

Vintron

Vintron Informatics Limited



23rd Annual Report 2013-2014

23rd Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Raj Kumar Gupta, Chairman & Managing Director

Shri Jagdish Singh Dalal, Director

Shri Satish Chand, Director

Shri Vikas Gulechha, Additional Director

Shri Parvesh Ahuja, Additional Director

Shri Satish Raychand Chopra, Additional Director

COMPANY SECRETARY

Mrs. Kajal Gupta

STATUTORY AUDITORS

M/s. O. P. Bagla & Co.

8/12, Kalkaji Extension

New Delhi-110019

INTERNAL AUDITORS

M/s. S. Agarwal & Co.

123, Vinoba Puri, Lajpat Nagar-II

New Delhi - 110 024

SHARE TRANSFER AGENT

Regd. Office:

M/s. Skyline Financial Services Pvt. Ltd.

D-153/A, First Floor

Okhla Industrial Area, Phase-I

New Delhi - 110 020

BANKERS

HDFC Bank Limited

Plot No. 4, Capital Trust House-II,

Maa Anandmayi Marg,

Okhla Indl. Area Phase-II

New Delhi-110020

Registered Office & Works :

F-90/1 A, Okhla Industrial Area,

Phase-I, New Delhi - 110 020

CIN: L72100DL1991PLC045276

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF VINTRON INFORMATICS LIMITED SHALL BE HELD ON MONDAY, THE 15TH DAY OF SEPTEMBER 2014 AT 10.30 A.M. AT ARYA AUDITORIUM, DESRAJ CAMPUS, C-BLOCK, EAST OF KAILASH, NEW DELHI-110065 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, which includes Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company as at 31st March 2014 together with the Auditors' Report thereon and the Directors' Report annexed thereto.
2. To appoint a Director in place of Shri Jagdish Singh Dalal, 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 139 and 141 and all other provisions, if any, of the Companies Act, 2013 (Corresponding 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 appointed as Statutory Auditors of the Company for a period of five years commencing from 01.04.2014 till 31.03.2019, to hold office from the conclusion of this 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:

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

“RESOLVED THAT in suppression of the earlier resolutions passed, pursuant to the provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, and enactment thereof from time to time, of the Companies Act, 2013 (Corresponding 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 2014 on the following terms and conditions:

Salary: Rs.100000.00 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.10000/- 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.

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

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NOTICE Contd.

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.

“RESOLVED FURTHER THAT in accordance with the provisions of Section 197(3) read with Schedule V and the notifications issued under the Schedule of the Companies Act, 2013 and subject to such approvals as may be necessary, the remuneration as set out above may be paid as minimum remuneration to Shri Raj Kumar Gupta, Managing Director of the Company in the absence or inadequacy of profits in any financial year.”

“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 V to the Companies Act, 2013 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.”

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

Sd/-
(RAJ KUMAR GUPTA)

Chairman & Managing Director
DIN: 00019125

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

Date: **29/07/2014**

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 6th day of September 2014 to Monday, the 15th day of September 2014 (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 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. He has commanded major equipment Depots and been Director-Purchase in Air HQ involving Foreign and Indigenous purchases. He has also been Director-Maintenance & Administration 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 has been on the Board of Directors of the Company

NOTICE Contd.

since 30.10.2002 and during the period since his association with the Company he has been of immense help by providing valuable advice and contribution in the entire process of reviving the Company from its sickness and further growth of the Company.

None of the Directors except Shri Jagdish Singh Dalal himself is interested in the said appointment. The Board recommends his re-appointment.

EXPLANATORY STATEMENT:

In conformity with the provisions of Section 102 of the Companies Act, 2013, 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

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 18th Annual General Meeting held on Thursday, the 10th day of September, 2009 and his tenure is due to expire on 30.09.2014. In view of the fact that Shri Raj Kumar Gupta, being promoter / director of the Company has further brought substantial investment while sanction of Rehabilitation Scheme by Hon'ble BIFR, and by tireless efforts, has once again revive the Company and brought the net worth in positive direction, the Company requires his full time direction, control and supervision of operations. The vision of Shri Raj Kumar Gupta about re-establishing the Company and his efforts in this direction has started giving positive results and hence, the services of Shri Raj Kumar Gupta are considered of utmost importance. Therefore, it is proposed that Shri Raj Kumar Gupta be re-appointed as Chairman & Managing Director of the Company for a period of another five years with effect from 01.10.2014 pursuant to provisions of Section 196, 197 and 203 and all other provisions of the Companies Act, 2013. The aforesaid proposed terms of appointment of Shri Raj Kumar Gupta have been duly approved by the Remuneration Committee of the Board of Directors, in its meeting held on 29th day of July 2014 and accordingly, it is proposed to appoint him as Chairman & Managing Director of the Company with effect from 01.10.2014.

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 a main Promoter Director of the Company.

Further, none of the other Director(s) except Shri Raj Kumar Gupta, any key managerial person(s) of the Company and their relative(s) is/are concerned or considered to be interested in this resolution except their shareholding in the Company.

The Board commends the resolution for the approval of members as a Special Resolution.

By order of the Board
For VINTRON INFORMATICS LIMITED

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director
DIN: 00019125

Place: **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date: **29/07/2014**

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Twenty Third Annual Report together with Audited Financial Statements which includes Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company for the year ended on 31st March 2014.

BUSINESS PHILOSOPHY

Your Company and its management has always been cautious of its brand and corporate image apart from its corporate social responsibility. Even within the limitation of having limited resources and infrastructure available at its disposal, the management of the Company has worked out product basket considering the strength of the Company and market acceptability and is consistently improving upon the same, so as to ensure that the products of the Company command its respect and demand in the market in terms of quality, service, acceptability, competitiveness etc. apart from giving maximum return on investment thereby multiplying the investors fund. After sanction of the revival scheme from the Hon'ble BIFR, the Company has been consistently making its efforts to re-establish its brand and product in the market. With emphasis on quality, competitiveness and service, the Company and its management is confident to itself on the rapid growth path very shortly. The Company has always endeavoured to provide innovative products with quality and the said approach of the management of your Company stands more strengthened by every passing moment.

OUTLOOK

The Company has reviewed its product basket and in consistency with the market demand and business prospect, it has been concentrating on security related products. In view of the financial constraints, the Company has been doing trading as well as manufacturing activities in security related products and services. Your Company, during limited period and under limited resources, has been able to create and capture a sizeable portion of security industry by trading and manufacturing digital video recorders, CCTV Cameras, Digital Call Bell Alarms and other products including accessories thereof. With the growth of crime and awareness in the society, the size of consumer is phenomenally increasing by every passing day in security related products and even the middle class of the Country has become a substantial portion of consumers of this industry. With the increase of spending power and corresponding individual threats, the demand in security related products are multiplying by every passing day as is even evident from the demand of the products of your Company. With the current trend, your Company, with its quality and services, is confident to become a market leader in northern India within a very short span of time and the management is confident to achieving the same at its earliest.

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)	2,472.65	2,145.88
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	276.15	374.62
Depreciation	301.33	69.13
Interest and Financial Charges	0.00	0.00
Profit/(Loss) before Extra-ordinary Items	(25.18)	305.49
Extra Ordinary Items Written Off	5.47	8.81
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	(30.65)	296.68
Income Tax Adjustments	0.00	0.53
Profit/(Loss) after Tax	(30.65)	296.15
Surplus brought forward	(3,684.68)	(3,980.83)
Balance in Profit & Loss A/c	(3,715.33)	(3,684.68)

Despite of all the constraints including non-adequate working capital and inability of the Company in raising fresh funds because of the recent rehabilitation from sickness of the Company in the recent past, the Company and its Directors have made all attempts and efforts to optimally utilize all the resources available at their disposal and although the net worth of the Company is positive, however, due to amortization of certain one-time expenses, the net profit of the Company has turned negative, despite of operational profits. Your management is pleased to note that the revenue of the Company has increased by 15.23% whereas the operational profit has decreased by 26.00% approx. as compared to the last year with the same resources, although, there being a negative net profit because of amortization of certain one-time expense.

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 make a

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

sizeable market and profitability in its operations. 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 other stake holders.

DIVIDEND

Considering the results of the Company and in view of the accumulated losses together with the huge requirement of working capital, the Board has not recommended dividend on shares.

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 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 environment will have a strong bearing on how things shape in the coming years. Falling prices of the electronic products due to increasing competitiveness with the introduction of multiple variants in each product are potential risks. The over all Industrial and Business sentiment has been low during the last financial year. Your Company, therefore has planned to introduce 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. The Company has already ventured into manufacturing and dealing of high quality CCTV cameras and Digital Video Recorders (DVR) meant for CCTV Cameras. Your Company, however, is confident that with further improvement in quality, competitively priced products and their utility, it will be able to expand its market share.

SEGMENT WISE PERFORMANCE

The Company has been operating in the electronic industry and dealing and manufacturing only electronic products including Security & Surveillance related electronic equipments. 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.

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 197 as against 181 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, 2013 and the Company's Articles of Association, Shri Jagdish Singh Dalal, Director of the Company is retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer 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 does not have any subsidiary.

AUDITORS

The Auditors of the Company M/s. O. P. Bagla & Company, Chartered Accountants, New Delhi, retire on the conclusion of

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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 Sections 139 and 141 of the Companies Act, 2013 (Corresponding 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 2014 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 134 (CORRESPONDING SECTION 217)

As required under Section 134 (3) (c) of the Companies Act, 2013 (corresponding Section 217(2AA) of the Companies Act, 1956), your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

DECLARATION UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013

The Board hereby declares that Shri Jagdish Singh Dalal and Shri Satish Chand are the Independent Directors on the Board of Directors of the Company and they, in the opinion of the Board, the persons of the integrity and possess relevant expertise and experience. They are neither promoter of the Company nor its holding, subsidiary or associate Company. It is further declare that they are not related to any promoter or Director in the Company, its holding, subsidiary or associate Company. The aforesaid independent Directors neither directly nor through any of their relatives, has any pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors during two immediately financial years or during the current financial year.

None of the aforesaid independent directors either himself or any of their relative hold or has held any position or key managerial person or has been employee of the Company or its holding, subsidiary or associate Company in any of the last three financial years or during the current financial year.

None of the aforesaid independent directors together with/or their relatives hold 2% of more of total voting power of the Company or is chief executive or director of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company.

LOANS & INVESTMENT BY THE COMPANY

The Board declares that it has neither made any loan or investment to any person or other body corporate(s) nor given any guarantee or security in connection with a loan to any other body corporate(s) or person(s). It is further declare that the Company has not acquired, whether by of subscription, purchase or otherwise, the securities of any other body Corporate(s).

RELATED PARTY TRANSACTIONS

The Board declares that it has not entered into any contract, transactions or arrangement with any related party with respect

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

to any sale, purchase or supply of any goods, material, property, services, appointment of agent(s), underwriting the subscription of any securities or derivatives of any company or for appointment to any office or place of profit in the Company, its subsidiary or associate Company.

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 Calcutta Stock Exchange is yet to be 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/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director

DIN: 00019125

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

Date: **29/07/2014**

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 2014.

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 : 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 etc. including repair & maintenance and travelling expenses for amount aggregating to Rs.1078.15 Lacs as compared to Rs. 1010.78 Lacs during the previous year.

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

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director

DIN: 00019125

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

Date: **29/07/2014**

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CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

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 five 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, 2014

Category	No. of Directors	%
Executive Directors	1	16.67%
Non-Executive, Independent Directors	5	83.33%
Total	6	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.

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.¹

SIZE OF THE BOARD

At present, the Board has six 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.

Four Board meetings were held during the financial year 2013-2014. They were held on 13th May 2013, 24th July 2013, 24th October 2013, and 29th January 2014 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	4	Yes	2	3	2
Jagdish S. Dalal	NED	4	Yes	–	4	1
Satish Chand	NED	4	Yes	–	1	1
Vikas Gulechha	NED	1	–	5	–	–
Parvesh Ahuja	NED	2	–	–	–	–
Satish Raychand Chopra	NED	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.

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 Jagdish Singh Dalal retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

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CORPORATE GOVERNANCE REPORT Contd.

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.

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.

CORPORATE GOVERNANCE REPORT Contd.

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 Satish Chand who is a Chartered Accountant by profession, and an Independent Director on the Board of the Company. The Committee met four times during the financial year 2013-2014, on 10th May 2013, 24th July 2013, 23rd October 2013 and 27th January 2014 respectively. The below mentioned table gives the details of attendance of members at the meetings of the Audit Committee held during 2013-2014.

Members	No. of Meetings Attended
Shri Raj Kumar Gupta	4
Shri Jagdish Singh Dalal	4
Shri Satish Chand	4

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 comprises of one executive and two independent Directors, Shri Raj Kumar Gupta being Executive Director, whereas 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 members in 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 one independent Director namely Shri Raj Kumar Gupta being an Executive Director, 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 2013-2014, the Company has received a total number of complaints was NIL, the details whereof is as under:

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CORPORATE GOVERNANCE REPORT Contd.

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

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. Three 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 one Non-executive/Independent Director. 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
2011	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium 2, Raj Niwas Marg, Civil Lines, Delhi-110054.	24/08/2011	1.00 p.m.
2012	- Do -	07/09/2012	2.30 p.m.
2013	Arya Auditorium, Desraj Campus, C-Block, East of Kailash, New Delhi-110065	12/09/2013	10.30 a.m.

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

AGM	Details of Special Resolution
20th Annual General Meeting	1. U/S 293(1)(a) of the Companies Act, 1956 authorizing the Board for Sale, Lease or dispose off the properties, assets and undertakings.
21st Annual General Meeting	– None –
22nd 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, Manager – Secretarial of the Company, has been nominated as the Compliance Officer of the Company.

6. MEANS OF COMMUNICATION

Timely disclosure of consistent, relevant and reliable information on financial performance is at the core of good governance. Towards this end, major steps taken are as under:

- The quarterly results of the Company were announced within stipulated 45 days of end of quarter and audited annual results along with results for the fourth quarter were announced within stipulated 60 days of the end of the financial year. The approved financial results of the Company during the financial year 2013-2014 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

CORPORATE GOVERNANCE REPORT Contd.

Directors in leading English and Hindi dailies having wide circulation across the country. Financial results are also displayed on the website of the Company.

- (ii) Updated information relating to shareholding pattern, financial results etc. is available on Corp Filing and Dissemination System in addition to the Company's website.
- (iii) The website of the Company contains dedicated section 'Investor Zone' having updated relevant information for shareholders.
- (iv) 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:

Day & Date	:	Monday, 15th day of September 2014
Time	:	10.30 A.M.
Financial Year	:	2013-2014
Venue	:	Arya Auditorium, Desraj Campus, C-Block, East of Kailash, New Delhi-110065
Book Closure	:	Saturday, the 6th day of September 2014 to Friday, the 15th day of September 2014 (both days inclusive)
Registrar & Share Transfer Agent	:	M/s. Skyline Financial Services Pvt. Ltd. Registered Office : D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020; Phone: 011-26812682-83, 64732681-88; Fax: 91-11-26812683; E-mail: admin@skylinerta.com ; Website: www.skylinerta.com
Compliance Officer	:	Shri U. S. Lakhera, Manager-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, 43740000; Fax: 011-26813681; E-mail: vil_vintron@hotmail.com

PROFILE OF DIRECTORS RETIRING BY ROTATION

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. 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 has been on the Board of Directors of the Company since 30.10.2002 and during the period since his association with the Company he has been of immense help by providing valuable advice and contribution in the entire process of reviving the Company from its sickness and further growth of the Company.

None of the Directors except Shri Jagdish Singh Dalal himself is interested in the said appointment. The Board recommends his re-appointment.

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CORPORATE GOVERNANCE REPORT Contd.

LISTING ON STOCK EXCHANGES

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

- i) The BSE Limited, Floor-25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001
- 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)

STOCK CODE

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

- The BSE Limited "517393"
- The Calcutta Stock Exchange Limited "10032155"
- The Delhi Stock Exchange Limited "122073"

STOCK PRICE DATA *

(Amount in Rs.)

2013-2014 Month	The Stock Exchange, Mumbai	
	High	Low
April 2013	4.15	3.60
May 2013	4.35	3.62
June 2013	3.80	3.80
July 2013	5.46	3.90
August 2013	4.94	2.62
September 2013	2.92	2.80
October 2013	2.81	2.71
November 2013	3.08	2.04
December 2013	3.11	2.17
January 2014	2.73	1.95
February 2014	2.60	2.05
March 2014	2.57	1.86

* Based on the figures available at official website of the Bombay Stock Exchange Limited.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2014

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	10,986	90.03%	1,519,502	1.94%
501-1000	644	5.28%	541,047	0.69%
1001-5000	451	3.70%	952,904	1.22%
5001-10000	63	0.52%	461,965	0.59%
10001 onwards	57	0.47%	74,880,382	95.56%
Total	12,201	100.00%	78,355,800	100.00%

CORPORATE GOVERNANCE REPORT Contd.

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH 2014

Category	No. of Shares Held	% of Shares Held
Promoters	781,700	1.00%
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	403,120	0.51%
NRIs / OCBs	427,696	0.56%
Hindu Undivided Family	80,336	0.10%
Clearing Members/House	1,315	0.00%
Public	4,101,034	5.23%
Total	78,355,800	100.00%
Number of Shares in Physical Form	1,189,402	1.52%
Number of Shares in Electronic Form	77,166,398	98.48%
Total	78,355,800	100.00%

REGISTERED / CORPORATE OFFICE AND PLANT:

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

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, 2014 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
FIRM REGN. NO. 000018N

Sd/-
(RAKESH KUMAR)
PARTNER
Membership No. 87537

PLACE : **NEW DELHI**
DATED : **29/07/2014**

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INDEPENDENT AUDITORS' REPORT

To

The Members of
VINTRON INFORMATICS LIMITED
NEW DELHI

Report on the Financial Statements

1. We have audited the accompanying financial statements of **VINTRON INFORMATICS LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India (the "Act"), read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date.
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

INDEPENDENT AUDITORS' REPORT Contd.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, 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 those books,
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000018N

Sd/-

(RAKESH KUMAR)

PARTNER

Membership No. 87537

PLACE: **NEW DELHI**

DATED: **30/05/2014**

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ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

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/obtained any loans, secured or unsecured to/from 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 (g) of the order are not applicable.
4. 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.
5. According to the information and explanation given to us the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section and in our opinion the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. 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. As explained to us maintenance of cost records have been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act for the company and we have been explained that such records have been made and maintained by the company for the year under audit.
9. 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 delayed on most of the 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
 - 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.

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT
ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014 Contd.**

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	86.70	Commissioner/Appellate Tribunals
ESI Demand	44.15	Hon'ble High Court, Delhi

10. 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.
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 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. According to the information and explanations given to us the Company has not made any preferential allotment of shares during the year.
15. 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 2014.
16. Other clauses namely 4 (xi) to (xiv), (xix) and (xx) of the order are not applicable to the Company for the year under report.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000018N

Sd/-
(RAKESH KUMAR)
PARTNER
Membership No. 87537

PLACE: **NEW DELHI**
DATED: **30/05/2014**

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BALANCE SHEET AS AT 31st MARCH, 2014			
PARTICULARS	NOTE	AS AT 31-3-2014	AS AT 31-3-2013
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
Share Capital	2	78,365,650	78,365,650
Reserves and Surplus	3	1,974,555	5,039,372
		80,340,205	83,405,022
Non-current liabilities			
Long-term Borrowings	4	104,905,000	85,505,000
		104,905,000	85,505,000
Current liabilities			
Trade Payables	5	46,314,008	36,217,363
Other Current Liabilities	6	9,246,362	9,778,776
Short Term Provisions	7	478,948	413,531
		56,039,318	46,409,670
TOTAL		241,284,523	215,319,692
<u>ASSETS</u>			
Non-current assets			
Fixed Assets			
Tangible Assets	8	67,331,953	60,873,644
Intangible Assets	8A	1,693,527	1,600,000
Long-term Loans & Advances	9	255,498	255,498
Other Non Current Assets	10	635,322	4,600,000
		69,916,300	67,329,142
Current assets			
Inventories	11	79,940,090	45,641,360
Trade Receivables	12	77,807,699	88,626,298
Cash and Bank Balances	13	6,317,227	5,004,553
Short-term Loans and Advances	14	6,680,622	5,432,347
Other Current Assets	15	622,585	3,285,992
		171,368,223	147,990,550
TOTAL		241,284,523	215,319,692
SIGNIFICANT ACCOUNTING POLICIES			
	1		
The accompanying notes form an integral part of these financial statements.			

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

Sd/-
(R. K. GUPTA)
 Managing Director
 DIN: 00019125

Place : **New Delhi**
 Dated : **30/05/2014**

Sd/-
(RAKESH KUMAR)
 Partner

Sd/-
(SATISH CHAND)
 Director
 DIN: 02615736

Sd/-
(J. S. DALAL)
 Director
 DIN: 02251250

Sd/-
(KAJAL GUPTA)
 Company Secretary
 PAN: AKQPG0886Q

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	NOTE	FOR THE YEAR ENDED 31-3-2014	FOR THE YEAR ENDED 31-3-2013
Revenue from Operations			
Sales		230,435,395	197,962,387
Less: Excise Duty		(20,876,786)	(16,134,801)
		209,558,609	181,827,586
Job Work Receipts		37,244,502	31,911,802
Total Revenue from Operations		246,803,111	213,739,388
Other Income	16	462,331	848,681
Total Revenue		247,265,442	214,588,069
Expenses:			
Cost of Material consumed	17	128,527,373	97,395,614
Purchase of Trading Goods		54,324,518	12,966,388
Changes in inventories	18	(11,982,061)	35,748,529
Employee benefits Expenses	19	27,724,101	18,715,083
Depreciation	8	30,132,330	6,912,792
Manufacturing, Administration & Other Expenses	20	20,975,817	12,300,558
Provision for bad & doubtful debts		547,281	881,129
Prior Period Expenses		80,900	0
Total Expenses		250,330,259	184,920,093
Profit before tax		(3,064,817)	29,667,976
Tax expense:			
Income tax Adjustment for earlier years		0	53,430
Profit for the year from continuing operation		(3,064,817)	29,614,546
Earnings per Share (Basic & Diluted)		(0.04)	0.38
SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes form an integral part of these financial statements.

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

Sd/-
(R. K. GUPTA)
Managing Director
DIN: 00019125

Place : New Delhi
Dated : 30/05/2014

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(SATISH CHAND)
Director
DIN: 02615736

Sd/-
(J. S. DALAL)
Director
DIN: 02251250

Sd/-
(KAJAL GUPTA)
Company Secretary
PAN: AKQPG0886Q

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	FOR THE YEAR ENDED 31-3-2014	FOR THE YEAR ENDED 31-3-2013
A. Cash Flow from Operating Activities		
Net Profit before tax and extra ordinary items	(3,064,817)	29,667,976
Adjustment for :		
Depreciation	30,132,330	6,912,791
Interest Received	(462,331)	(848,681)
	29,669,999	6,064,110
Operating Profit before Working Capital Facilities	26,605,182	35,732,086
Adjustment for :		
Trade & Other Receivable	16,198,409	(52,401,927)
Inventories	(34,298,730)	7,071,365
Trade Payable	9,629,648	12,062,238
	(8,470,673)	(33,268,324)
Cash generated from operation	18,134,509	2,463,762
Income Tax Paid/TDS Adjustment	0	(53,430)
	0	(53,430)
Net Cash Flow from operating activities	18,134,509	2,410,332
B. Cash Flow From Investing activities		
Purchase of Fixed Assets	(36,684,166)	(2,579,457)
Interest Received	462,331	848,681
Investment in FDR (Non Cash items)	2,313,543	0
	(33,908,292)	(1,730,776)
Net Cash used in investing activities	(33,908,292)	(1,730,776)
C. Cash Flow from Financing Activities		
Proceed from Long Term Borrowings	19,400,000	0
Repayment of Long Term Borrowings	0	(950,000)
	19,400,000	(950,000)
Net Cash used in financing activities	(3,626,217)	(270,444)
Cash & Cash equivalent Opening	2,082,130	2,352,574
Cash & Cash equivalent Closing	5,708,347	2,082,130

Note :-

- Figures in brackets indicate cash outflow
- Significant Accounting Policies and Notes on Accounts form an integral part of the Cash Flow Statement. This is the Cash Flow Statement referred to in our report of even date.

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

Sd/-
(R. K. GUPTA)
 Managing Director
 DIN: 00019125

Place : New Delhi
 Dated : 30/05/2014

Sd/-
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 Director
 DIN: 02251250

Sd/-
(KAJAL GUPTA)
 Company Secretary
 PAN: AKQPG0886Q

NOTES

NOTE No. 1 to the Financial Statement

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 and provisions of the Companies Act, 2013 to the extent applicable.
2. **Use of Estimates:**
The preparation of the financial statements in conformity with GAAP requires that the management makes estimates and assumptions that affect the reported amount of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Examples of such estimates include future obligation under employee benefit plans, income tax liability and useful life of fixed assets. Contingencies are recorded when the same is probable of cash out flow and amount can be reliably estimated. Other contingencies are disclosed as Contingent liability. Actual results can differ in case of estimates.
3. **Income & Expenditure:**
Accounting of Income & Expenditure is done on accrual basis.
4. **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.
5. **Fixed Assets-Tangible/Intangible & Depreciation/Amortisation:**
 - 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) Cenvat credit availed on Capital Goods is accounted for by credit to respective Fixed Assets.
 - e) Intangible assets are amortized over a the period of useful life of the asset subject to maximum rate of depreciation defined in the Companies Act, 1956.
6. **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.
7. **Contingent Liabilities:**
Contingent Liabilities are determined on the basis of available information and are disclosed by way of Notes to the Accounts.
8. **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 statement of profit and loss.
9. **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.
10. **Sales**
Sales are stated net of discounts allowed and excise duty paid.
11. **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.
12. Unless specifically stated to be otherwise, these policies are consistently followed.

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NOTES Contd.		
PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
Note No. 2 to the Financial Statements		
<u>SHARE CAPITAL</u>		
AUTHORISED		
Equity Share Capital		
16,00,00,000 shares of par value of Re.1/- each (Previous year 16,00,00,000 shares of par value of Re.1/- each)	160,000,000	160,000,000
Preference Share Capital		
4,00,000 shares of par value of Rs.100/- each (Previous year 4,00,000 shares of par value of Rs.100/- each)	40,000,000	40,000,000
Total	200,000,000	200,000,000
ISSUED, SUBSCRIBED AND FULLY PAID-UP		
7,83,55,800 shares of par value of Re.1/- each (Previous year 7,83,55,800 shares of par value of Re.1/- each)	78,355,800	78,355,800
Add Shares Forfeited Amount Originally Paid up	9,850	9,850
Total	78,365,650	78,365,650
<u>NOTES:</u>		
a) During the year the Company has neither issued nor bought back any share (equity or preference). Following is the reconciliation of shares outstanding as at the beginning and end of the year.		
PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
Number of shares outstanding as at the beginning of the year	78,355,800	78,355,800
Number of shares outstanding as at the closing of the year	78,355,800	78,355,800
b) The holders of the equity shares are entitled to receive dividends as declared from time to time, and are entitled to vote at meetings of the Company.		
c) Of the above 7,25,00,000 equity shares (Previous Year 7,25,00,000 equity shares) are held by holding Company M/s. Goodworth Build Invest Private Limited that comprises 92.53% of share capital. Besides this none of the share holders is holding more than 5% of total share capital of the Company.		
d) Of the above 7,25,00,000 equity shares have been issued for a consideration other than cash by way of conversion of loans into equity pursuant to revival scheme as approved by the BIFR.		
Note No. 3 to the Financial Statements		
<u>RESERVES AND SURPLUS</u>		
Capital Reserve As per Last Balance Sheet	331,177,685	331,177,685
	331,177,685	331,177,685
Securities Premium Account as per Last Balance Sheet	42,330,000	42,330,000
Surplus		
As per last balance sheet	(368,468,313)	(398,082,859)
Add: Profit for the year from Statement of Profit & Loss	(3,064,817)	29,614,546
	(371,533,130)	(368,468,313)
Total	1,974,555	5,039,372

NOTES Contd.

PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
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Note No. 4 to the Financial Statements

LONG-TERM BORROWINGS

Loans

From Holding Company (A Related Party)

Secured	19,375,000	19,375,000
Unsecured	85,530,000	66,130,000
Total	104,905,000	85,505,000

A. Details of security in respect of long term borrowings disclosed in note no. 4 above

Secured loan of Holding Company is secured by way of first charge on immovable property of the Company.

B. Other Disclosures related to long term borrowings

Loans from holding Company is non interest bearing and no stipulations are determined for repayment of the same.

Note No. 5 to the Financial Statements

TRADE PAYABLES

For goods & services

Total	46,314,008	36,217,363
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There is no amount payable to Micro and Small Enterprises under MSMED Act, 2006 as at the end of the year.

Note No. 6 to the Financial Statements

OTHER CURRENT LIABILITIES

Advance from customers	5,406,613	6,550,600
Other liabilities*	3,839,749	3,228,176
Total	9,246,362	9,778,776

* It includes amount payable towards statutory dues.

679,304	1,038,140
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Note No. 7 to the Financial Statements

SHORT TERM PROVISIONS

Provision for employee benefits - Earned Leave

Opening Balance	413,531	376,715
Additions/(adjustments) during the year	65,417	36,816
Total	478,948	413,531

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NOTES Contd.											
NOTE NO. 8 to the Financial Statements											
FIXED ASSETS											
TANGIBLE ASSETS											
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At 01.04.2013	Additions During the Year	Adjust- ment As At 31.03.2014	Upto 31.03.2013	For the Year	Adjust- ment Upto 31.03.2014	As At 31.03.2014	As At 31.03.2013			
LAND-Freehold	12,682,140	0	0	0	0	0	12,682,140	12,682,140			
BUILDING	15,941,860	0	0	7,969,563	532,458	0	7,439,839	7,972,297			
PLANT & EQUIPMENT (Refer Note No.24)	115,296,605	36,448,834	0	78,368,254	28,481,141	0	44,896,044	36,928,350			
FURNITURES & FIXTURES	8,691,634	0	0	8,407,953	83,391	0	200,290	283,681			
VEHICLES	2,628,765	0	0	2,163,456	185,398	103,417	7,417	465,309			
OFFICE EQUIPMENTS	17,909,186	225,475	0	15,367,319	661,119	0	2,106,223	2,541,867			
CURRENT YEAR	173,150,190	36,674,309	375,911	112,276,546	29,943,507	103,417	67,331,953	60,873,645			
PREVIOUS YEAR	172,170,733	979,457	0	105,363,753	6,912,792	0	60,873,645	66,806,980			
NOTE NO. 8A to the Financial Statements											
FIXED ASSETS											
INTANGIBLE ASSETS											
PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	As At 01.04.2013	Additions During the Year	Adjust- ment As At 31.03.2014	Upto 31.03.2013	For the Year	Adjust- ment Upto 31.03.2014	As At 31.03.2014	As At 31.03.2013			
SOFTWARE*	1,600,000	282,350	0	0	188,823	0	1,693,527	1,600,000			
CURRENT YEAR	1,600,000	282,350	0	0	188,823	0	1,693,527	1,600,000			
PREVIOUS YEAR	0	1,600,000	0	0	0	0	1,600,000	0			

NOTES Contd.

PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
Note No. 9 to the Financial Statements		
<u>LONG TERM LOANS AND ADVANCES</u>		
(Unsecured Considered good, unless otherwise stated)		
DEPOSITS		
Other Security Deposits	255,498	255,498
Total	255,498	255,498
Note No. 10 to the Financial Statements		
<u>OTHER NON CURRENT ASSETS</u>		
(Unsecured Considered good, unless otherwise stated)		
Bank deposits having maturity beyond 12 months*	635,322	4,600,000
Total	635,322	4,600,000
*Deposit having maturity beyond twelve months		
Note No. 11 to the Financial Statements		
<u>INVENTORIES</u>		
Raw Material	55,941,035	33,624,366
Finished Goods	8,231,267	119,990
Stock in Trade	15,767,788	11,897,004
Total	79,940,090	45,641,360
a) Inventory items have been valued considering the Significant Accounting Policy No.5 disclosed in Note no. 1 to these financial statements.		
Note No. 12 to the Financial Statements		
<u>TRADE RECEIVABLES</u>		
(Unsecured Considered good, unless otherwise stated)		
Debts outstanding over six months		
Considered Good	35,392,582	38,240,027
Considered doubtful	2,901,892	2,354,611
Less: Provision for Bad and Doubtful Debts	(2,901,892)	(2,354,611)
Other debts		
Considered Good	42,415,117	50,386,271
Total	77,807,699	88,626,298
Note No. 13 to the Financial Statements		
<u>CASH & BANK BALANCES</u>		
<u>CASH & CASH EQUIVALENTS</u>		
Balances with banks	1,761,219	1,602,581
Cash on hand	611,481	479,549
Deposit with banks having maturity within three months*	3,335,647	0
Total	5,708,347	2,082,130
OTHER BANK BALANCES:		
Deposit with banks having maturity within three to twelve months*	608,880	2,922,423
Total	6,317,227	5,004,553

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NOTES Contd.		
PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
Note No. 14 to the Financial Statements		
SHORT TERM LOANS AND ADVANCES		
(Unsecured Considered good, unless otherwise stated)		
ADVANCES		
Employees	222,756	404,000
Contractors & Suppliers	1,152,163	1,763,287
Others*	873,646	1,206,435
Balance with Excise Authorities	2,713,093	501,116
Advance tax deposit & tax deducted at source	1,718,964	1,557,509
Total	6,680,622	5,432,347
* Includes Rs.359,458/- (Previous Year Rs.336,144/-) due from Vintron Electronics Private Limited, a Company in which a Director of the Company is also a Director.		
Note No. 15 to the Financial Statements		
OTHER CURRENT ASSETS		
Interest Accrued		
Term Deposits	369,585	3,055,992
Security Deposits	253,000	230,000
Total	622,585	3,285,992
Note No. 16 to the Financial Statements		
OTHER INCOME		
Interest		
From Banks on Fixed Deposits	420,891	848,681
From Others	41,440	0
Total	462,331	848,681
Note No. 17 to the Financial Statements		
COST OF MATERIAL CONSUMED		
Opening Stock as on 01.04.2013	33,624,366	4,947,202
Add: Purchases	151,273,809	126,170,409
	<u>184,898,175</u>	<u>131,117,611</u>
Less: Sale of Components	429,767	97,631
Closing Stock as on 31.03.2014	55,941,035	33,624,366
Total	128,527,373	97,395,614
Note No. 18 to the Financial Statements		
CHANGES IN INVENTORIES		
AS AT THE BEGINNING OF THE YEAR		
- Finished Goods	139,991	15,175
- Stock in Trade	11,877,003	47,750,348
Total - A	12,016,994	47,765,523
AS AT THE CLOSING OF THE YEAR		
- Finished Goods	8,231,267	139,991
- Stock in Trade	15,767,788	11,877,003
Total - B	23,999,055	12,016,994
Total - (A – B)	(11,982,061)	35,748,529

NOTES Contd.

PARTICULARS	AS AT 31-3-2014	AS AT 31-3-2013
Note No. 19 to the Financial Statements		
<u>EMPLOYEE BENEFITS EXPENSES</u>		
Salaries and wages	24,988,472	16,425,934
Contribution to provident and other funds	1,650,988	1,301,193
Staff welfare expenses	567,175	366,184
Contribution to Gratuity Fund / Gratuity Paid	517,466	621,772
Total	27,724,101	18,715,083
<u>A) Managerial Remuneration paid / payable to Managing Director is included above</u>		
Directors' Remuneration	540,000	540,000
PF Contribution	9,360	9,360
Electricity Bill	0	32,610
Total	549,360	581,970
Note No. 19 to the Financial Statements		
<u>MANUFACTURING ADMINISTRATION & OTHER EXPENSES</u>		
Power & Fuel	4,754,825	3,539,482
Packing & Forwarding Charges	3,975,666	1,977,482
Repairs and Maintenance		
- Machinery	119,522	370,465
- Others	135,319	119,992
Advertisement Expenses	1,279,010	443,032
AGM Expenses	226,178	139,456
Bank Charges	41,446	70,114
Bad Debts Written Off	54,053	0
<u>Auditors Remuneration</u>		
- As Audit Fees	112,360	112,360
- As Tax Audit Fees	10,675	10,675
- For Other Matters	18,538	26,966
Communication Expenses	844,013	557,513
Difference in Exchange Rate	(473,816)	(169,362)
Electricity Expenses	137,218	95,156
Insurance charges	7,122	17,756
Legal & Professional Charges	2,116,032	954,328
Loss on Sale of Fixed Assets	122,495	0
Miscellaneous Expenses	687,612	441,511
Printing & Stationery Expenses	101,764	235,818
Rent, Rate & Taxes	1,974,385	1,338,000
Research and Development Expenses	0	62,804
Security Service Charges	603,183	507,608
Sales Tax Paid	28,899	40,622
Selling Expenses and Turnover Bonus	1,334,159	178,215
Travelling & Conveyance Expenses	2,575,089	1,099,803
Vehicle Running & Maintenance Expenses	190,070	130,762
Total	20,975,817	12,300,558

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NOTES Contd.

OTHER NOTES ON ACCOUNTS

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

	AS AT 31.03.2014 (Rs. In Lakhs)	AS AT 31.03.2013 (Rs. in Lakhs)
a) Counter Guarantee issued against outstanding - Bank Guarantees	21.00	80.95
b) Demand under Foreign Exchange Laws (Pending being disputed)	NIL	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

22. 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.

23. Claim against the Company (not acknowledged as Debts) – **Rs.168.68 Lakhs** (Previous Year Rs.53.68 Lakhs)

24. During the year the company has opted for closure of case related to export obligation of earlier years in accordance with the notification of Director General of Foreign Trade. Accordingly liability of the company has been paid to the tune of Rs.362.28 lacs. Since the differential duty was related to import of machinery in earlier years, the amount paid as aforesaid has been capitalized under relevant machinery and is depreciated alongwith the remaining useful life of the respective machinery.

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

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

27. 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 no tax liability is attracted on book profit of 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.

28. 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.1049.05 Lacs (Previous Year Rs.855.05 Lacs.) Loan repaid during the year Rs. 97.00 Lacs. During the year Company obtained loan Rs. 291 Lacs (Previous year loan obtained 9.50 lacs)

Name of the Key Managerial Personnel	: Shri R. K. Gupta, Managing Director
Transactions during the year	: Remuneration Rs. 5.49 Lacs (Previous Year Rs. 5.82 Lacs)

29. 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.

NOTES Contd.

30. To comply with the guidance note on "Accounting Treatment of Excise Duty" issued by The Institute of Chartered Accountants of India, excise duty amounting to Rs.0.27 Lacs (Previous Year Rs. NIL) has been included in the value of inventories as on 31.3.2014 and the corresponding amount of Excise Duty Payable has been included in other liabilities. However, this has no impact on the profit for the year.
31. 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 statement of profit & loss. The obligation of the Company is limited to such fixed contribution. An amount of Rs.11.63 Lacs (Previous Year Rs.9.16 Lacs) has been recognized as expense for defined contribution plan (Contributory Provident Fund).

Defined Benefit Plan:

- a) **Earned Leave Benefit:** Accrual of 20 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.1.07 Lacs (Previous Year Rs.0.45 Lacs) has been provided towards leave encashment expenses.
- 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.5.17 Lacs (Previous Year Rs.6.22 Lacs) has been provided towards the gratuity contribution.
32. Earnings per share (EPS) – The numerators and denominators used to calculate Basic and Diluted Earnings per share:

	(Amount in Rs.)	
	<u>Year Ended on 31.03.2014</u>	<u>Year Ended on 31.03.2013</u>
Profit attributable to the Equity Shareholders A)	(3,064,817)	29,614,546
Basic / Weighted average number of Equity Shares outstanding during the year (B)	78,355,800	78,355,800
Nominal value of Equity Shares (Rs.)	1.00	1.00
Basic/ Diluted Earnings per share (Rs.) - (A) / (B)	(0.04)	0.38
Calculation of Profit attributable to Shareholders:		
Profit After Tax	(3,064,817)	29,667,976
Less: Income Tax Adjustment / Provision	(0)	(53,430)
Profit attributable to Shareholders	<u>(3,064,817)</u>	<u>29,614,546</u>

33. Additional information pursuant to para 5 of the Schedule VI of the Companies Act, 1956:

DETAILS REGARDING STOCK AND SALES	(Amount in Rs.)	
	<u>2013-14</u>	<u>2012-13</u>
Opening Stock		
Traded Goods		
Populated PCB	599,360	36,679,785
CCTV Camera	10,242,546	11,070,563
TV Buddy	1,035,097	0
Manufactured Goods		
Populated PCB	0	15,175
CCTV Camera	131,179	0
Board Camera	8,812	0

23rd Annual Report 2013-2014

NOTES Contd.

DETAILS REGARDING STOCK AND SALES		2013-14	2012-13	
Purchases of trading goods				
Populated PCB		49,071,873	0	
CCTV Camera		4,894,236	10,590,479	
TV Buddy		358,409	2,375,909	
Sales				
Traded Goods				
Populated PCB		50,672,891	33,573,719	
CCTV Camera		5,636,532	16,677,222	
TV Buddy		219,974	2,454,317	
Others		(667,284)	0	
Manufactured Goods				
CCTV Camera		10,817,849	98,501,872	
Board Camera		7,718,874	16,052,710	
Populated PCB		0	24,764	
DVR		58,436,559	30,677,783	
Closing Stock				
Traded Goods				
Populated PCB		2,011,049	599,360	
CCTV Camera		12,050,034	10,242,546	
TV Buddy		1,080,587	1,035,097	
Yes Box		626,118	0	
Manufactured Goods				
CCTV Camera		8,229,065	131,179	
Board Camera		2,202	8,812	
Raw Material Consumed				
CCTV Camera Assembly		73,274,148	50,092,956	
Other Misc Material		55,253,225	47,302,659	
Break-up of raw material consumed				
	%	Amount	%	Amount
Indigenous	21	27,184,434	41	39,496,640
Imported	79	101,342,939	59	57,898,975
VALUE OF IMPORTS ON CIF BASIS				
Raw Material/Stores		103,575,779	89,315,363	
Finished Goods		3,999,634	11,711,068	
EXPENDITURE IN FOREIGN CURRENCY				
Travelling Expenses		239,406	0	
Repair & Maintenance		0	51,753	

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

FOR AND ON BEHALF OF THE BOARD

FOR O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 000018N

Sd/-
(R. K. GUPTA)
Managing Director
DIN: 00019125

Place : New Delhi
Dated : 30/05/2014

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(SATISH CHAND)
Director
DIN: 02615736

Sd/-
(J. S. DALAL)
Director
DIN: 02251250

Sd/-
(KAJAL GUPTA)
Company Secretary
PAN: AKQPG0886Q

VINTRON INFORMATICS LTD.

Regd. Office : F-90/1A, Okhla Industrial Area, Phase-I, New Delhi-110020

PROXY FORM

I/We.....having
Regd. Folio No./DP-ID & Client ID.....of.....being member /members
of VINTRON INFORMATICS LTD. hereby appoint.....of.....or
failing him/her.....of.....or
my/our proxy to attend and vote me/us on my/our behalf at the Twenty Third Annual General Meeting of the Company
to be held at Arya Auditorium, Desraj Campus, C-Block, East of Kailash, New Delhi-110065 on Monday, the 15th day
of September, 2014 at 10.30 a.m. and at any adjournment thereof.

Signed this.....day of.....2014.



Note : The proxy must be returned so as to reach Registered Office of the Company not less than 48 hours before the time for holding the meeting. The proxy need not be a member of the Company.

VINTRON INFORMATICS LTD.

Regd. Office : F-90/1A, Okhla Industrial Area, Phase-I, New Delhi-110020

ATTENDANCE SLIP

I/We hereby record my/our presence at the Twenty Third Annual General Meeting of the Company to be held at Arya Auditorium, Desraj Campus, C-Block, East of Kailash, New Delhi-110065 on Monday, the 15th day of September, 2014 at 10.30 a.m.

Particulars of the member(s)

Name.....S/o, D/o, W/o.....

Folio No./DP-ID & Client ID.....

No. of Shares held.....

Note : Members /Proxies are requested to bring the Attendance Slip and sign the same at the time of handing over at the Meeting Hall.

For convenience of Member, persons other than Members/ Proxies will not be admitted.


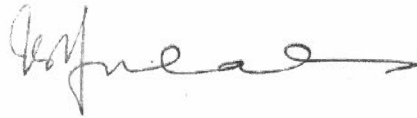

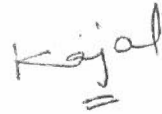
Attendance Slip in Photocopy will not be entertained.

No Gift / Coupon will be distributed to the members.

BOOK POST

If undelivered, please return to :
VINTRON INFORMATICS LIMITED
Regd. Office : F-90/1A, Okhla Industrial Area
Phase-I, New Delhi - 110 020

FORM-A

1.	Name of the Company	VINTRON INFORMATICS LIMITED
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signed by:	
	1. R. K. Gupta, Chairman & Managing Director	
	2. Jagdish Singh Dalal, Director	
	3. Satish Chand, Chairman (Audit Committee)	
	4. Kaja. Gupta, Company Secretary	
	5. Rakesh Kumar, Partner, O. P. Bagla & Co. (Statutory Auditor)	