

ANNUAL REPORT  
2009-2010

**WOO YANG ELECTRONICS (INDIA) LIMITED**

**Woo Yang Electronics (India) Limited**

**BOARD OF DIRECTORS**

Mr. Sandeep Arora	: Director
Mr. Aliasghar Munshi	: Director
Mr. Chintan Kapadia	: Director
Mr. Rakesh Trikha	: Director

**REGISTERED OFFICE**

L-76, Ground Floor, Lajpat Nagar – II,  
New Delhi – 110024

**AUDITORS**

**M/s V. N Purohit & Co.**  
Chartered Accountants  
214, New Delhi House, 2<sup>nd</sup> Floor, 27  
Barakhamba Road, New Delhi : 110001

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**  
B-106, Sector 2, Noida 201301,  
National Capital Region of Delhi,  
Uttar Pradesh, India

## WOO YANG ELECTRONICS (INDIA) LIMITED

Regd. Office: - L-76, Ground Floor, Lajpat Nagar – II, New Delhi – 110024

### NOTICE

**NOTICE** is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of **WOO YANG ELECTRONICS (INDIA) LIMITED** will be held on Saturday, **25<sup>th</sup> September, 2010** at 4.00 pm. at Hotel Star Rocks, C-5/30, Safdarjung Development Area, Opposite IIT Main Gate, Hauz Khas, New Delhi, Delhi- 110016, to transact the following business:-

#### **I. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010, the Profit and Loss Account as on that date and the Reports of the Auditors and the Directors thereon;
2. To appoint a Director in place of Mr. Aliasghar Munshi, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**“RESOLVED THAT** M/s. Jelvis Henriques & Co.,Chartered Accountant, be and are hereby appointed Auditors of the Company in place of retiring auditors, M/s V.N.Purohit & Co. to hold office until the conclusion of the next Annual General Meeting.”

**“FURTHER RESOVED THAT** the Board of Directors of the Company be and are hereby authorized to fix their Remuneration.”

#### **II. SPECIAL BUSINESS**

4. To consider if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:

**“RESOLVED THAT** Mr. Chintan Kapadia who was appointed as an Additional Director by the Board on 2<sup>nd</sup> August, 2010, to hold office up to the date of this Annual General Meeting and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from him signifying his intention to propose himself as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

5. To consider if thought fit, to pass with or without modification(s) if any, the following Ordinary Resolution:

**“RESOLVED THAT** pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.2,00,00,000/- (Rupees Two Crore Only) divided into 20,00,000 (Twenty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each **to** Rs.10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 ( One Crore) Equity Shares of Rs.10/- (Rupees Ten only) each by the

creation of additional 8,00,00,000 (Eight Crore) Equity Shares of Rs.10/-(Rupees Ten only) each, ranking *pari passu* with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company, be and is hereby severally authorised to do all such acts, deeds, matters and things as may be necessary for the purpose of giving effect to this resolution.”

**RESOLVED THAT** pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956, in place of the existing sub clause a of Clause V of the Memorandum of Association of the company, the following clause be inserted :-

**V (a) The Authorised Share Capital of the Company is Rs. 10, 00, 00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each.**

6. To consider if thought fit, to pass with or without modification(s) if any, the following Special Resolution

**“RESOLVED THAT** subject to the approval of the Central Government and the shareholders of the company, the name of the company be and is hereby changed from **“WOO YANG ELECTRONICS (INDIA) LIMITED”** to **“HIGH GROUND ENTERPRISE LIMITED”**.

**RESOLVED FURTHER THAT** Mr. Sandeep Arora, Mr. Aliasgar Fakhruddin Munshi & Mr. Chintan Kapadia, Directors of the Company be and are hereby severally authorized for obtaining approval to the change of name accordingly to the Registrar of Companies, Maharashtra, Mumbai and to do all such acts and things as may be deemed necessary in this regard.”

**For and On Behalf of the Board of Directors**

**Sandeep Arora**  
**Director**

**Place: Mumbai**

**Dated: September 3, 2010**

**NOTE:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The relative explanatory statement pursuant to Section 173(2) is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> September, 2010 to 24<sup>th</sup> September, 2010 (both days inclusive)
4. Please bring your attendance slip, duly completed at the meeting.
5. RCMC Share Registry Private Ltd. are the Registrars and Share Transfer Agents of the Company to handle share transfers, both in physical and electronic segments and other

- share related matters. Shareholders are requested to correspond with the Registrars at the above address.
6. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company
  7. Members who hold shares in physical form in multiple folio in identical names are requested to send the share certificates to Link Intime India Pvt. Ltd. immediately to enable consolidation of their holding into one folio.
  8. A special notice in terms of section 190 of the Companies Act, 1956, has been received under section 225 (1) from the members proposing the appointment of M/s. Jelvis Henriques & Co., Chartered Accountant, as Auditors of the Company in place of retiring auditors, M/s V.N.Purohit & Co. The retiring Auditors have informed the Company that they have no representation to make for notification to the members of the Company relating to special notice.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)**

The following explanatory statements sets out all material facts relating to the Special Business mentioned in the accompanying notice:

##### **ITEM NO. 4**

Mr. Chintan Kapadia was appointed by the Board of Directors in their meeting held on 2<sup>nd</sup> August, 2010 and holds office until the conclusion of this 25<sup>th</sup> Annual General Meeting.

The Company has received a notice alongwith deposit of Rs. 500/-, pursuant to and in accordance with section 257 of the Companies Act, 1956 from one member signifying his intention to propose the appointment of Mr. Chintan Kapadia to the office of the Director of the Company. Mr. Chintan Kapadia has consented to continue as Director of the Company, if appointed. The Board of Director considers that it would be in interest of the Company to continue avail the services of Mr. Chintan Kapadia as Director and hence recommends his appointment.

Mr. Chintan Kapadia does not hold any shares in the Company.

Mr. Chintan Kapadia is interested in the resolution at item no. 4 of the Notice.

Save as aforesaid, none of the Directors of the Company is, in any way, concerned of interested in the said resolution.

##### **ITEM NO. 5**

At present the Authorised Share Capital of the Company is Rs.2,00,00,000/-. To augment the resources of the Company in due course, the Board of Directors proposes to increase the Equity Capital of the Company. In view of the same, it is proposed to increase the Authorised Share Capital to Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each.

Increase in Authorised Share Capital would necessitate amendment to the Clause V(a) of the Memorandum of Association of Company and would require member's approval by way of an Ordinary Resolution.

Accordingly, Ordinary Resolutions at item no.5 of the notice for increase in Authorised Capital and notice for alteration of capital clause of the Memorandum of Association have been proposed for approval of members.

None of the Directors may be deemed to be interested or concerned in the said Resolution.

**ITEM NO. 6**

The Board of Directors of the Company proposes to change the name of the Company from WOO YANG ELECTRONICS (INDIA) LIMITED to HIGH GROUND ENTERPRISE LIMIED, since the Board of Directors of the Company intend to diversify the activities of the Company either on its own or in joint venture with others especially in the areas of Entertainment & Film Production / Distribution, Commodity Trading and other areas of business interest such as Software Development, Pharmaceuticals, Telecommunication and dealing in food and dairy products which can be ideally combined with the proposed new business.

As per Section 21 of the Companies Act, 1956 sanction of the members by way of Special Resolution followed by the approval of the Central Government is necessary for effecting above change of name of the Company.

Your Directors recommend the Resolution as set out at item no 6 of the accompanying notice for your approval by way of special resolution.

None of the directors of the Company is in any way concerned or interested in the said resolution except as a member of the Company.

**ANNEXURE TO NOTICE** of 25<sup>th</sup> Annual General Meeting of the members of **WOO YANG ELECTRONICS (INDIA) LIMITED:**

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Directors	Mr. Chintan Kapadia
Date of Birth	20.02.1980
Qualification	Chartered Accountant
Date of Appointment	02/08/2010
Profile & Expertise	Mr. Chintan Kapadia is 30 years old and has a degree in Finance. After graduating he started working with big firms in Finance & Controlling department. He gained rich experience in London, U.K in the Films & Media Companies in a period of four years. After that he worked as a Chief Financial Officer in Mumbai and joined your company in July, 2009 as Director
Directorship held in other companies & Members of Committees	1. White Gold Financial Advisors Private Limited.

**For and On Behalf of the Board of Directors**

**Sandeep Arora**  
Director

**Place: Mumbai**  
**Dated:3<sup>rd</sup> September, 2010**

**DIRECTORS' REPORT TO THE MEMBERS OF  
WOO YANG ELECTRONICS (INDIA) LIMITED**

**To,**

Your Directors have pleasure in presenting the Twenty Fifth Annual Report and the Audited Statement of Accounts of the Company for the year ending 31<sup>st</sup> March 2010.

**FINANCIAL RESULTS:**

	<b>YEAR ENDED 31<sup>ST</sup> MARCH 2010 RS. LAKHS</b>	<b>YEAR ENDED 31<sup>ST</sup> MARCH 2009 RS. LAKHS</b>
Total Income	NIL	9.60
Total Expenditure	9.33	8.80
Profit/Loss before tax	(9.33)	0.79
Provision for tax – Current Taxes	NIL	0.09
Profit after tax	(9.33)	0.70
Profit / (Loss) Brought Forward from Previous year	(132.17)	(132.28)
Tax Adjustments of prior years	NIL	(0.60)
Profit / (Loss) carried to Balance Sheet	(141.50)	(132.18)

**DIVIDEND:**

In view of brought forward losses, the Directors do not recommend any dividend for the year.

**LISTING OF SECURITIES**

The Company's shares are listed on the Bombay Stock Exchange. The annual listing fees have been paid by the Company.

**EXTRA ORDINARY GENERAL MEETING**

An Extra Ordinary General Meeting was held on 28th December, 2009 for adoption of other objects pursuant to the provisions of Section 149(2A) of the Companies Act, 1956.

**DIRECTORS**

Mr. Chintan Kapadia who was appointed as Additional Directors with effect from 2<sup>nd</sup> August, 2010 hold office until the conclusion of the forthcoming Twenty Fifth Annual General Meeting.

Notices have been received from some members for appointing Mr. Chintan Kapadia as directors of the company.

Mr. Aliasghar Munshi retires by rotation at the Annual General Meeting and being eligible offers himself for re-appointment and your Board recommends his re-appointment.

## **FUTURE OUTLOOK**

The intention of the new promoters is to enter into new line of business of film production, content development and entertainment for which the strategy and plans are being put in place. Members will be briefed about the same as and when the same take concrete shape.

## **FIXED DEPOSITS**

Your company has not accepted any deposits from the public during the year under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Provisions of Section 217(2AA) of the Companies Act, 1956, Your Directors confirm that;

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- 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 as at 31<sup>st</sup> March, 2010 and of the loss of the Company for the year ended on that date.
- 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.

## **AUDITORS:**

In terms of section 224 of the Companies Act, 1956 the members are requested to appoint Auditors for the current year.

## **AUDITOR'S REPORT:**

Attention is invited to the qualifications / adverse remarks in the Auditor's Report. The explanation of the Board of Directors is that that the assumption of "Going Concern Basis" is justified in view of the subsequent developments in the company after the Balance Sheet Date. The new promoter has entered into the new business lines of Film Production, Content Development and Entertainment. Also the Company is in process of getting funds for the working capital requirement by way of having preferential allotment, subject to the approval of share holders in the coming Annual General Meeting, to the allottees who agreed to invest funds in the Company.

The other observations in the auditor's report are sufficiently dealt with in the notes to the accounts and do not call for any further explanation.

**SECRETARIAL COMPLIANCE:**

Pursuant to Section 383A, your company has obtained the requisite Compliance Certificate from a Secretary in Whole Time Practice to the effect that the Company has complied with the provisions of the Companies Act, 1956. .

**PARTICULARS OF EMPLOYEES:**

No employee is covered under the Provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**INFORMATION UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956**

Your company has no activity relating to conservation of energy and technology absorption.

Details of Foreign Exchange Earning and Outgo are given below:-

Foreign Exchange earnings	-	Rs. Nil (Previous Year : Rs. Nil)
Foreign Exchange Outgo	-	Rs. Nil (Previous Year : Rs. Nil)

**For and on behalf of the Board of Directors  
Of Woo Yang Electronics (India) Limited**

**Sd/-  
Sandeep Arora  
Chairman**

Place : Mumbai  
Date : 3<sup>rd</sup> September, 2010

**AMIT R. DADHEECH & ASSOCIATES**

**Company Secretaries**

C/o: FRUTICO, 1<sup>st</sup> Floor, Commissariat Building, D.N.Road, Fort, Mumbai 01

Email: [amitrdadheech@gmail.com](mailto:amitrdadheech@gmail.com), Mob No: 098703 87363

**COMPLIANCE CERTIFICATE**

**Registration No. of the Company:** L32109DL1986PLC023097

**Nominal capital:** Rs. 20,000,000

To,

The Members,  
WOO YANG ELECTRONICS (INDIA) LIMITED.

I have examined the registers, records, books and papers of WOO YANG ELECTRONICS (INDIA) LIMITED as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2010. In my opinion and to the best of my information and according to the examination carried out by me and explanation furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company is a public limited company.
4. The Board of Directors met eleven times on 20<sup>th</sup> April, 2009, 4<sup>th</sup> May, 2009, 21<sup>st</sup> May, 2009, 1<sup>st</sup> June, 2009, 31<sup>st</sup> July, 2009, 17<sup>th</sup> August, 2009, 3<sup>rd</sup> September, 2009, 20<sup>th</sup> September, 2009, 23<sup>rd</sup> October, 2009, 11<sup>th</sup> December, 2009, and 19<sup>th</sup> January, 2010 as required under the Companies Act in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members from 10<sup>th</sup> November, 2009 to 13<sup>th</sup> November, 2009 during the financial year and complied with section 154 of the Companies Act, 1956.
6. The Annual General meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 30<sup>th</sup> November, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes

- Book maintained for the purpose. The company has obtained extension for holding Annual General Meeting from the Registrar of Companies, New Delhi.
7. One Extra Ordinary General Meeting was held during the year on 28<sup>th</sup> December, 2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
  8. The company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
  9. The company has not entered into any contracts falling within the purview of Section 297 of the Act.
  10. The company has made necessary entries in the register maintained under section 301 of the Act during the year.
  11. As explained to us by the Management of the Company, no appointment under section 314 of the Act was made during the financial year.
  12. The company has issued duplicate share certificates during the financial year.
  13. During the financial year ending 31<sup>st</sup> March, 2010:
    - (i) There were transfers of securities during the financial year. However there was no allotment/transmission of securities.
    - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
    - (iii) The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
    - (iv) The Company was not required to transfer any amounts as there was no unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
    - (v) The Company has duly complied with the requirements of section 217 of the Act.
  14. During the year under review, old Directors resigned and all new Directors are appointed as there was a change in the Management and Control of the company. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies has been duly made.
  15. During the year under review there was no appointment or re-appointment of Managing Director as per the provisions of the Act read together with schedule XIII of the Act and no approval of Central Government has been obtained. However Mr. Ashok Kumar Gupta resigned as Managing Director of the Company.

16. The company has not appointed any sole selling agents during the financial year.
17. The company has obtained necessary approval of the Registrar for extension of Annual General Meeting. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director or such other authorities as under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year ending 31<sup>st</sup> March, 2010.
21. As the company does not have Preference Shares or Debentures so the redemption of preference shares or debentures during the financial year does not arise.
22. As explained to us by the Management of the Company, there were no transactions necessitating the company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year. However the Company has taken unsecured loan from its Promoter Company i.e. Picture Thoughts Private Limited.
24. As explained to us by the Management of the Company the amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31<sup>st</sup> March, 2010 does not exceed the borrowing limits of the Company.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to the situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.

30. The company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment imposed on the company during the financial year ended 31<sup>st</sup> March, 2010, for offences under the Act.
32. The company has not received any money as security from its employees during the year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated U/s 418 of the Act.

Place: Mumbai

Date: 3<sup>rd</sup> September, 2010

**For Amit R. Dadheech & Associates  
Company Secretaries**

Sd/-  
**(Amit R. Dadheech)**  
**Proprietor**  
C.P.No. 8952, A.C.S: 22889

**Annexure A**

**Registers as maintained by the Company**

**Statutory Registers**

1. Register of Members under section 150
2. Register of Transfers
3. Register of Directors under section 303
4. Register of Directors' Shareholding under section 307
5. Register of Charges under section 143.
6. Minutes of Board Meetings and General Meetings under section 193
7. Annual Returns under section 163
8. Books of Accounts

**Annexure B**

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2010.

S. No.	Form No.	Filed under section	For	Date of filing
1.	32	303	Change in designation	7/09/09
2.	32	303	Change in designation	22/09/09
3.	18	146	Shifting of registered office	4/11/09
4.	32	303	Change in designation	
4.	32	303	Balance Sheet for the financial year ended 31.03.2009	13/12/09
5.	23AC&ACA	220	Compliance Certificate for the financial year ended 31.03.2009	13/12/09
6.	66	383(A)(1)	Registration of the Resolution	13/12/09
7.	23	192	Annual Return as at the date of AGM held on 30/11/09	27/01/10
8.	20B	159		12/02/10

## V. N. PUROHIT & CO.

CHARTERED ACCOUNTANTS

214 New Delhi House, 2<sup>nd</sup> Floor, 27 Barakhamba Road, New Delhi 110001

Telefax: 011- 43596011 E- mail: [vnpdelhi@vnpaudit.com](mailto:vnpdelhi@vnpaudit.com) Website: <http://www.vnpaudit.com>

### AUDITOR'S REPORT

To

The Members of **M/s Woo Yang Electronics (India) Limited**

We have audited the Balance Sheet of M/s Woo Yang Electronics (India) Limited as at 31<sup>st</sup> March 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. Preparation of financial statements is the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit

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

1. As required by the Companies (Auditors' Report) Order 2003 (as amended) issued by the Company Law Board, in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the 'ANNEXURE', a statement on the matters specified in Para 4 of the said Order;
2. In addition to our comments in the 'ANNEXURE' referred to in paragraph 1 above, we report that: -
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit; and
  - b) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of such books and proper returns adequate for the purpose of our audit; and
  - c) The said Balance Sheet and Profit and Loss Account are in agreement with the books of accounts and returns; and
  - d) In our opinion the Balance Sheet and Profit & Loss Account comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 *except as referred in Note No. 1(d) of Schedule No. 9*; and
  - e) On the basis of information and explanations given to us and representation received from the Directors of the Company, we report that none of the Directors is disqualified from

being appointed as Directors of the company under Section 274(1)(g) of the Companies Act, 1956; and

- f) In our opinion and to the best of our information and the explanations given to us, the said accounts, *subject to*:-
- (i) *Note No. 1(d) of Schedule No. 9 regarding Non- Compliance of AS- 15 issued by the ICAI on 'Employment Benefits' with respect to provision for Gratuity; and*
  - (ii) *Note No. 1(a) of Schedule No. 9 regarding "going concern" assumption in accounts inspite of full erosion in company's net worth .*

together with other notes in schedule of **'Significant Accounting Policies and Notes on Accounts'** thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -

- i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2010; and
- ii) In the case of the Profit and Loss Account, of the profit for the year ended on the date.
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Signed for the purpose of identification

**For V.N. Purohit & Co.**  
**Chartered Accountants**  
(Firm Regn. No. 304040E)

Sd/-

**(O.P. Pareek)**  
**Partner**  
**Membership No. 014238**  
New Delhi, the 3<sup>rd</sup> day of September, 2010

**“ANNEXURE” TO THE AUDITOR’S REPORT**

*(As referred in paragraphs of our report)*

- (i) In respect of fixed assets: -
- (a) The company is not owning any fixed assets during the year; and
- (b) As the Company had disposed off its entire fixed assets during F.Y. 2006- 07, the question of its physical verification and discrepancies thereof does not arise; and
- (c) As the Company had disposed off its entire fixed assets during F.Y. 2006- 07, According to the information and explanations given to us, we are of the opinion that the disposal of fixed assets has affected the going concern status of the Company;
- (ii) The Company holds no inventories at the end of year hence the provisions of said clause are not applicable to the Company;
- (iii) In respect of loans, secured and unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956: -
- (a) According to information and explanations given to us, the Company has not granted unsecured loans to parties covered in register maintained under section 301 of the Companies Act, 1956; and
- (b) As no loans have been granted by the Company, the question of interest and other terms and conditions do not arise; and
- (c) As no loans have been granted by the Company, the question of receipt of principal and interest do not arise; and
- (d) As no loans have been granted by the Company, the question of recovery for overdue amount does not arise; and
- (e) According to information and explanations given to us, the Company has taken unsecured loan from companies, firms or other parties covered under register maintained under section 301 of the Companies Act, 1956. Relevant details are given as under: -

<b>Particulars</b>	<b>No. of Parties</b>	<b>Maximum Amount Involved (Rs.)</b>	<b>Closing Balance (Rs.)</b>
From Companies	2	9,13,053/-	9,13,053/-

- (f) According to information and explanations given to us, the rate of interest and other terms and conditions of loans given by the company are not prima facie, prejudicial to the interest of the Company; and

- (g) According to information and explanations given to us, the Company has been regular in repayment of principal amount and interest to parties covered under register maintained under section 301 of Companies Act, 1956 as per stipulations;
- (iv) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of fixed assets and for sale of goods or supply of services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls;
- (v) In respect of contract and arrangements referred in section 301 of the Companies Act, 1956:-
  - (a) As per information and the explanations given to us, the Company has entered all entries regarding contracts or arrangements as referred in Section 301 of the Companies Act, 1956, in the register required to be maintained under that section, wherever applicable; and
  - (b) In our opinion and according to information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in register maintained under section 301 of the Companies Act, 1956, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time;
- (vi) According to informations and explanations given to us, the Company has not accepted public deposits and the provision of section 58A, 58AA or other relevant provisions of the Companies Act, 1956 and rules framed thereunder are not applicable to the Company;
- (vii) The Company has an 'in- house' internal audit system commensurate with the size and nature of its business;
- (viii) Maintenance of cost records as prescribed under section 209(1)(d) of the Companies Act, 1956 are not applicable to the company;
- (ix) In respect of timely deposit of statutory dues as applicable to Company: -
  - (a) The company is generally regular in payment of its undisputed statutory dues such as Income Tax, Provident Fund, Wealth Tax, Service Tax and other statutory dues as applicable, to the appropriate authorities. There is no statutory due outstanding as on last day of financial year for a period of more than six months; and
  - (b) According to information and explanation given to us, there is no outstanding statutory dues on the part of Company which is not deposited on account of dispute;
- (x) The Company is carrying accumulated losses, which are more than fifty percent of its net worth at the end of financial year. Further, the Company has incurred cash losses during the financial year covered by this report but no cash losses were incurred during the immediately preceding financial year;
- (xi) According to information and explanation given to us, the company has not defaulted in repayment of dues to any bank or financial institution;

- (xii) According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities;
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi/ Mutual Benefit Society. Therefore, the provisions of said clause are not applicable to the company;
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debenture or any other investments. Therefore, the provisions of said clause are not applicable to the company;
- (xv) According to information and explanation given to us, the Company has not given guarantee for loan taken by others from bank or financial institutions;
- (xvi) According to information and explanation given to us, Company has not obtained any term loan during the year and no term loans are outstanding on the Company at the end of year;
- (xvii) According to information and explanation given to us, the company has not used any short term fund for long- term investments;
- (xviii) During the year, the company has not made any preferential allotment to the parties covered in the register maintained under section 301 of the Companies Act, 1956, therefore the provisions of said clause are not applicable to the Company;
- (xix) The company has not issued any debentures during the year;
- (xx) The company has not raised money by way of public issue during the year;
- (xxi) During the course of our examination of books of accounts and according to information and explanation given to us, no fraud on or by the company has been noticed or informed during the year.

Signed for the purpose of identification

**For V.N. Purohit & Co.**  
**Chartered Accountants**  
(Firm Regn. No. 304040E)

Sd/-  
**(O.P. Pareek)**  
**Partner**  
**Membership No. 014238**  
New Delhi, the 3<sup>rd</sup> day of September, 2010

**WOO YANG ELECTRONICS (INDIA) LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2010**

	SCHEDULE	As at 31/03/2010			As at 31/03/2009
		(Rupees)	(Rupees)	(Rupees)	(Rupees)
<b><u>SOURCES OF FUNDS</u></b>					
<b><u>Shareholders Fund</u></b>					
Share Capital	1		13,300,000		13,300,000
Reserves and Surplus	2		378,500		378,500
<b><u>Loan Fund</u></b>					
Unsecured Loans	3		913,053		-
			<b>14,591,553</b>		<b>13,678,500</b>
<b><u>APPLICATION OF FUNDS</u></b>					
<b><u>Current Assets, Loans and Advances</u></b>					
Sundry Debtors	4	724,640		724,640	
Cash and Bank Balances	5	16,881		71,825	
Loans and Advances	6	258,756		302,756	
				1,099,221	
		1,000,277			
<b><u>Less: Current Liabilities &amp; Provisions</u></b>					
Current Liabilities	7			629,576	
Provisions	8	550,717		8,974	
		8,974			
<b>Net Current Assets</b>			440,586		460,671
<b><u>Profit &amp; Loss Account (Debit Balance)</u></b>					
			14,150,967		13,217,829
			<b>14,591,553</b>		<b>13,678,500</b>

Notes on Accounts

11

As per our report of even date attached  
For V.N. Purohit & Co.

For and on behalf of the Board

Chartered Accountants

Firm Regn. No. 304040E

(O.P.  
Pareek)  
Partner

Sd/-  
(Chintan Arvind Kapadia)  
Director

Sd/  
(Aliasgar Fakhruddin  
Munshi)  
Director

Membership No. 014238

New Delhi, the 3rd day of September  
2010

**WOO YANG ELECTRONICS (INDIA) LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010**

	SCHEDULE	For the Year ended		For the Year
		31/03/2010	31/03/2009	ended
		(Rupees)	(Rupees)	(Rupees)
<b><u>INCOME</u></b>				
Sales (Traded Goods)		-		959,500
		-		<b>959,500</b>
<b><u>EXPENDITURE</u></b>				
Purchases		-		174,500
Personnel Expenses	9	159,872		376,559
Administrative & Other Expenses	10	773,266		329,227
		<b>933,138</b>		<b>880,286</b>
<b><u>PROFIT/LOSS BEFORE TAXATION</u></b>		<b>(933,138)</b>		<b>79,214</b>
Provision for MAT		-		(8,974)
<b>PROFIT AFTER TAXATION</b>		<b>(933,138)</b>		<b>70,240</b>
Income Tax Paid		-		(60,470)
Balance brought forward from Last Year		(13,217,829)		(13,227,599)
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>(14,150,967)</b>		<b>(13,217,829)</b>
Notes on Accounts	11			

As per our report of even date attached  
For V.N. Purohit & Co.

Chartered Accountants  
Firm Regn. No. 304040E  
(O.P. Pareek)

Partner  
Membership No. 014238  
New Delhi, the 3<sup>rd</sup> day of September  
2010

For and on behalf of the Board  
Sd/-

(Chintan Arvind  
Kapadia)  
Director

(Aliasgar Fakhruddin  
Munshi)  
Director

**WOO YANG ELECTRONICS (INDIA) LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010**

	As at 31/03/2010 (Rupees)	As at 31/03/2009 (Rupees)
<b>1.SHARE CAPITAL</b>		
<u>Authorised Capital</u>		
	<b>20,000,000</b>	<b>20,000,000</b>
20,00,000 Equity Shares of Rs. 10/- each		
<u>Issued, Subscribed and paid up:</u>		
	13,300,000	13,300,000
13,30,000 Equity Shares of Rs. 10 /- each Fully paid.		
	<b>13,300,000</b>	<b>13,300,000</b>
<b>2.RESERVES AND SURPLUS</b>		
Capital Reserve		
	218,500	218,500
Diesel Generator Set Subsidy	160,000	160,000
	<b>378,500</b>	<b>378,500</b>
<b>3.UNSECURED LOANS</b>		
From Body Corporates		
	913,053	-
	<b>913,053</b>	-
<b>4.SUNDRY DEBTORS</b>		
<b>(Unsecured &amp; not Considered Good)</b>		
Debts outstanding for a period exceeding 6 months		
	724,640	724,640
	<b>724,640</b>	<b>724,640</b>
<b>5.CASH AND BANK BALANCES</b>		
Cash in hand (As certified by the management)		
	3,323	4,579
<u>Balances with Scheduled Banks: -</u>		
In Current Accounts	13,558	67,246
	<b>16,881</b>	<b>71,825</b>
<b>6.LOANS &amp; ADVANCES</b>		
<b>(Unsecured and Considered Good)</b>		
Advances Recoverable in cash or in kind or for value to be received		
	233,256	277,256
Deposits With Government Departments	25,500	25,500
	<b>258,756</b>	<b>302,756</b>

**7. CURRENT LIABILITIES:**

Sundry Creditors: -  
For Goods

	-	40,554
For Expenses	356,896	152,512
For Other Finance	175,398	-
Gratuity Payable	2,762	208,160
TDS Payable	15,661	7,350
Advances from Customers	-	221,000
	<b>550,717</b>	<b>629,576</b>

**8. PROVISIONS:**

Minimum Alternate Tax

	8,974	8,974
	<b>8,974</b>	<b>8,974</b>

**WOO YANG ELECTRONICS (INDIA) LIMITED**  
**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED ON**  
**31ST MARCH 2010**

		<b>For the year ended</b>		<b>For the</b>
	<b>(Rupees)</b>	<b>31/03/2010</b>	<b>(Rupees)</b>	<b>year ended</b>
		<b>(Rupees)</b>	<b>(Rupees)</b>	<b>31/03/2009</b>
				<b>(Rupees)</b>
<b><u>9.PERSONNEL EXPENSES</u></b>				
Salary, Allowances and Bonus		135,325		331,780
Gratuity		-		16,163
Contribution to P.F. and other Funds		11,925		28,616
Staff Welfare		12,622		-
		<b>159,872</b>		<b>376,559</b>
<b><u>10.</u></b>				
<b><u>ADMINISTRATIVE &amp;</u></b>				
<b><u>ESTABLISHMENT EXPENSES</u></b>				
Printing & Stationery		48,144		9,664
Postage, Courier and Telephone Expenses		16,810		10,777
<u>Auditor's Remuneration: -</u>				
As Audit Fees	20,000		12,000	
As Other Payments	2,060		1,236	
Legal & Professional Charges		22,060		13,236
Listing Fees		294,113		203,359
Advertisement Expenses		16,645		64,706
General Charges		242,815		24,291
Bank Charges		5,800		597
Filing Fees		1,629		446
Conveyance Expenses		136		2,151
Travelling Expenses		1,750		-
		123,364		-
		<b>773,266</b>		<b>329,227</b>

## WOO YANG ELECTRONICS (INDIA) LIMITED

### SCHEDULE- 11

#### NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:-

(a) ACCOUNTING CONCEPTS:

The accounts are prepared on historical cost convention and on going concern basis. Accounting Policies not specifically referred hereto, are otherwise consistent and in consonance with the generally accepted accounting principles.

(b) REVENUE RECOGNITION:

Having regard to the size, nature and level of operation of the business, the management is of the opinion that the Company is applying accrual basis of accounting for recognition of Income earned and Expenses incurred in the normal course of business.

(c) TAXES ON INCOME:

Current taxes on income have been provided by the Company in accordance with the relevant provisions of the Income Tax Act, 1961. Deferred Taxes as envisioned in AS-22 issued by ICAI have not been provided due to almost non – functional status of the company.

(d) EMPLOYEE BENEFITS:

Short Term Benefits such as salary, bonus and other benefits are accounted on accrual basis.

Defined Contribution Plans includes Company's contributions to State Plans such as PF, ESI etc. are charged to revenue as and when they become due to the Company.

In terms of Defined Benefit Plans, The Company has provided for the actual amount payable towards gratuity in the books of account, in respect of employees who have completed eligible period of service for entitlement. However, no provision has been made for gratuity on the basis of Actuarial Valuation as per provisions of Accounting Standards- 15 (Revised 2005) issued by ICAI on 'Employee Benefits' and therefore it is not possible to reproduce the prescribed disclosures as per AS -15 in the absence of a formality defined Benefit plans in this regard.

(a) During the year, 4,53,600 and 28,900 Equity Shares of the Company were acquired by M/s Picture Thoughts Private Limited, a Company registered under Companies Act, 1956, through the Promoters of the Company and through an 'Open Offer' respectively, aggregating to 36.28% of the Company's Paid- up share capital, thereby resulting into a change in the management of the Company.

(b) There is no Micro, Small and Medium Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 to which Company owes dues which are outstanding for a period more than 45 days as on Balance Sheet Date.

The above information regarding Micro, Small and Medium Enterprises has been determined on the basis of information availed with the Company and has been duly relied by the auditors of the Company.

- (c) The business of the Company falls under single segment viz. Software trading. Therefore, Provisions of Accounting Standard (AS) – 17 issued by the ICAI on ‘Segment Reporting’ are not been applicable to the Company.
- (d) Realisation of Debtors is considered doubtful but not provision has been made with regard to the possible loss in the event of non- realisation thereof.
6. Calculation of Earnings Per Share (EPS) in accordance with Accounting Standard (AS) – 20 issued by the ICAI on ‘Earning Per Share’ has been made as follows: -

	For the year ended on 31/03/2010	For the year ended on 31/03/2009
Profit/ Loss After Tax as per Profit & Loss Account (in Rs.)	(9,33,138)/-	79214/-
Weighted Average No. of Shares outstanding during the year	13,30,000	13,30,000
<b>Basic/ Diluted Earning Per Share (in Rs.)</b>	<b>(0.702)/-</b>	<b>0.05/-</b>

7. RELATED PARTY DISCLOSURES / TRANSACTIONS:-

Necessary disclosures as per requirements of AS- 18 issued by the ICAI on ‘Related Party Disclosure’ are made as under: -

	Transaction with	Nature of Transaction	Current Year (Rs.)	Previous Year (Rs.)
<b>Key Management Personnel: -</b>				
i.	Sh. Rakesh Kumar Trikha	----	Nil	Nil
ii.	Sh. Sandeep Arora	----	Nil	Nil
iii.	Sh. Aliasgar Fakhruddin Munshi	----	Nil	Nil
iv.	Sh. Chintan Arvind Kapadia	----	Nil	Nil
v.	Sh. Ashok Kumar Gupta	----	Nil	Nil

Associates: -

i.	M/s Picture Thoughts Private Limited	Finance Arrangement	5,26,053	Nil
----	--------------------------------------	---------------------	----------	-----

Enterprise controlled by the Key Management Personnel: -

i.	M/s IRC (India) Limited	Sales of Goods	Nil	9,59,50
ii.	M/s Indian Roadways Corporation Limited	Finance Arrangement	1,66,000	Nil

8. Balance shown under head Sundry Debtors, Creditors and Advances are subject to confirmation.

9.	<b>Particulars</b>	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
	Earnings/ Remittances and/ or Expenditure in Foreign Currency	NIL	NIL

10. Quantitive Information in respect of Opening Stock, Purchases, Sales and Closing Stock pursuant to Schedule VI of the Companies Act, 1956 are mentioned hereunder: -

Particulars	For the Year Ended on 31/03/2010		For the Year Ended on 31/03/2009	
	Quantity (Pieces)	Value (Rs.)	Quantity (Pieces)	Value (Rs.)
Opening Stock	Nil	Nil	Nil	Nil
Purchases ( Software)	Nil	Nil	1	1,74,500
Sales ( Software)	Nil	Nil	1	9,59,500
Closing Stock	Nil	Nil	Nil	Nil

11. Previous Year's Figures have been re- arranged or re- grouped wherever considered necessary.

12. Figures have been rounded off to the nearest rupees.

13. Figures in brackets indicate negative (-) figures

14. Additional Information as required under Part- IV of Schedule- VI of the Companies Act, 1956 has been given in the Annexure hereto.

Signed for the purpose of Identification

**For V.N. Purohit & Co.**  
**Chartered Accountants**  
Firm Regn. No. 304040E

Sd/-  
**(O.P. Pareek)**  
Partner

**For and on behalf of Board**

Sd/-  
**(Aliasgar Fakhruddin Munshi)**  
Director

Sd/-  
**(Chintan Arvind Kapadia)**  
Director

New Delhi, the 3<sup>rd</sup> day of September, 2010



**WOO YANG ELECTRONICS (INDIA) LIMITED**

**ANNEXURE-I**

INFORMATION AS REQUIRED UNDER PART- IV OF SCHEDULE- VI OF THE COMPANIES ACT, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE**

(RUPEES IN '000')

**1.Registration Details: -**

Registration No.	:	23097
State Code No.	:	55
Balance Sheet Date	:	31/03/2010

**2.Capital Raised during the Year: -**

Public Issue (issue through prospectus)	:	-
Right Issue	:	-
Bonus Issue	:	-
Private Placement	:	-

**3.Position of Mobilisation and Deployment of Funds: -**

Total Liabilities	:	14592
Total Assets	:	14592

**Sources of Funds: -**

Paid up Capital	:	13300
Reserve & Surplus	:	379
Secured Loans	:	Nil
Unsecured Loans	:	913

**Application of Funds: -**

Net Fixed Assets	:	Nil
Investments	:	Nil
Net Current Assets	:	441
Miscellaneous Expenditure	:	-
Accumulated Losses	:	14151

**4.Performance of the Company: -**

Turnover	:	-
Total Expenditure	:	933
Profit Before Tax	:	(933)
Profit After Tax	:	(933)
Earning Per Share (in Rs.)	:	(0.70)
Dividend Rate (in %)	:	-

**5.Generic Names of Principal Products**

Item Code No.	:	N.A
Product Description	:	N.A

**Signed for the Purpose of Identification  
For and on behalf of the Board**

Sd/-

Sd/-

**(Aliasgar Fakhruddin  
Munshi)  
Director**

**(Chintan Arvind Kapadia)  
Director**

---

**WOO YANG ELECTRONICS (INDIA) LIMITED**

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**PROXY FORM**

25<sup>th</sup> Annual General Meeting

Folio No..... Client ID :.....

D.P. ID.....

I/We.....of  
..... in the district of ..... being a  
member/members of the Woo Yang Electronics (India) Ltd hereby appoint.....  
..... of ..... in the district of.....  
.....or failing him .....  
.....of.....in the district of..... as  
my / our proxy to vote for me/ us in my / our behalf at the ANNUAL GENERAL MEETING of the  
Company to be held on \_\_\_\_\_, 2010 and at any adjournment thereof.

Signed this.....day of.....2010

Signature.....

Affix Re. 1/-  
Revenue  
Stamp

Note: The form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

---

**ATTENDANCE SLIP**

25<sup>th</sup> Annual General Meeting

Folio No..... Client ID: .....

D.P. ID.....

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company (Member's / Proxy's name and address in block letter to be furnished below).  
.....  
.....

I hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company on Saturday, **25<sup>th</sup> September, 2010** at 4.00 pm. at Hotel Star Rocks, C-5/30, Safdarjung Development Area, Opposite IIT Main Gate, Hauz Khas, New Delhi, Delhi- 110016.

.....  
Member's/Proxy's name in block letter

.....  
Member's/Proxy's Signature

**Note:** Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL.

**BOOK POST**

**PRINTED MATTER**

**IF UNDELIVERED PLEASE RETURN TO**

WOO YANG ELECTRONICS (INDIA) LIMITED  
Registered Office: L-76 GROUND FLOOR, LAJPAT NAGAR-II,  
NEW DELHI- 100024