A' – 'B')		<u>23,698,470</u>	<u>8,751,193</u>
Profit & Loss Account		<u>419,977,933</u>	<u>431,693,875</u>
TOTAL		<u>521,937,335</u>	<u>523,637,335</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS			
	17		
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED		FOR AND ON BEHALF OF THE BOARD	
FOR O. P. BAGLA & CO. CHARTERED ACCOUNTANTS FIRM REGN. NO. 000018N			
Place : New Delhi Dated : 27/05/2011	Sd/- (RAKESH KUMAR) Partner	Sd/- (KAJAL GUPTA) Company Secretary	Sd/- (SATISH CHAND) Director
			Sd/- (R. K. GUPTA) Chairman & Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

DESCRIPTION	SCHEDULE	YEAR ENDED 31-3-2011 (RS.)	YEAR ENDED 31-3-2010 (RS.)
INCOME			
Sales	12	19,310,253	37,940,143
Job Work Receipts (Tax deducted at source Rs. 7,15,696/- Previous year Rs. 8,29,837/-)		36,062,135	41,521,359
Interest Received (Tax deducted at source Rs. 148,260/- Previous year Rs. 87,183/-)		741,296	659,601
Rent Received (Tax deducted at source Rs. 36,000/- Previous year Rs. NIL)		480,000	90,000
Other Income		1,302,614	0
Profit on sale of fixed assets		0	18,055,035
Increase in Stocks	13	2,368,046	1,567,229
TOTAL		60,264,344	99,833,368
EXPENDITURE			
Purchases		14,870,373	21,986,249
Raw Material Consumed	14	6,375,903	23,050,707
Salaries, Wages and Amenities	15	10,172,049	8,230,754
Administrative, Selling & Other Expenses	16	3,290,347	3,727,275
Power & Fuel		2,991,108	3,084,917
Packing & Forwarding Charges		501,864	409,124
Repairs and Maintenance		2,279,955	1,004,420
Depreciation		6,769,253	6,880,799
Provision for Bad & Doubtful Debts		1,297,549	0
TOTAL		48,548,402	68,374,245
Profit for the year before tax		11,715,942	31,459,123
Provision for Tax		0	165,443
Income Tax/Fringe Benefit Adjustments			
Profit after tax		11,715,942	31,293,680
Balance b/f from previous year		(431,693,875)	(462,987,555)
Deficit carried over to Balance Sheet		(419,977,933)	(431,693,875)
Earning Per Share (Basic/Diluted)		0.15	1.72
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS			
	17		

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000018N

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 27/05/2011

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(KAJAL GUPTA)
Company Secretary

Sd/-
(SATISH CHAND)
Director

Sd/-
(R. K. GUPTA)
Chairman &
Managing Director

SCHEDULES Contd.

SCHEDULE - 5 FIXED ASSETS AS AT 31ST MARCH, 2011

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2010	Additions During the Year	Adjust- ment 31.03.2011	As At 31.03.2011	Upto 31.03.2010	For the Year	Adjust- ment 31.03.2011	Upto 31.03.2011	As At 31.03.2011	As At 31.03.2010
LAND	13,382,014	3,622,960	0	17,004,974	0	0	0	0	17,004,974	13,382,014
BUILDING	18,433,354	0	2,875,341	15,558,013	7,122,331	519,637	56,021	7,585,948	7,972,065	11,311,023
PLANT & MACHINERY	116,543,374	219,984	0	116,763,358	64,109,828	5,104,039	0	69,213,867	47,549,491	52,433,547
FURNITURES & FIXTURES	9,242,185	0	0	9,242,185	7,109,020	585,030	0	7,694,050	1,548,135	2,133,165
OFFICE EQUIPMENTS	17,516,607	130,894	0	17,647,501	13,657,797	536,821	0	14,194,618	3,452,883	3,858,810
VEHICLES	1,889,342	739,423	0	2,628,765	1,815,633	79,748	0	1,895,381	733,384	73,709
CURRENT YEAR	177,006,876	4,713,261	2,875,341	178,844,796	93,814,609	6,825,275	56,021	100,583,864	78,260,932	83,192,267
PREVIOUS YEAR	177,450,964	4,805,361	5,249,448	177,006,877	88,358,795	6,880,799	1,424,985	93,814,609	83,192,267	89,092,169

Note: Land include Rs 2,875,341 being amount related to unearned increase of Land and the same was capitalised in building account in the previous year.

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SCHEDULES Contd.		
DESCRIPTION	AS AT 31-3-2011 (RS.)	AS AT 31-3-2010 (RS.)
SCHEDULE - 6 : INVENTORIES		
(As taken, valued and certified by the Management)		
- Raw Material (Including Store Spares etc.)	607,101	1,063,569
- Finished Goods	5,667,036	3,298,990
	<u>6,274,137</u>	<u>4,362,560</u>
SCHEDULE - 7 : SUNDRY DEBTORS (Unsecured)		
a) Debts outstanding for a period exceeding six months		
- Considered Good	1,999,351	125,527
- Considered Doubtful	1,297,549	1,036,033
b) Other debts		
- Considered Good	24,484,854	14,252,349
Less : Provision for Bad and Doubtful Debts	(1,297,549)	0
	<u>26,484,205</u>	<u>15,413,909</u>
SCHEDULE - 8 : CASH AND BANK BALANCES		
Cash in hand	626,010	153,936
Balance with Scheduled Banks		
- In Current Account	76,229	356,791
- In Fixed Deposits as Margin Money (Pledged with bankers against Bank Guarantees)	7,522,423	7,522,423
	<u>8,224,662</u>	<u>8,033,152</u>
SCHEDULE - 9 : OTHER CURRENT ASSETS		
Interest Receivable	1,583,557	990,521
Prepaid Expenses	0	128,776
	<u>1,583,557</u>	<u>1,119,297</u>
SCHEDULE - 10 : LOANS & ADVANCES		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	7,096,321	2,368,551
Security Deposits		
- With Govt. Deptts.	280,498	334,498
Advance Income Tax / Tax Deducted at Source	2,013,775	1,113,819
Balance with Excise Authorities	18,765	66,591
	<u>9,409,359</u>	<u>3,883,459</u>
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors	15,893,469	12,343,179
Security Deposits	0	750,000
Other Liabilities	12,383,981	10,968,004
	<u>28,277,450</u>	<u>24,061,183</u>
SCHEDULE - 12 : SALES		
Sale	20,340,650	41,067,209
Less: Excise Duty	1,030,397	1,422,664
Less: Incentive & Discount to Dealers	0	1,704,402
	<u>19,310,253</u>	<u>37,940,143</u>

SCHEDULES Contd.

DESCRIPTION	AS AT 31-3-2011 (RS.)	AS AT 31-3-2010 (RS.)
SCHEDULE - 13 : INCREASE IN STOCKS		
Stock as on 01.04.2010		
- Finished Goods	3,298,990	1,731,761
TOTAL "A"	<u>3,298,990</u>	<u>1,731,761</u>
Stock as on 31.03.2011		
- Finished Goods	5,667,036	3,298,990
TOTAL "B"	<u>5,667,036</u>	<u>3,298,990</u>
INCREASE IN STOCKS (B – A)	<u>2,368,046</u>	<u>1,567,229</u>
SCHEDULE - 14 : RAW MATERIAL CONSUMED		
Opening Stock	1,063,569	14,766,990
Purchases	6,147,310	9,347,286
	<u>7,210,879</u>	<u>24,114,276</u>
Less : Sale of Components	227,875	0
Closing Stock	607,101	1,063,569
	<u>6,375,903</u>	<u>23,050,707</u>
SCHEDULE - 15 : SALARY, WAGES & AMENITIES		
Salary, Wages, Allowances & Incentives	8,328,248	7,146,566
Director's Remuneration	664,991	309,720
Contribution to PF & ESI	773,789	597,039
Staff Welfare	18,683	15,845
Contribution to Gratuity Fund / Gratuity Paid	386,338	161,585
	<u>10,172,049</u>	<u>8,230,754</u>
SCHEDULE - 16 : ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Advertisement Expenses	121,272	539,713
AGM Expenses	79,989	64,336
Bank Charges	10,585	60,645
Auditors' Remuneration		
- As Audit Fees	77,210	66,130
- As Tax Audit Fees	5,515	13,788
- For Other Matters	18,201	9,929
Bad Debts/Sundry Balances written off	372,616	303,962
Communication Expenses	289,060	170,136
Legal & Professional Charges	921,116	919,359
Miscellaneous Expenses	323,943	522,952
Printing & Stationery Expenses	84,835	150,376
Security Service Charges	467,563	412,112
Selling Expenses	64,434	215,993
Travelling & Conveyance Expenses	228,220	114,414
Vehicle Running & Maintenance Expenses	225,789	163,430
	<u>3,290,347</u>	<u>3,727,275</u>

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SCHEDULES Contd.

SCHEDULE - 17 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting:**

The Company prepares its financial statements on historical cost basis and 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 along with transfer of risk and rewards thereof.

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** - 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. **Foreign Currency Transactions**

Foreign currency transactions are initially recorded at the exchange rates prevailing at the time of execution of the transaction. Monetary items are revalued at the year end exchange rates and difference is charged to the profit and loss account.

8. **Employee Benefit**

The Employee benefits comprising defined benefit plan and defined contribution plan. Defined contribution plan is recognized as expenses on accrual basis to the extent of Company's contribution as an employer. Defined benefit plan of gratuity and the same are provided as expenses on the basis of demand raised by insurance Company. Leave encashment benefit is accounted for on the basis of accumulated entitlement of the employee as at the end of the year and valued on last salary drawn.

SCHEDULES Contd.

9. Sales

Sales are stated net of discounts allowed and excise duty paid.

10. Excise Duty

Excise Duty is accounted for as expense at the time of goods cleared. Also provision has been made for excise duty payable on closing stock of finished stock as at the end of the year.

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

B. NOTES ON ACCOUNTS

1. The Company is in process of implementing revival scheme being approved by BIFR vide Order dated 2.6.2009. In view of the financial result for the year ending 31.3.2010, the Company has applied to the BIFR for discharging the Company from the purview of the Sick Industrial Companies Act (SICA). The BIFR has reviewed the net worth of Company which has turned positive in financial year 2009-10. Accordingly the Board vide order dated 2nd December 2010 that the Company ceases to be a sick industrial Company and discharged the Company from the purview of SICA and BIFR provisions.

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

	AS AT 31.03.2011 (Rs. In Lakhs)	AS AT 31.03.2010 (Rs. in Lakhs)
a) Counter Guarantee issued against outstanding - Bank Guarantees	80.95	80.95
b) Demand under Foreign Exchange Laws (Pending being disputed)	12.00	12.00
c) Demand under Custom Act	610.45	610.45
d) Sales Tax disputed demand	86.70	86.70
e) ESI Demand	44.15	44.15

3. 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.

4. Claim against the Company (not acknowledged as Debts) – **Rs.53.68 Lakhs** (Previous Year Rs. 53.68 Lakhs)

5. Rupee equivalent as at 31.03.2011 of export obligation to be completed by the Company under EPCG Scheme **Rs.2,644.00 Lacs** (Previous Year Rs.2,644.00 Lacs). Pursuant to the relief granted under the revival scheme the Company has got extension of time limit for fulfillment of the obligation upto financial year 2011-12 and 2012-13.

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

7. 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.

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SCHEDULES Contd.

8. Taxation

Current Year Tax

In view of the unabsorbed losses as per income tax record the Company is not liable to pay tax on profit for the year. Also there is no tax liability on the Company under the provisions of Sec 115JB of Income Tax Act related to Minimum Alternate Tax (MAT).

Deferred Tax

Keeping in view the unabsorbed losses of the Company in Income Tax records and uncertainty of sufficient profit in the future years, 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.

9. 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 outstanding as at end of the year Rs.684.65 Lacs. Loan repaid during the year Rs.6.00 Lacs.
Name of the Key Managerial Personnel	:	Shri R.K. Gupta, Managing Director
Transactions during the year	:	Remuneration Rs.6.65 Lacs

10. 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.

11. Break-up of managing director's remuneration is as under:

(Amount in Rs.)

DESCRIPTION	31.3.2011	31.3.2010
Salary	540,000	270,000
Contribution to Provident Fund	9,360	4,680
Other Perquisites	115,631	35,040

12. The "Employee Benefits" as required to be provided under AS 15 issued by ICAI and the same are accounted for by the Company on the basis as enumerated hereunder. The quantum of defined benefit plans are to be valued by an actuary in terms of provisions of the Standard. Disclosures of Employees Benefits provided by the Company is 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.7.83 Lacs (Previous Year Rs.6.02 Lacs) has been recognized as expense for defined contribution plan (Contributory Provident Fund).

Defined Benefit Plan:

- a) **Earned Leave Benefit:** Accrual of 20 days 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.0.74 Lacs (Previous Year Rs.0.20 Lacs) has been provided towards leave encashment expenses.

SCHEDULES Contd.

b) **Gratuity:** The Company has obtained policy from an insurance Company towards gratuity benefit. The Company's contribution towards the policy is recognized as expense. During the year Rs 3.86 Lacs (Previous Year Rs.1.61 Lacs) 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 31.03.2011	Year Ended on 31.03.2010
Profit/(Loss) attributable to the Equity Shareholders – (A) (Rs. in Lakhs)	117.16	312.94
Basic / Weighed average number of Equity Shares outstanding during the year (B)	7,83,55,800	18,170,868
Nominal value of Equity Shares (Rs.)	1.00	1.00
Basic/ Diluted Earning/(Loss) per share (Rs.)-(A)/(B)	0.15	1.72
Calculation of Profit attributable to Shareholders:		
Profit/(Loss) After Tax (Rs. in Lakhs)	117.16	314.59
Less: Income Tax Adjustment /FBT Provision	–	1.65
Profit/(Loss) attributable to Shareholders	117.16	312.94

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

A. CAPACITY & PRODUCTION	UNIT	QUANTITY
i) Licensed Capacity	Nos.	Non Applicable
ii) Installed Capacity # (For Finished Items)		
a. Computer Systems	Nos.	32,000
b. Modem/Monitors	Nos.	196,000
c. Populated PCB/Motherboards	Nos.	400,000
iii) Actual Production		
a. Electronic Media Devices	Nos.	NIL (817)
b. Populated PCB	Nos.	1,810 (49,506)

As certified by the management and relied on by the Auditors being a Technical Matter.

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SCHEDULES Contd.

B. DETAILS REGARDING STOCKS AND SALES

	QUANTITY (Nos.)		VALUE (Rs.)	
	2010-2011	2009-2010	2010-2011	2009-2010
Opening Stock				
- Monitors	-	174	-	208,800
- Mouse/Scanners	-	1,988	-	3,976
- Communication Systems				
- Products & Accessories	-	181	-	100,000
- Other Misc. Items	-	526	-	82,065
- Computer System	-	4	-	12,000
- Mother Board	-	3,829	-	1,148,700
- Electronic Media Devices	2,405	124	2,493,484	176,220
- Populated PCB	167	-	5,344	-
- Multimedia Speakers	477	-	800,162	-
Purchase				
Electronic Media Devices	-	7,526	-	8,257,036
Populated PCB	24,200	33,500	13,493,600	11,432,693
CCTV Camera	1,075	-	1,376,773	-
Multimedia Speakers	-	1,364	-	2,296,520
Sale/Transferred to rejected/raw material				
Electronic Media Devices / Multimedia Speakers	2,882	6,949	20,281,600	41,067,209
Populated Modem/PCB	18,310	82,839		
CCTV Camera	41	-	59,050	-
Monitors	-	174	-	-
Mouse/Scanners	-	1,988	-	-
Communication Systems				
Products & Accessories	-	181	-	-
Other Misc. Items	-	526	-	-
Computer System	-	4	-	-
Mother Board	-	3,829	-	-
Closing Stock				
- CCTV Camera	1,034	-	1,333,842	-
- Electronic Media Devices	-	2,405	-	2,493,484
- Populated PCB	7,867	167	4,333,194	5,344
- Multimedia Speakers	-	477	-	800,162

SCHEDULES Contd.

	2010-11		2009-10	
	Qty.	Value	Qty.	Value
Raw Material Consumed				
- Electronic Media Device Assembly	-	-	817	1,843,139
- Populated PCB Assembly	1,810	5,883,386	49,506	15,205,305
- Old Damaged stock transferred to scrap/ Other Misc. Material	-	492,517	-	6,002,264
Break up of Raw Material consumed	%	Value	%	Value
- Indigenous	39.00	2,486,369	38.65	8,909,087
- Imported	61.00	3,889,534	61.35	14,141,621

C. VALUE OF IMPORTS ON CIF BASIS

VALUE (Rs. In Lacs)

PARTICULARS	2010-11	2009-10
Capital Goods	NIL	13.97
Raw Material/Stores	41.14	201.91
Finished Goods	NIL	47.16

D. EXPENDITURE IN FOREIGN CURRENCY

VALUE (Rs. In Lacs)

PARTICULARS	2010-11	2009-10
Travelling Expenses	0.64	-

15. Figures in the brackets represent previous year figures.

16. During the year the Company has entered into an agreement with a party for sale of its property comprising land and building at Parwanoo. Necessary approvals for execution of sale deed in favour of the buyer are yet to be received from the relevant department/authorities of state government. Necessary adjustment shall be made as and when the aforesaid consent/approval is obtained.

17. 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
FIRM REGN. NO. 000018N

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 27/05/2011

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(KAJAL GUPTA)
Company Secretary

Sd/-
(SATISH CHAND)
Director

Sd/-
(R. K. GUPTA)
Chairman &
Managing Director

20th Annual Report 2010-2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

I. REGISTRATION DETAILS	
Registration No.	45276
State Code	55
Balance Sheet Date	31st March, 2011
II. CAPITAL RAISED DURING THE YEAR	
Public Issue	NIL
Right Issue	NIL
Private Placements (Including Premium)	NIL
Bonus Issue	NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
Total Liabilities	550,214,785
Total Assets	550,214,785
SOURCES OF FUNDS	
Paid-up Capital	78,365,650
Reserves & Surplus	375,106,685
Secured Loans	19,375,000
Unsecured Loans	49,090,000
APPLICATION OF FUNDS	
Net Fixed Assets	78,260,932
Investments	NIL
Net Current Assets	23,698,470
Misc. Expenditure	NIL
Accumulated Losses	419,977,933
Deferred Tax Asset/(Liabilities)	NIL
Capital Work in Progress	NIL
IV. PERFORMANCE OF THE COMPANY	
Turnover Including other income	60,264,344
Total Expenditure	48,548,402
Profit before tax	11,715,942
Profit after tax	11,715,942
Earnings Per Share (Rs.)	0.15
Dividend Rate (%)	NIL
V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY	
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
FIRM REGN. NO. 000018N

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi	Sd/- (RAKESH KUMAR) Partner	Sd/- (KAJAL GUPTA) Company Secretary	Sd/- (SATISH CHAND) Director	Sd/- (R. K. GUPTA) Chairman & Managing Director
Dated : 27/05/2011				

CASH FLOW STATEMENT ANNEXED TO BALANCE SHEET

PARTICULARS	YEAR ENDED 31/03/2011	YEAR ENDED 31/03/2010
CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax as per P & L Account	11,715,942	31,459,122
Adjusted for		
Net prior Year Expenses	0	0
Extra Ordinary Item Not Reported being non cash items	0	0
Net Profit before tax and extraordinary items	11,715,942	31,459,122
Adjusted for		
Depreciation	6,769,253	6,880,799
Miscellaneous Expenditure written off	0	0
Profit on sale of Fixed Assets	0	(18,055,037)
Interest Received	(741,296)	(659,601)
Operating Profit before working capital change	17,743,900	19,625,283
Adjusted for		
Trade & Other Receivables	(16,160,499)	(12,528,879)
Inventories	(1,911,577)	12,136,192
Trade Payables	4,216,267	(13,851,950)
Less : Amount adjusted as Extra Ordinary Item	(13,855,809)	(14,244,637)
Cash Generated from Operation	3,888,090	5,380,646
Interest paid	0	0
Direct Taxes Paid/Adjusted	(899,956)	(795,959)
Cash Flow before extraordinary items	2,988,134	4,584,687
Net prior Year Expenses		
Net Cash from Operation Activities	2,988,134	4,584,687
Cash Flow from Investing activities		
Purchase of Fixed Assets including CWIP	(1,837,920)	(4,805,361)
Sales/Adjustment of Fixed Assets	0	21,879,500
Decrease in Investments due to written off	0	0
Sales of Investment	0	0
Interest received	741,296	659,601
Net Cash used in Investing activities	(1,096,624)	17,733,740
Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	0	0
Increase in Capital Reserves on Settlement with banks	0	0
Miscellaneous Expenditure incurred	0	0
Proceeds from Short Term Borrowings	0	0
including Increase in liability due to interest accrual	0	0
Repayment of Long Term Borrowings	(1,700,000)	(23,020,000)
Short Term Loans Repaid	0	0
Dividend Paid (including Corp. Dividend Tax)	0	0
Effects of Exchange rate change	0	0
Net Cash used in Financing activities	(1,700,000)	(23,020,000)
Net increase in Cash and Cash Equivalents (A+B+C)	191,510	(701,571)
Opening Balance of Cash and Cash Equivalents	8,033,152	8,734,723
Closing Balance of Cash and Cash Equivalents	8,224,662	8,033,152

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
FOR O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000018N

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 27/05/2011

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(KAJAL GUPTA)
Company Secretary

Sd/-
(SATISH CHAND)
Director

Sd/-
(R. K. GUPTA)
Chairman &
Managing Director

QUALITY POLICY

“Customer satisfaction through quality and reliability of our products and services to be achieved by our will to delivery better by consistently improving our products, systems and procedures.”

Sd/-
(Raj Kumar Gupta)
Chairman & Managing Director