

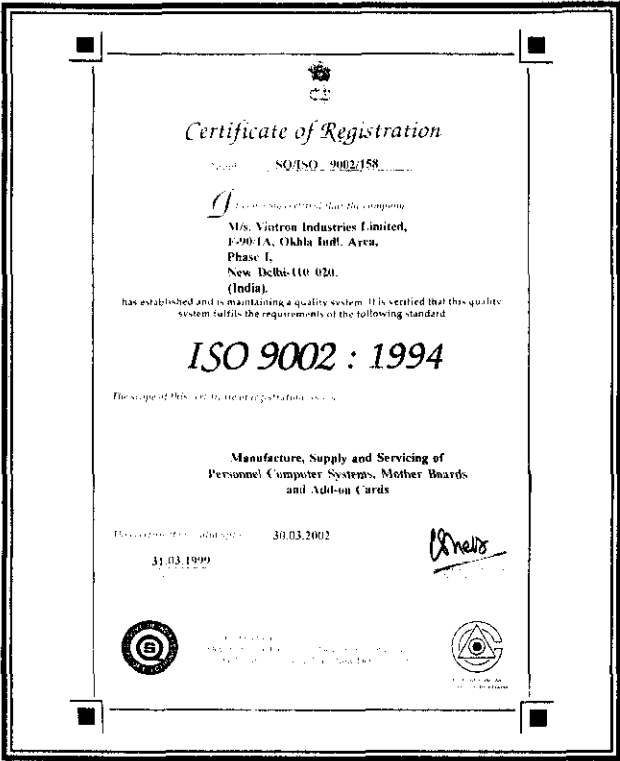
8TH ANNUAL REPORT 1998-99



VINTRON
INDUSTRIES LTD.



**QUALITY
RELIABILITY
TRUST**
FOR YOU



ISO 9002 CERTIFICATE



VINTRON INDUSTRIES LIMITED
Chairman & Managing Director

Shri R. K. Gupta

Directors

 Shri P. K. Mittal
 Shri Suresh Chauhan
 Shri Rajoo Doshi
 Shri Manish Agrewal

General Manager (Finance)

Shri Rajen Garg

Company Secretary

Shri Manoj Bangia

Auditors

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

Solicitor

Shri Om Prakash S. Shekhawat

Internal Auditors

M/s. S. Agarwal & Co.

Bankers

Oriental Bank of Commerce

Registered Office & Works

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

Distributors For

 Logitech Singapore Pte. Ltd.
 Motorola India Ltd.
 Hewlett - Packard India Ltd.
 Viewsonic International Corporation, Taiwan

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NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the members of Vintron Industries Limited shall be held on Tuesday, the 7th day of September 1999 at 9.30 A.M. at Shree Gujarati Samaj Samiti (Regd.), Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2, Raj Niwas Marg Delhi - 110 054 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 1999, the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To Declare Dividend on the Equity Shares, for the accounting year ended 31st March 1999.
3. To appoint a Director in place of Shri Manish Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R.K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **SPECIAL RESOLUTION :**

"RESOLVED THAT the subject to the approval of the Registrar of Companies (NCT of Delhi & Haryana) Pursuant to Section 21 of the Companies Act, 1956 the name of the company be and is hereby changed from M/s Vintron Industries Limited to M/s Vintron Informatics Limited.

RESOLVED FURTHER that the name Vintron Industries Limited where it occurs in the Memorandum & Articles of Association of the company be substituted by the name VINTRON INFORMATICS LIMITED."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION :**

RESOLVED THAT in supersession of the resolution passed by the members of the Company at the Annual General Meeting of members held on 30th September, 1997, the consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of all the immoveable and moveable properties of the Company wheresoever situate, present and future, and whole of the undertaking of the Company and/or conferring power to take over the management of the business and concern and undertaking of the Company in certain events [whether such power is contained in the documents creating the mortgage/Charge, or otherwise], in such manner as the Board may deem fit in favour of

- a) (i) the Industrial Finance Corporation of India Limited (I.F.C.I.) in connection with Rupee Term Loan not exceeding Rs. 6.00 Crores (Rupees Six Crores Only) and (ii) the Oriental Bank of Commerce (O.B.C.) for its term loan of Rs. One Crore and working capital facilities to the extent of Rs. 2150.00 Lakhs, lent and advanced/agreed to be lent and advanced by the I.F.C.I. and O.B.C. to the Company ; and
- b) any other Financial Institutions, banks including I.F.C.I. and O.B.C. or any other investing agencies/bodies, Trustees for the holders of debentures/bonds/other instruments which may be issued and subscribed by placement or otherwise, to secure rupee/foreign currency loans, debentures, bonds or other instruments of an equivalent aggregate amount not exceeding at any point of time to Rs. 50.00 Crores (Rupees Fifty Crores), including as mentioned in (a) above.



NOTICE (Contd.)

RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all arrangements/documents executed/to be executed and all acts done in terms of the above resolutions by and with the authority of the Board of Directors, are hereby confirmed and ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalize the terms and conditions of raising money from any or all of the aforesaid parties and to do all such acts, deeds, matters and things and to execute all such documents and writings as may be necessary in this regard.

**By order of the Board
FOR VINTRON INDUSTRIES LIMITED**

Place : New Delhi
Dated : 30th June, 1999

MANOJ BANGIA
COMPANY SECRETARY

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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 23rd day of August, 1999 to 7th day of September, 1999 (both days inclusive).
- (d) Dividend on shares as recommended by the Board of Directors, if declared, at the meeting will be paid to those shareholders whose name appear in the Register of Members as on 23.08.1999.
- (e) Documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days between 2.00 P.M. to 4.00 P.M. upto the date of Annual General Meeting.
- (f) Shareholders seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready at the Annual General Meeting.
- (g) With a view to provide protection against fraudulent encashment of dividend warrants, shareholders are requested to provide their bank account number, name & address of the Bank to enable the Company to incorporate the said details in the dividend warrants.
- (h) The members are requested to notify immediately any change in their address to the Company quoting their folio number.
- (i) Members are requested to bring their copies of Annual Report to the Meeting.
- (j) All correspondence relating to shares must be addressed to the Company at its Registered Office only.

Eighth Annual Report 1998-99**NOTICE [Contd.]****EXPLANATORY STATEMENT :**

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

Item No. 6

The present name is generic which by itself is not symbolic of the activities of the company is in as per its main Objectives as defined in its Memorandum of Association. Your Company is a renowned Company in the Hardware Industry, but its present name i.e. Vintron Industries Limited does not signify the true picture of the business being pursued by the Company since the word "Industry" is a very wide term and it covers and include the entire Industrial Undertakings. The present name does not clearly depict the Fact that Company belongs to the IT Industry. In view of the facts, given above the Board of Directors has proposed, subject to necessary approval, to change the name to VINTRON INFORMATICS LIMITED.

No Director is concerned or interested in the resolution.

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

Item No. 7

Under Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Company in General Meeting, lease, sell or otherwise dispose off the whole, or substantially the whole, of the undertaking of the Company. The Company in the General Meeting of members held on 30th day of September, 1997 authorised its Board of Directors under the provisions of this section to create mortgage and/or charges etc. against certain types of borrowings. However, in the present scenario, a number of instruments are available for raising loans or debt. The proposed resolution enables the Board to borrow and offer security on the assets and undertaking of the Company through other instruments also in an optimal manner so as to optimise financial leverage.

Your approval is Solicited for the proposed resolution in terms of the term loan availed by the Company from the industrial finance corporation of India limited and to further enable the Board to borrow from any other financial institution/agency and to offer security on the assets and undertaking of the Company, in future, as per the need and requirement, if any.

None of Directors is interested in the said resolution. Your Directors recommend this resolution.

**By order of the Board
FOR VINTRON INDUSTRIES LIMITED**

Place : New Delhi
Dated : 30th June, 1999

MANOJ BANGIA
COMPANY SECRETARY

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	Current Year	(Rs. in Lacs) Previous Year
Turnover & Other Income	8031.78	4431.77
Share of Profit in Partnership Firm	128.00	122.50
Gross Profit	261.49	201.47
Depreciation	34.03	32.64
Profit before Income Tax	227.46	168.83
Provision for Income Tax	25.00	11.00
Income Tax Adjustments	3.08	7.25
Profit after Tax	199.38	150.58
Surplus brought forward	616.84	466.26
Balance in Profit & Loss A/c	755.19	616.18

APPROPRIATIONS:

Transfer to General Reserve	10.00	--
Proposed Dividend	51.52	--
Corporate Dividend Tax	5.67	--

DIVIDEND

The Directors recommend that Dividend @10% be paid for the year ended 31st March, 1999 on equity shares.

PERFORMANCE & OPERATIONS

The Year 1998 - 99 was a reasonably good year for the Industry. Although with a good monsoon agricultural growth was robust, industrial production suffered because of demand recession in most of the Sectors of the Economy.

Your Company has achieved better results during the last Financial Year with Turnover and Profit after tax recording increase as compared to the previous year. Your Company has made a swift turn-around during the current financial year and has posted a positive growth of 84% in its turnover and with a corresponding increase in the Profits after tax by 28% as compared to the previous Year. The competition has been intense in the last year as well and the margins continue to be under pressure.

Your Company has received ISO 9002 certification from STQC Directorate (Accredited by the Dutch Council for Accreditation) for Manufacture, Supply and Servicing of Personal Computer Systems, Mother Boards and Add-on Cards.

Your Company is also eyeing at the export market by exporting hardware generated out of additional capacities created. The Management of Your Company is upbeat about the current year results with industrial scenario showing signs of recovery, IT industry being in the limelight apart from the fact that a major expansion project is on the way which is expected to be a good revenue contributor.

EXPANSION PROJECT - MOTHER BOARDS

Your Company has planned to create new capacities for production of Mother Boards and various types of add on cards. The project is already under implementation and it is likely to be commissioned by end of October 1999. The plant for this includes installation of a hightech Surface Mounting Technology (SMT) lines which will be used for assembling Mother Boards from components in CKD condition. The Plant capacity at 1.60 lakhs Mother Boards P.A. is very well planned since the Company already has ready market for selling a substantial part of this capacity. Also a sizeable amount shall be consumed in house in our own Personal Computer Systems. This project, when implemented is expected to improve bottom lines of the Company.

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DIRECTORS' REPORT [Contd.]

The above project has been funded mainly out of Rupee Term Loan assistance from IFCI. The Company has also availed a Term of Loan of Rs. 3.00 crores to fund long term working capital requirements from IFCI.

DIRECTORS

Shri Pankaj Tayal, Director resigned on 30th April, 1999 due to his preoccupation.

The Directors wish to place on record their appreciation for the valuable guidance and services rendered by Mr. Pankaj Tayal during his tenure as the Director.

Shri Manish Agrawal, Director and Shri R. K. Gupta, Director retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their 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.

AUDITORS

M/s. O.P. Bagla & Co., Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are recommended for re-appointment. The Company has received a certificate from them 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.

The Observation made by the Auditors of the Company are self explanatory and requires no clarification from your Directors.

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 provision contained u/s 217(2A) of the Companies Act, 1956.

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.

LISTING AGREEMENT

The Equity Shares of the company are listed on The Delhi stock Exchange Association Ltd. (Regional Stock Exchange), The Stock Exchange, Mumbai & The Calcutta Stock Exchange Association Ltd. There has been no suspension and/or de listing of the securities of the company on the above mentioned stock exchange(s) for the year 1998-99. The company has duly paid well in time the Listing Fees for the year 1999 - 2000 to the Stock Exchanges where the shares are listed.

Y2K AND ITS IMPLICATIONS TO YOUR COMPANY

There is no risk to your company due to Year 2000 (Y2K) bug in terms of any operating process, functions. Your company is sure to complete the process of Y2K compliance by 30th November, 1999. The approximate cost to the company to address the Y2K issue will be between Rs. 7.00 to 10.00 Lacs. The R & D Department of the company is competent enough to cope with contingency, if any that may arise due to system breakdown or any other failure due to Y2K problem.

ACKNOWLEDGMENTS

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Oriental Bank of Commerce, Industrial Finance Corporation of India Limited, Shareholders, Dealers and Vendors of the Company.

The Directors also wish to place on record their appreciation for the all round co-operation and contribution made by employees of the company at all levels.

For and on Behalf of the Board

Place : New Delhi
Date : 30th June, 1999

R. K. Gupta
Chairman & Managing Director