

19th Annual Report 2009-2010

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Shri Raj Kumar Gupta

DIRECTORS

Shri Shiv Kumar Singhania

Shri Jagdish Singh Dalal

Shri Satish Chand

COMPANY SECRETARY

Mrs. Kajal Gupta

STATUTORY AUDITORS

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

New Delhi

INTERNAL AUDITORS

M/s. S. Agarwal & Co.

New Delhi

SHARE TRANSFER AGENT

M/s. Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II

New Delhi - 110 024

Also at :

246, First Floor, Sant Nagar

ISKCON Temple Road

East of Kailash, New Delhi - 110 065

BANKERS

HDFC Bank Limited

The J & K Bank Limited

Registered Office & Works :

F-90/1A, Okhla Industrial Area,

Phase-I, New Delhi - 110 020

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S. VINTRON INFORMATICS LIMITED SHALL BE HELD ON WEDNESDAY, THE 25TH DAY OF AUGUST 2010 AT 11.00 A.M. AT SHREE DELHI GUJARATI SAMAJ (REGD.), MAHATMA GANDHI SANSKRITIK KENDRA, MPCU SHAH AUDITORIUM, 2, RAJ NIWAS MARG, CIVIL LINES, DELHI - 110 054 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2010, the Profit & Loss Account for the year ended on that date together with the Auditors' Report thereon and the Directors' Report annexed thereto.
2. To appoint a Director in place of Shri Satish Chand, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 224(1B) and other applicable provisions, if any, of the Companies Act, 1956, M/s. O. P. Bagla & Company, Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, and that the Board of Directors/Audit Committee of the Board be and is hereby authorized to fix their remuneration.”

By order of the Board
For VINTRON INFORMATICS LIMITED

Place: **F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020**
Date: **28/05/2010**

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

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING.
- b) The documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays and other public Holidays between 2.00 P.M. to 4.00 P.M. up to the date of Annual General Meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 11th day of August 2010 to Wednesday, the 25th day of August 2010 (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 Satish Chand, aged about 47 years is a Chartered Accountant by profession and practicing as a partner of firm namely Satish C. & Co. since 1989. During his long working experience of 21 years, he has been involved in to various accounting and financial activities viz. due diligence, project appraisals, feasibility studies, income tax matters, Company law matters and auditing of accounts for number of his prestigious clients.

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

BUSINESS PHILOSOPHY

As informed to the members in previous reports, the Company was declared as a Sick Industrial Company by the Hon'ble BIFR vide its order dated 01.02.2007 on the basis of audited financial results for the year ended 31.03.2003 under the case reference No. 257/2003 & 309/2004. During the year under review, the Hon'ble BIFR vide its order dated 02.06.2009, sanctioned the revival scheme of the Company for its revival and rehabilitation with the reliefs as sought by the Company, and the same are under implementation. The Directors have a strong faith in the business prospect, products, market acceptability and competitiveness of the Company in terms of technology, price and quality of its products. Your Directors have pleasure in informing you that during the year under review, the Company's networth has become Rs. 45.35 Crores as compared to the accumulated loss of Rs. 43.17 Crores meaning thereby that the networth of the Company has turned positive by an amount of Rs. 2.18 Crores. Encouraged with the result of the Company within the year, the Directors are confident that the Company shall come out of the purview of BIFR shortly and come back to the past glory within shortest possible time by utilizing all the resources at its disposal. Your Directors are confident that during implementation of the revival scheme, the Company shall re-establish itself in the market very shortly.

OUTLOOK

Financial Year 2009-2010 has been difficult and challenging year for your Company because of various factors as this was the first year of implementation of the sanctioned revival scheme. Despite of the acute shortage of working capital fund, your Company has made all its efforts to optimally utilize all the resources available and achieves the maximum result. The circumstances prevailing with the Company during the previous years have almost continued to be dominant during the year under review as well. But, your Directors are working constantly towards a better future which has started showing the favourable result also as is evident from the fact that in the first year of implementation of the scheme, the networth of the Company has turned positive. The Company has already settled all the outside secured creditors from the finances arranged by the directors and their associates. With the existing trend of increasing penetration and growing demand of Personal Computers/Laptops, Computer Peripherals, Electronic Media Devices and their accessories, your Directors are confident that with the infrastructure available with the Company and brand influence over the market, the Company shall take no time to revive its operations and re-gain the glory of its brand from current year onwards. The Company is also making all its efforts in the direction of making the working capital available for the Company, however, the same is likely to take some time keeping in view the past results of the Company.

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)	998.33	305.74
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	384.00	19.07
Depreciation	68.81	69.79
Interest and Financial Charges	0.60	19.60
Profit/(Loss) before Extra-ordinary Items	314.59	(70.32)
Extra Ordinary Items Written Off	0.00	0.00
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	314.59	(70.32)
Income Tax Adjustments	1.65	(0.21)
Profit/(Loss) after Tax	312.94	(70.53)
Surplus brought forward	(4,629.87)	(4,559.34)
Balance in Profit & Loss A/c	(4,316.94)	(4,629.87)

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

During the financial year under review, the Company commenced implementation of the Sanctioned Revival Scheme from July 2009, however, due to the acute shortage of working capital fund, the performance of the Company was restrained. Despite of all the constraints, the Company has made all its attempts and efforts to optimally utilize all the resources available at its disposals and the net worth of the Company has turned positive during the year under review.

Your management is confident that from the current year onwards, the working capital fund requirement shall also be slowly met by arranging fresh funds and with the strength of its products, quality, marketing and other infrastructure facilities, the Company will once again move forward in a positive direction. 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 its gratitude for the confidence reposed by the investors and all concerned in it.

DIVIDEND

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

INDUSTRY STRUCTURE AND DEVELOPMENT

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

OUTLOOK ON THREATS, RISKS AND CONCERNS

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

The over all economic environments will have a strong bearing on how things shape in the coming years. Falling prices of the Personal Computers and its peripherals with the introduction of low priced Laptops are potential risks. The over all Industrial and Business sentiment is showing a positive response and direction. Your Company has also plans of introducing high quality technically advanced gadgets in the Company's product basket once it meets the working capital requirement to starts its operations in full capacity, which will expedite its revival scheme. Your Company, however, is confident that with the launch of high quality, competitively priced products, we will be able to expand our market share. In addition to the Personal Computers and related accessories, your Company is also venturing into other Electronic Media Devices slowly and gradually and your Directors have pleasure in informing you that the products of the Company are gaining appreciation in the market indicating to a vast potential.

SEGMENT WISE PERFORMANCE

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

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

The total number of employees and workforce at the end of the year was 98 as against 93 employees including permanent and irregular work force at the end of the previous year.

ADDITIONAL INFORMATION REGARDING CONSERVATION OF ENERGY ETC.

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Satish Chand, 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 holds a Wholly Owned Subsidiary by the name of VSOFTE GLOBAL INC. at #107, 451 Village Green BLVD, ANN ARBOR, MI-48105 USA, with a total subscribed and paid-up capital of 1500 Capital Stocks held by your Company. The Company have been making its all efforts to get the necessary documents and details including financials from the sole person who was looking after the affairs in USA. However, there has been no results and therefore, the Company has sought appropriate relief penal provisions as applicable in the case and the Hon'ble BIFR was pleased to grant the necessary relief.

AUDITORS

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

AUDITORS' REPORT

The Auditors' Report to the members together with Accounts for the year ended on 31st March 2010 and Notes thereon is attached, which are self-explanatory.

DIRECTORS VIEW ON AUDITORS OBSERVATIONS

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

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217

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

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

LISTING FEES

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

ACKNOWLEDGMENTS

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

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

By order of the Board
For VINTRON INFORMATICS LIMITED

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

Place: F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020
Date: 28/05/2010

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 2010.

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.
by the Company
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 and finished goods for amount aggregating to Rs. 263.04 Lacs as compared to Rs.198.42 during the previous year.

By order of the Board
For VINTRON INFORMATICS LIMITED

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

Place: F-90/1A, Okhla Indl. Area Phase-I, New Delhi-110020
Date: 28/05/2010

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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 three Independent Directors and one Executive Director. The Company does not pay any compensation to its non-executive Directors.

COMPOSITION AND CATEGORY OF DIRECTORS, AS OF MARCH 31, 2010

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

The Chairman of the Board is an Executive Director.

RESPONSIBILITIES OF THE CEO

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

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

- a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

CORPORATE GOVERNANCE REPORT Contd.

- c) They accept responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) They have indicated to the auditors and the Audit Committee
- i) significant changes in internal control during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system.

SIZE OF THE BOARD

At present, the Board has four members.

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.

Seven Board meetings were held during the financial year 2009-2010. They were held on 27th April 2009, 26th June 2009, 3rd July 2009, 31st July 2009, 30th October 2009, 4th January 2010 and 29th January 2010 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	7	Yes	2	3	2
Shiv K. Singhanian	NED	–	No	–	4	1
Jagdish S. Dalal	NED	6	Yes	–	4	–
A. K. Tiwari ***	NED	1	No	–	1	1
Satish Chand	NED	5	No	–	1	2

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

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

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

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CORPORATE GOVERNANCE REPORT Contd.

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 Satish Chand retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

3. BOARD COMMITTEES

Committees of the Board

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

Frequency and Duration of Committee Meetings and Committee Agenda

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

Quorum for the Meetings

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

AUDIT COMMITTEE

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

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.

CORPORATE GOVERNANCE REPORT Contd.

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

The Committee comprises of one Executive Director, and three Non-executive Directors. The Chairman of the Committee is Shri Satish Chand who is a Chartered Accountant by profession, and an Independent Director on the Board of the Company. The Committee met six times during the financial year 2009-2010, on 10th April 2009, 25th June 2009, 3rd July 2009, 31st July 2009, 30th October 2009 and 28th January 2010. The below mentioned table gives the details of attendance of members at the meetings of the Audit Committee held during 2009-2010

Members	No. of Meetings Attended
Shri Raj Kumar Gupta	6
Shri Shiv Kumar Singhanian	–
Shri Jagdish Singh Dalal	5
Shri Ashok Kumar Tiwari *	1
Shri Satish Chand *	4

* : Shri Ashok Kumar Tiwari has resigned from the Board of Directors and Committees thereof and Shri Satish Chand has joined the Board of Directors and Committees thereof w.e.f. 27/04/2009.

REMUNERATION COMMITTEE

The Board has delegated the authority to approve fixation/revision of remuneration and terms and conditions of appointment of Managing Director / Whole Time Directors. The Remuneration Committee comprises of one executive and three independent Directors, Shri Raj Kumar Gupta being Executive Director, Shri Shiv Kumar Singhanian, 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.

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CORPORATE GOVERNANCE REPORT Contd.

The Committee met one time during the financial year 2009-2010, on 24th June 2009 to consider and approval of appointment of Shri Raj Kumar Gupta as Chairman & Managing Director of the Company for a period of five years w.e.f. 01.10.2009. The below mentioned table gives the details of attendance of members at the meetings of the Remuneration Committee held during 2009-2010

Members	No. of Meetings Attended
Shri Raj Kumar Gupta	1
Shri Shiv Kumar Singhania	–
Shri Jagdish Singh Dalal	1
Shri Satish Chand *	1

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

Remuneration to Directors

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

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

INVESTOR GRIEVANCE COMMITTEE

The Board has constituted the Investor Grievance Committee to take care of the complaints/grievances of the shareholders/members of the Company and redressal thereof. The Investor Grievance Committee comprises of one executive and two independent Directors namely Shri Raj Kumar Gupta being an Executive Director, Shri Shiv Kumar Singhania and Shri Jagdish Singh Dalal being Non-executive/Independent Directors. This Committee meets from time to time depending on the needs and nature of shareholders/members complaints and grievance, and take appropriate decisions for redressal thereof. As informed by RTA, during the financial year 2009-2010, the Company has received a total number of 4 complaints, the details whereof is as under :

Received from	No. of Complaints	Remarks
SEBI	–	–
Stock Exchanges/ROC	–	–
NSDL/CDSL	1	Redressed
Investors	3	Redressed

SHARE TRANSFER COMMITTEE

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

COMPENSATION COMMITTEE

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

CORPORATE GOVERNANCE REPORT Contd.

4. GENERAL BODY MEETING

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

Year	Venue	Date	Time
2007	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi, Sanskritik Kendra, MPCU Shah Auditorium 2, Raj Niwas Marg, Delhi-110054.	06/09/2007	1.30 p.m.
2008	- Do -	22/09/2008	9.30 a.m.
2009	- Do -	10/09/2009	11.00 a.m.

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

AGM	Details of Special Resolution
16th Annual General Meeting	* Re-appointment of Shri Manish Agrawal, as Whole Time Director for another period of five years with effect from 22/08/2007
17th Annual General Meeting	- None -
18th Annual General Meeting	<ol style="list-style-type: none"> 1. Appointment of Shri Raj Kumar Gupta as Chairman & Managing Director of the Company for a period of five years with effect from 01/10/2009 2. Splitting/Sub-division/re-classification of existing authorized/subscribed paid-up equity capital of the Company 3. Alteration of Clause 5(a) of the Articles of Association of the Company 4. Reduction of total Paid-up Equity Capital by 90% 5. Issuance of 72500000 equity shares of Re.1/- each to M/s. Goodworth Build Invest Private Limited on preferential basis

*: Shri Manish Agrawal has resigned from the Board of Directors w.e.f. 27.06.2008

5. COMPLIANCE

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

6. MEANS OF COMMUNICATION

- a) The quarterly results published in the Proforma prescribed by the Stock Exchanges are approved and taken on record by the Board of Directors of the Company within the stipulated period of the close of the relevant quarter. The approved results are forthwith sent to all the Stock Exchanges with whom the Company has listing arrangements. Further, the results in the prescribed Proforma alongwith the detailed press release is published within 48 hours of the conclusion of the meeting of the Board of Directors in the media ensuring wider publicity.
- b) The management discussion & analysis report forms part of the Directors' Report.

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.

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CORPORATE GOVERNANCE REPORT Contd.

8. INVESTOR INFORMATION

ANNUAL GENERAL MEETING:

Day & Date	:	Wednesday, 25th day of August 2010
Time	:	11.00 A.M.
Financial Year	:	2009-2010
Venue	:	Shree Delhi Gujarati Samaj (Regd.) Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2 Raj Niwas Marg, Delhi-110054
Book Closure	:	Wednesday, 11th day of August 2010 to Wednesday, 25th day of August 2010 (both days inclusive)
Registrar & Share Transfer Agent	:	M/s. Skyline Financial Services Pvt. Ltd. 246, First Floor, Sant Nagar, ISKCON Temple Road East of Kailash, New Delhi-110065 Phone: 91-11-26292682, 26292683, 30845326-45 Fax: 91-11-26292681 E-mail: admin@skylinerta.com
Compliance Officer	:	Shri U. S. Lakhera, Sr. Officer-Secretarial
ISIN No.	:	INE043B01028

INVESTOR CORRESPONDENCE:

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

PROFILE OF DIRECTORS RETIRING BY ROTATION

Shri Satish Chand

Shri Satish Chand, aged about 47 years is a Chartered Accountant by profession and practicing as a partner of firm namely Satish C. & Co. since 1989. During his long working experience of 21 years, he has been involved financial activities viz. due diligence, project appraisals, feasibility studies, income tax matters, Company law matters and auditing of accounts for a number of prestigious clients.

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

LISTING ON STOCK EXCHANGES

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

- i) The Bombay Stock Exchange Limited, Floor-25, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
- ii) The Calcutta Stock Exchange Association Ltd., 7 Lyons Range, Calcutta - 700 001
- iii) The Delhi Stock Exchange Association 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 Bombay Stock Exchange Limited "517393"
- The Calcutta Stock Exchange Association Ltd. "10032155"
- The Delhi Stock Exchange Association Limited "122073"

CORPORATE GOVERNANCE REPORT Contd.

STOCK PRICE DATA (Amount in Rs.)

2009-2010 Month	The Stock Exchange, Mumbai	
	High	Low
April 2009	1.29	1.10
May 2009	1.42	1.20
June 2009	2.12	1.49
July 2009	2.58	1.62
August 2009	2.50	2.08
September 2009	2.52	1.94
October 2009	2.23	1.80
November 2009	3.64	1.81
December 2009	–	–
January 2010	9.29	4.24
February 2010	5.20	3.36
March 2010	5.60	3.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	11,659	89.89%	1,645,675	2.10%
501-1000	738	5.69%	629,103	0.80%
1001-5000	491	3.78%	1,070,308	1.37%
5001-10000	42	0.32%	296,652	0.38%
10001 onwards	41	0.32%	74,714,062	95.35%
Total	12,971	100.00%	78,355,800	100.00%

CATEGORY WISE SHAREHOLDING PATTERN AS ON 31ST MARCH 2010

Category	No. of Shares Held	% of Shares Held
Promoters	1,557,795	1.99%
Persons acting in Concert	72,669,926	92.74%
Mutual Funds	0	0.00%
Financial Institutions	0	0.00%
Foreign Institutional Investors	0	0.00%
Banks	0	0.00%
Corporate Bodies	539,361	0.69%
NRIs / OCBs	4,002	0.01%
Public	3,584,716	4.57%
Total	78,355,800	100.00%
Number of Shares in Physical Form	74,540,237	95.13%
Number of Shares in Electronic Form	3,815,563	4.87%
Total	78,355,800	100.00%

REGISTERED & CORPORATE OFFICE:

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

PLANT LOCATION

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

#: The Hon'ble BIFR, on application of the Company as part of the revival scheme, has constituted an Asset Sale Committee which has approved for sale of the above said factory premises in its meeting held on 30.10.2009

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

To
the members of
Vintron Informatics Limited
New Delhi

We have reviewed the implementation of Corporate Governance procedures by Vintron Informatics Limited during the year ended 31st March, 2010 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

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

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAKESH KUMAR
PARTNER

Membership No. 87537
FIRM REGN. NO. 000018N

PLACE: **NEW DELHI**
DATED: **28/05/2010**

AUDITORS' REPORT

To

**The Members of
VINTRON INFORMATICS LIMITED
NEW DELHI**

We have audited the attached Balance Sheet of **VINTRON INFORMATICS LIMITED** as at 31st March 2010 and the annexed Profit & Loss Account and Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditors' Report) Order 2003 as amended by Companies (Auditors' Report)(Amendment) Order, 2004 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure, a statement on the matters specified in paragraph 4 & 5 of the said order so far as applicable to the Company.
- 2) Further to our comments in the annexure referred to in paragraph 1 above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet, Profit & Loss Account and Cash Flow statement comply with the Accounting Standards referred in sub-section 3(c) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified from being appointed as Director as at 31st March, 2010 in terms of section 274(1) (g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together **with Significant Accounting Policies and Notes thereon in Schedule-18** give the information as required by the Companies Act 1956 in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India :-

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31.03.2010.
- ii) In the case of the Profit & Loss Account of the **PROFIT** for the year ended on that date.
- iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS

Sd/-

RAKESH KUMAR

PARTNER

Membership No. 87537

FIRM REGN. NO. 000018N

PLACE: **NEW DELHI**

DATED: **28/05/2010**

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ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

1.
 - a) During the year under audit the Company could not produce the fixed assets records/registers, before us for verification, which as explained has been maintained to show full particulars including quantitative details and situation of fixed assets. 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 disposed off fixed assets which were though significant but have no affect on going concern concept of the Company.
2.
 - a) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials lying at the factory premises of the Company.
 - b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion the Company is maintaining proper records of inventories. As explained to us the discrepancies noticed on such verification between the physical stocks and book records were not significant and the same has been properly dealt with in the books of account.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, relevant part of the paragraphs 4 (iii) (a) to (d) of the order are not applicable.
4.
 - a) According to the information and explanations given to us, the Company has obtained loan, secured and unsecured, amounting to Rs. 6.90 crores from a Company covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) According to the information and explanations given to us the terms and conditions of the loan are not prima facie prejudicial to the interest of the Company. Further the loan is a non interest bearing loan.
 - c) As explained to us the repayment of loan is done as stipulated and there are no irregularities in the same.
5. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and goods and for the sale of goods and services. During the course of audit, no major weakness has been noticed in the underlying internal controls.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion and according to the information and explanations given to us, the Company has to strengthen its internal audit system which though conducted but is not in commensurate with its size and nature of its business.
8.
 - a) As per information and explanations given to us the Company has been depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, and Investors Education and Protection Fund and other statutory dues with the appropriate Authorities which were marginally delayed on some occasion. However there are no undisputed statutory liabilities lying unpaid as at the year end for a period of more than six months from the date they become payable.

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT
ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010 Contd.**

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

NATURE OF DEMAND	AMOUNT INVOLVED (Rs.)	FORUM BEFORE WHICH THE CASE IS PENDING
Customs Act	6,06,47,000 3,98,233	Hon'ble Calcutta High Court Commissioner of Customs (Exports)
Sales Tax Demand	95,18,000	Commissioner/Appellate Tribunals
Demand under Foreign Exchange Laws	12,00,000	Hon'ble Delhi High Court
ESI Demand	44,15,044	Hon'ble Delhi High Court

9. The accumulated losses of the Company as at the end of the financial year have exceeded 50% of its net worth. The Company has not incurred cash losses in the financial year under audit. However it has incurred cash loss in the immediately preceding financial year.
10. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from Banks/Financial Institutions.
11. According to the information and explanations given to us the term loans taken by the Company in earlier years were applied for the purposes for which the loans were obtained.
12. According to the information and explanations given to us the funds raised on short-term basis have not been utilized for long-term investment.
13. According to the information and explanations given to us the Company has made preferential allotment of shares to a Company covered in the register maintained under section 301 of the Act. In our opinion the price at which shares have been issued is not prima facie prejudicial to the interest of the Company.
14. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March 2010.
15. Other clauses of the order are not applicable to the Company for the year under report.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS

Sd/-
RAKESH KUMAR
PARTNER

Membership No. 87537
FIRM REGN. NO. 000018N

PLACE: **NEW DELHI**
DATED: **28/05/2010**

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BALANCE SHEET AS AT 31st MARCH, 2010			
DESCRIPTION	SCHEDULE	AS AT 31-3-2010 (RS.)	AS AT 31-3-2009 (RS.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	78,365,650	58,656,500
Reserves and Surplus	2	<u>375,106,685</u>	<u>322,315,835</u>
		<u>453,472,335</u>	<u>380,972,335</u>
Loan Funds			
Secured Loans	3	19,975,000	45,000,000
Unsecured Loans	4	<u>50,190,000</u>	<u>120,685,000</u>
		<u>70,165,000</u>	<u>165,685,000</u>
TOTAL		<u>523,637,335</u>	<u>546,657,335</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	177,006,877	177,450,964
Less : Depreciation		<u>93,814,609</u>	<u>88,358,795</u>
Net Block		<u>83,192,268</u>	<u>89,092,169</u>
Current Assets, Loans & Advances			
Inventories	6	4,362,559	16,498,751
Sundry Debtors	7	15,413,909	3,715,558
Cash & Bank Balances	8	8,033,150	8,734,722
Other Current Assets	9	1,119,297	435,312
Loans & Advances	10	<u>3,883,459</u>	<u>3,124,400</u>
TOTAL 'A'		<u>32,812,374</u>	<u>32,508,743</u>
Current Liabilities & Provisions			
Current Liabilities	11	24,061,183	37,913,132
Provisions	12	0	18,000
TOTAL 'B'		<u>24,061,183</u>	<u>37,931,132</u>
NET CURRENT ASSETS ('A' – 'B')		<u>8,751,191</u>	<u>(5,422,389)</u>
Profit & Loss Account		<u>431,693,876</u>	<u>462,987,555</u>
TOTAL		<u>523,637,335</u>	<u>546,657,335</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS			
	18		
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED FOR O. P. BAGLA & CO. CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD	
Place : New Delhi Dated : 28/05/2010	Sd/- (RAKESH KUMAR) Partner	Sd/- (KAJAL GUPTA) Company Secretary	Sd/- (SATISH CHAND) Director
			Sd/- (R. K. GUPTA) Chairman & Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

DESCRIPTION	SCHEDULE	YEAR ENDED 31-3-2010 (RS.)	YEAR ENDED 31-3-2009 (RS.)
INCOME			
Sales	13	37,940,143	23,374,798
Increase in Stocks	14	1,567,229	176,220
Job Work Receipts (TDS Rs.829837/-)		41,521,358	6,450,247
Interest Received (TDS Rs. 87183/-)		659,601	572,566
Rent Received		90,000	0
Profit on sale of fixed assets		18,055,037	0
TOTAL		99,833,368	30,573,831
EXPENDITURE			
Purchases		21,986,249	0
Raw Material Consumed	15	23,050,707	16,503,559
Power & Fuel		3,084,917	3,018,075
Salaries, Wages and Amenities	16	8,230,755	6,809,781
Administrative, Selling & Other Expenses	17	3,666,630	2,004,797
Packing & Forwarding Charges		409,124	126,258
Repairs and Maintenance		1,004,420	204,307
Interest & Financial Charges		60,645	1,959,743
Depreciation		6,880,799	6,979,221
TOTAL		68,374,246	37,605,741
Profit/(Loss) for the year before tax		31,459,122	(7,031,909)
Provision for Tax			
Fringe Benefit Tax		0	18,000
Income Tax/Fringe Benefit Adjustments		165,443	2,751
Profit/(Loss) after tax		31,293,679	(7,052,660)
Balance b/f from previous year		(462,987,555)	(455,934,894)
Deficit carried over to Balance Sheet		(431,693,876)	(462,987,555)
Earning Per Share (Basic/Diluted)		1.72	(1.20)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

18

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

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 28/05/2010

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(KAJAL GUPTA)
Company Secretary

Sd/-
(SATISH CHAND)
Director

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

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SCHEDULES		
DESCRIPTION	AS AT 31-3-2010 (RS.)	AS AT 31-3-2009 (RS.)
SCHEDULE - 1 : SHARE CAPITAL		
Authorised		
160,000,000 Equity Shares (P.Y. 16,000,000 Equity Shares) Re.1/- each (Previous Year Rs.10/- each)	160,000,000	160,000,000
400,000 Preference Shares (Previous Year 400,000) of Rs.100/- each	40,000,000	40,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid up		
78355800 (Previous Year 58,55,800 Equity Shares) of Re1/- each (Previous Year Rs.10/- each) fully paid up 58,558,000 (Refer Note No. 1)		78,355,800
Add : Shares Forfeited	9,850	98,500
	<u>78,365,650</u>	<u>58,656,500</u>
Note: Of the above 7,25,00,000 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)		
SCHEDULE - 2 : RESERVES AND SURPLUS		
Share Premium A/c - As per last year A	42,330,000	42,330,000
Capital Reserve - As per last year	279,985,835	0
- Transferred During the year (Refer Note 1)	52,790,850	279,985,835
B	<u>332,776,685</u>	<u>279,985,835</u>
A + B	<u>375,106,685</u>	<u>322,315,835</u>
SCHEDULE - 3 : SECURED LOANS		
From the Holding Company		
- Term Loan	19,975,000	45,000,000
	<u>19,975,000</u>	<u>45,000,000</u>
Note :		
1. Term Loan from holding Company is secured by way of first charge on one of the immovable property of the Company.		
SCHEDULE - 4 : UNSECURED LOANS		
From companies (Including Rs 490.90 lacs from holding Company)	50,190,000	120,685,000
	<u>50,190,000</u>	<u>120,685,000</u>

SCHEDULES Contd.

SCHEDULE - 5 FIXED ASSETS AS AT 31ST MARCH, 2010

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2009	Additions During the Year	Sale / Adjustment	As At 31.03.2010	Upto 31.03.2009	For the Year	Adjust- ment	Upto 31.03.2010	As At 31.03.2010	As At 31.03.2009
LAND	14,182,014	0	800,000	13,382,014	0	0	0	0	13,382,014	14,182,014
BUILDING	20,007,461	2,875,341	4,449,448	18,433,354	7,842,087	705,229	1,424,985	7,122,331	11,311,023	12,165,374
PLANT & MACHINERY	114,627,345	1,916,030	0	116,543,375	59,067,153	5,042,675	0	64,109,828	52,433,547	55,560,192
FURNITURES & FIXTURES	9,242,185	0	0	9,242,185	6,523,990	585,030	0	7,109,020	2,133,165	2,718,195
OFFICE EQUIPMENTS	17,502,617	13,990	0	17,516,607	13,138,555	519,242	0	13,657,797	3,858,810	4,364,062
VEHICLES	1,889,342	0	0	1,889,342	1,787,010	28,623	0	1,815,633	73,709	102,332
CURRENT YEAR	177,450,964	4,805,361	5,249,448	177,006,877	88,358,795	6,880,799	1,424,985	93,814,609	83,192,268	89,092,169
PREVIOUS YEAR	177,450,964	0	0	177,450,964	81,379,574	6,979,221	0	88,358,795	89,092,169	96,071,390

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SCHEDULES Contd.		
DESCRIPTION	AS AT 31-3-2010 (RS.)	AS AT 31-3-2009 (RS.)
SCHEDULE - 6 : INVENTORIES		
(As taken, valued and certified by the Management)		
- Raw Material (Including Store Spares etc.)	1,063,569	14,766,990
- Finished Goods	3,298,990	1,731,761
	<u>4,362,559</u>	<u>16,498,751</u>
SCHEDULE - 7 : SUNDRY DEBTORS (Unsecured)		
a) Debts outstanding for a period exceeding six months		
- Considered Good	125,527	1,284,123
- Considered Doubtful	1,036,033	0
b) Other debts		
- Considered Good	14,252,349	2,431,435
	<u>15,413,909</u>	<u>3,715,558</u>
SCHEDULE - 8 : CASH AND BANK BALANCES		
Cash in hand	153,936	9,596
Balance with Scheduled Banks		
- In Current Account	356,791	985,335
- In Fixed Deposits as Margin Money (Pledged with bankers against Bank Guarantees)	7,522,423	7,739,790
	<u>8,033,150</u>	<u>8,734,722</u>
SCHEDULE - 9 : OTHER CURRENT ASSETS		
Interest Receivable	990,521	435,312
Prepaid Expenses	128,776	0
	<u>1,119,297</u>	<u>435,312</u>
SCHEDULE - 10 : LOANS & ADVANCES		
(Unsecured Considered Good)		
Advances recoverable in cash or in kind or for value to be received	2,368,551	1,871,250
Security Deposits		
- With Govt. Deptts.	334,498	318,575
Advance Income Tax / TDS	1,113,819	501,303
Balance with Excise Authorities	66,591	433,272
	<u>3,883,459</u>	<u>3,124,400</u>
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors	13,915,164	21,430,714
Security Deposits	8,750,000	750,000
Other Liabilities	1,396,019	15,583,531
Investors Education & Protection Fund		
-Unclaimed Dividend	0	148,887
	<u>24,061,183</u>	<u>37,913,132</u>
SCHEDULE - 12 : PROVISIONS		
For Fringe Benefit Tax	0	18,000
	<u>0</u>	<u>18,000</u>

SCHEDULES Contd.

DESCRIPTION	AS AT 31-3-2010 (RS.)	AS AT 31-3-2009 (RS.)
SCHEDULE - 13 : SALES		
Sale	41,067,209	25,995,932
Less: Excise Duty	1,422,664	2,573,573
Less: Incentive & Discount to Dealers	1,704,402	47,561
	<u>37,940,143</u>	<u>23,374,798</u>
SCHEDULE - 14 : INCREASE IN STOCKS		
Stock as on 01.04.2009		
- Finished Goods	1,731,761	1,555,541
TOTAL "A"	<u>1,731,761</u>	<u>1,555,541</u>
Stock as on 31.03.2010		
- Finished Goods	3,298,990	1,731,761
TOTAL "B"	<u>3,298,990</u>	<u>1,731,761</u>
INCREASE IN STOCKS (B – A)	<u>1,567,229</u>	<u>176,220</u>
SCHEDULE - 15 : RAW MATERIAL CONSUMED		
Opening Stock	14,766,990	6,530,268
Purchases	9,347,286	24,740,281
	<u>24,114,276</u>	<u>31,270,549</u>
Less: Closing Stock	1,063,569	14,766,990
	<u>23,050,707</u>	<u>16,503,559</u>
SCHEDULE - 16 : SALARY, WAGES & AMENITIES		
Salary, Wages, Allowances & Incentives	7,146,566	6,012,574
Directors Remuneration	305,040	0
Contribution to PF & ESI	601,719	548,879
Staff Welfare	15,845	10,755
Contribution to Gratuity Fund	161,585	237,573
	<u>8,230,755</u>	<u>6,809,781</u>
SCHEDULE - 17 : ADMINISTRATIVE, SELLING AND OTHER EXP.		
Advertisement Expenses	539,713	83,327
AGM Expenses	64,336	26,694
Auditors' Remuneration		
- As Audit Fees	66,130	55,150
- As Tax Audit Fees	13,788	3,932
- For Other Matters	9,929	15,168
Bad Debts/Sundry Balances written off	303,962	0
Communication Expenses	170,136	78,907
Selling Expenses	215,993	0
Electricity & Water Charges	6,708	6,641
Legal & Professional Charges	919,359	996,203
Miscellaneous Expenses	516,244	282,040
Printing & Stationery Expenses	150,376	14,746
Security Service Charges	412,112	231,463
Travelling & Conveyance Expenses	114,414	33,773
Vehicle Running & Maintenance Expenses	163,430	176,753
	<u>3,666,630</u>	<u>2,004,797</u>

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SCHEDULES Contd.

SCHEDULE - 18 : ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Accounting:**

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

2. **Income & Expenditure:**

Accounting of Income & Expenditure is done on accrual basis.

3. **Revenue Recognition:**

Revenue from job work charges is accounted for on the basis of raising the invoice on completion of jobs. Revenue from sales is recognized on actual dispatch of goods and in case of consignment on actual sale of goods by the consignee.

4. **Fixed Assets & Depreciation:**

- a) Fixed Assets are stated at their original cost of acquisition, inclusive of inward freight, duties and expenditure incurred in the acquisition, construction/ installation.
- b) Assets acquired from the partnership firm on its dissolution are shown as addition to fixed assets and WDV as on date of dissolution is considered as cost.
- c) Depreciation is charged on Straight Line Method in accordance with the rates provided in Schedule XIV of the Companies Act, 1956.
- d) Modvat credit availed on Capital Goods is accounted for by credit to respective Fixed Assets.

5. **Inventories:**

Method of Valuation

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

6. **Contingent Liabilities:**

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

7. **Foreign Currency Transactions**

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

8. **Employee Benefit**

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

SCHEDULES Contd.

9. Sales

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

10. Excise Duty

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

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

B. NOTES ON ACCOUNTS

1. The Company is a sick industrial undertaking and revival scheme approved by BIFR vide Order dated 2.6.2009 is under implementation. According to the aforesaid scheme the Company reduced its existing paid up share capital as on the date of the approval of the scheme and face value of paid up equity share of the Company have been reduced from Rs 10 per share to Re 1/- per share. The amount so reduced from paid up capital of Rs 527.90 lacs has been transferred to Capital Reserve during the year. In addition to above and in accordance with the aforesaid revival scheme another 7,25,00,000 equity shares have been issued by way of conversion of loan into equity.

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

	AS AT 31.03.2010 (Rs. In Lakhs)	AS AT 31.03.2009 (Rs. in Lakhs)
a) Counter Guarantee issued against outstanding - Bank Guarantees	80.95	80.95
b) Demand under Foreign Exchange Laws (Pending being disputed)	12.00	12.00
c) Demand under Custom Act	610.45	610.45
d) Sales Tax disputed demand	86.70	86.70
e) ESI Demand	44.15	44.15

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

4. Claim against the Company (not acknowledged as Debts) – **Rs.53.68 Lakhs** (Previous Year Rs. 54.14 Lakhs)

5. Rupee equivalent as at 31.03.2010 of export obligation to be completed by the Company under EPCG Scheme **Rs. 26.44 Crores** (Previous Year Rs.26.44 Crores). Pursuant to the relief granted under the revival scheme the Company has applied for extension of time limit for fulfillment of the obligation.

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

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

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SCHEDULES Contd.

8. Taxation

Current Year Tax

In view of the unabsorbed losses as per books of account and income tax record the Company is not liable to pay tax on profit for the year.

Deferred Tax

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

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

Name of the Associate	:	Goodworth Build Invest Pvt. Ltd.
Transactions during the year	:	Loan obtained and outstanding as at end of the year Rs. 690.65 Lacs
Name of the Key Managerial Personnel	:	Shri R.K. Gupta, Managing Director
Transactions during the year	:	Remuneration Rs. 3.05 Lacs

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

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

(Amount in Rs.)

DESCRIPTION	31.3.2010	31.3.2009
Salary	270,000.00	—
Other Perquisites	35,040.00	—

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

Defined Contribution Plan:

The Company pays fixed contribution to Provident Fund at predetermined rates to regional authorities as per law. The contribution to the fund for the period is recognized as expense and is charged to the profit & loss accounts. The obligation of the Company is limited to such fixed contribution. An amount of Rs. 6.02 lacs has been recognized as expense for defined contribution plan (Contributory Provident Fund).

Defined Benefit Plan:

- Earned Leave Benefit:** Accrual of 20 days leave per annum is credited by the Company. Encashment is available at the time of retirement or superannuation. Amount as per entitlement as at the end of the year is recognized as expense. During the year Rs.20,563/- has been provided towards leave encashment expenses.
- Gratuity:** The Company has obtained policy from LIC towards gratuity benefit. The Company's contribution towards the policy is recognized as expense. During the year Rs.161,585/- has been provided towards the gratuity contribution.

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

SCHEDULES Contd.

	Year Ended on 31.03.2010	Year Ended on 31.03.2009
Profit/(Loss) attributable to the Equity Shareholders – (A) (Rs. in Lakhs)	312.94	(70.53)
Basic / Weighed average number of Equity Shares outstanding during the year (B)	18,170,868	5,855,800
Weighted average number of shares		
Shares as at 01.04.2009	5,855,800	
Shares allotted on 29.01.2010	72,500,000	
Weighted Number of Shares	12,315,068	
Total	18,170,868	
Nominal value of Equity Shares (Rs.)	1.00	10.00
Basic/ Diluted Earning/(Loss) per share (Rs.)-(A)/(B)	1.72	(1.20)
Calculation of Profit attributable to Shareholders:		
Profit/(Loss) After Tax (Rs. in Lakhs)	314.59	(70.32)
Less: Income Tax Adjustment /FBT Provision	1.65	(0.21)
Profit/(Loss) attributable to Shareholders	312.94	(70.53)

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

A. CAPACITY & PRODUCTION	UNIT	QUANTITY
i) Licensed Capacity	Nos.	Non Applicable
ii) Installed Capacity # (For Finished Items)		
a. Computer Systems	Nos.	32,000
b. Modem/Monitors	Nos.	196,000
c. Populated PCB/Motherboards	Nos.	400,000
iii) Actual Production		
a. Electronic Media Devices	Nos.	817
	Nos.	(2,983)
b. Populated PCB	Nos.	49,506
	Nos.	(35,050)

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

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SCHEDULES Contd.

B. DETAILS REGARDING STOCKS AND SALES

	QUANTITY (Nos.)		VALUE (Rs.)	
	2009-2010	2008-2009	2009-2010	2008-2009
Opening Stock				
- Monitors	174	174	208,800	208,800
- Mouse/Scanners	1,988	1,988	3,976	3,976
- Communication Systems Products & Accessories	181	181	100,000	100,000
- Other Misc. Items	526	526	82,065	82,065
- Computer System	4	4	12,000	12,000
- Mother Board	3,829	3,829	1,148,700	1,148,700
- Electronic Media Devices	124	-	176,220	-
Purchase				
Electronic Media Devices	7,526	-	8,257,036	-
Populated PCB	33,500	-	11,432,693	-
Multimedia Speakers	1,364	-	2,296,520	-
Sale/Transferred to rejected/raw material				
Electronic Media Devices	6,062	2,859	38,449,030	25,995,932
Populated PCB	82,839	35,050		
Multimedia Speakers	887	-	2,618,179	-
Monitors	174	-	-	-
Mouse/Scanners	1,988	-	-	-
Communication Systems Products & Accessories	181	-	-	-
Other Misc. Items	526	-	-	-
Computer System	4	-	-	-
Mother Board	3,829	-	-	-
Closing Stock				
- Monitors	-	174	-	208,800
- Mouse/Scanners	-	1,988	-	3,976
- Communication System, Products & Accessories	-	181	-	100,000
- Other Misc. Items	-	526	-	82,065
- Computer Systems	-	4	-	12,000
- Software Package	-	0	-	0
- Mother Board	-	3,829	-	1,148,700
- Electronic Media Devices	2,405	124	2,493,484	176,220
- Populated PCB	167	-	5,344	-
- Multimedia Speakers	477	-	800,162	-

SCHEDULES Contd.

	2009-10		2008-09	
	Qty	Value	Qty	Value
Raw Material Consumed				
- Electronic Media Device Assembly	817	1,843,139	2,983	2,438,669
- Populated PCB Assembly	49,506	15,205,305	35,875	14,064,890
- Old Damaged stock transferred to scrap	-	6,002,264	-	-
Break up of Raw Material consumed	%	Value	%	Value
- Indigenous	38.65	8,909,087	14.66	2,418,754
- Imported	61.35	14,141,621	85.34	14,084,805

C. VALUE OF IMPORTS ON CIF BASIS

VALUE (Rs. In Lacs)

	2009-10	2008-09
Capital Goods	13.97	NIL
Raw Material/Stores	201.91	198.42
Finished Goods	47.16	NIL

15. Figures in the brackets represent previous year figures.

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

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

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
Dated : 28/05/2010

Sd/-
(RAKESH KUMAR)
Partner

Sd/-
(KAJAL GUPTA)
Company Secretary

Sd/-
(SATISH CHAND)
Director

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

19th Annual Report 2009-2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

I. REGISTRATION DETAILS	
Registration No.	45276
State Code	55
Balance Sheet Date	31st March, 2010
II. CAPITAL RAISED DURING THE YEAR	
Public Issue	NIL
Right Issue	NIL
Private Placements (Including Premium)	72,500,000
Bonus Issue	NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS	
Total Liabilities	547,698,518
Total Assets	547,698,518
SOURCES OF FUNDS	
Paid-up Capital	78,365,650
Reserves & Surplus	375,106,685
Secured Loans	19,975,000
Unsecured Loans	50,190,000
APPLICATION OF FUNDS	
Net Fixed Assets	83,192,268
Investments	NIL
Net Current Assets	8,751,191
Misc. Expenditure	NIL
Accumulated Losses	431,693,876
Deferred Tax Asset/(Liabilities)	NIL
Capital Work in Progress	NIL
IV. PERFORMANCE OF THE COMPANY	
Turnover Including other income	99,833,368
Total Expenditure	68,374,246
Profit before tax	31,459,122
Profit after tax	31,293,679
Earnings Per Share (Rs.)	1.72
Dividend Rate (%)	NIL
V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY	
Item Code No.	847,100
Product Description	Computers
Item Code No.	847,180
Product Description	Mother Board

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED
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Dated : 28/05/2010

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Company Secretary

Sd/-
(SATISH CHAND)
Director

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

PARTICULARS	YEAR ENDED 31/03/2010	YEAR ENDED 31/03/2009
CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax as per P & L Account	31,459,122	(7,031,910)
Adjusted for		
Net prior Year Expenses	0	0
Extra Ordinary Item Not Reported being non cash items	0	0
Net Profit before tax and extraordinary items	31,459,122	(7,031,910)
Adjusted for		
Depreciation	6,880,799	6,979,221
Miscellaneous Expenditure written off	0	0
Profit on sale of Fixed Assets	(18,055,037)	0
Interest Received	(659,601)	(572,566)
Interest Paid	0	1,959,743
Interest adjusted on waiver	0	0
Operating Profit before working capital change	19,625,283	1,334,488
Adjusted for		
Trade & Other Receivables	(12,528,879)	11,390,019
Inventories	12,136,192	(8,412,942)
Trade Payables	(13,851,950)	30,397,837
	(14,244,636)	33,374,914
Cash Generated from Operation	5,380,647	34,709,402
Interest paid	0	(1,959,743)
Direct Taxes Paid/Adjusted	(795,959)	(71,317)
Cash Flow before extraordinary items	4,584,688	32,678,342
Net prior Year Expenses		
Net Cash from Operation Activities	4,584,688	32,678,342
Cash Flow from Investing activities		
Purchase of Fixed Assets including CWIP	(4,805,361)	0
Sales/Adjustment of Fixed Assets	21,879,500	0
Decrease in Investments due to written off	0	0
Interest received	659,601	572,566
Dividend Income	0	0
	17,733,740	572,566
Net Cash used in Investing activities	17,733,740	572,566
Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	0	(4,245,000)
Increase in Capital Reserves on Settlement with banks	0	0
Miscellaneous Expenditure incurred	0	0
Proceeds from Short Term Borrowings		
including Increase in liability due to interest accrual	0	190,000
Repayment of Long Term Borrowings	(23,020,000)	(27,500,000)
Short Term Loans Repaid	0	0
Dividend Paid (including Corp. Dividend Tax)	0	0
Effects of Exchange rate change	0	0
	(23,020,000)	(31,555,000)
Net Cash used in Financing activities	(23,020,000)	(31,555,000)
Net increase in Cash and Cash Equivalents (A+B+C)	(701,572)	1,695,907
Opening Balance of Cash and Cash Equivalents	8,734,722	7,038,815
Closing Balance of Cash and Cash Equivalents	8,033,150	8,734,722

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

FOR AND ON BEHALF OF THE BOARD

Place : New Delhi
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