

Vintron

Vintron Informatics Limited



26th Annual Report 2016-2017

BOARD OF DIRECTORS

Shri Raj Kumar Gupta, Chairman & Whole Time Director

Shri Arvind Sharma, Managing Director

Shri Varun Gupta, Whole Time Director & CEO

Shri Jagdish Singh Dalal, Independent Director

Shri Satish Chand, Independent Director

Mrs. Neelam Anand Sexena, Independent Director

COMPANY SECRETARY

Ms. Kajal Gupta

CHIEF FINANCIAL OFFICER

Shri Dinesh Kumar Gupta

STATUTORY AUDITORS

M/s. APAS & Co.

8/14, Kalkaji Extension, New Delhi - 110019

INTERNAL AUDITORS

M/s. S. Agarwal & Co.

123, Vinoba puri, Iajpat Nagar-II

New Delhi - 110024

SECRETARIAL AUDITORS

M/s. Mahesh Gupta & Co.

Chamber No. 110, Wadhwa Complex,

D-288-289/10, Laxmi Nagar, Delhi - 110092

SHARE TRANSFER AGENT

M/s. Skyline Financial Services Pvt. Ltd.

D-153/A, First Floor

Okhla Industrial Area, Phase-I

New Delhi - 110020

BANKERS

HDFC Bank Limited

Plot No. 4, Capital Trust House-II

Maa Anandmayi Marg,

Okhla Indl. Area Phase-II

New Delhi - 110020

Registered Office & Works :

F-90/1A, Okhal Industrial Area,

Phase-I, New Delhi - 110020

CIN: L72100DL1991PLC045276

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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with Audited Financial Statements which includes Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company for the year ended on 31st March, 2017.

BUSINESS AFFAIRS & PHILOSOPHY

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

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 (including Job work)	2,215.62	1,470.56
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	(758.17)	(93.32)
Depreciation	80.25	79.64
Interest and Financial Charges	82.34	85.61
Profit/(Loss) before Extra-ordinary Items	(920.76)	(258.57)
Extra Ordinary Items Written Off	0.00	0.00
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	(920.76)	(258.57)
Income Tax Adjustments	0.00	0.00
Profit/(Loss) after Tax	(920.76)	(258.57)
Surplus brought forward	(3,967.22)	(3,708.65)
Balance in Profit & Loss A/c	(4,887.98)	(3,967.22)

Despite of all the constraints including non-adequate working capital and inability of the Company in raising fresh funds because of the recent rehabilitation from sickness of the Company in the recent past, the Company and its Directors have made all attempts and efforts to optimally utilize all the resources available at their disposal, however, due to limitation and constraints upon the available working capital coupled with the unfavourable market condition, the financial result of the Company for year under consideration has been negative. Although, the revenue of the Company has increased by 50.67% whereas the operational result has decreased substantially as compared to the last year with the same resources thereby incurring a net loss of Rs. 9.21 Crores, resulting thereby the accumulated losses of the company has exceeded the entire networth of the company during the past few years.

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

DIRECTORS' REPORT Contd.

TRANSFER TO RESERVES

No amount has been transferred to general reserves during the year under review.

DIVIDEND

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company continues to have excellent employee relations. Your Directors acknowledge and thank the employees for their continuous support. The Company has strong commitments to follow the best of the HR practices and believes in up-lifting the overall competence of its employees through regular training, workshops and seminars. The total number of employees and workforce at the end of the year was 161 as against 201 employees including permanent and irregular work force at the end of the previous year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information in respect of conservation of energy, technology absorption, and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure-1

FIXED DEPOSITS

The Company has neither invited nor accepted any deposits from public within the meaning of the Companies (Acceptance of Deposit) Rules, 2014, during the last financial year.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

CHANGES IN THE COMPOSITION OF BOARD

There is no change in composition of the Board during the year under review.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri Varun Gupta, 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. Consequent upon re-appointment he will continue to be the Whole Time Director of the Company for the remaining period of his appointment.

Brief resume of the above Director proposed to be appointed / re-appointed, nature of his expertise in specific functional areas, as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are given in the notes to the Notice convening the Annual General Meeting.

EVALUATION OF THE BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board based on the criteria laid down by Nomination and Remuneration Committee which includes attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, adherence to Code of Conduct and business ethics, monitoring of regulatory compliance, risk management and review of internal control system etc.

DECLARATION UNDER SECTION 149 (7) OF THE COMPANIES ACT, 2013

The Board hereby declares that Shri Jagdish Singh Dalal, Shri Satish Chand and Mrs. Neelam Anand Saxena (appointed in place of Mrs. Tripti Pande Desai) are the Independent Directors on the Board of Directors of the Company and they, in the opinion of the Board, are the persons of the integrity and possess relevant expertise and experience. They are neither promoter of the Company nor its holding, subsidiary or associate Company. It is further declared that they are not related to any promoter or Director in the Company, its holding, subsidiary or associate Company.

The aforesaid independent Directors neither directly nor through any of their relatives, has any pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors during two immediately financial years or during the current financial year.

All the Independent Directors have given Declarations that they meet the criteria of Independence as laid down under section 149(6) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' REPORT Contd.

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 134 OF THE COMPANIES ACT, 2015

On the basis of the discussions with the Statutory Auditors / Internal Auditors of the Company from time to time, and as required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

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

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 read with Illustration-II under Rule 6 of the Companies (Audit and Auditors) Rules, 2014, the term of M/s. O. P. Bagla & Company, Chartered Accountants (Firm Registration No.000018N), New Delhi, as the Statutory Auditors of the Company expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors of the Company at their meeting held on 8th July, 2017, on the recommendation of the Audit Committee, have made its recommendation for appointment of M/s. APAS & Co., Chartered Accountants (Firm Registration No. 000340C) as the Statutory Auditors of the Company by the Members at the 26th Annual General Meeting of the Company for an initial term of 5 years. Accordingly, a resolution, proposing appointment of M/s. APAS & Co., Chartered Accountants (Firm Registration No. 000340C), as the Statutory Auditors of the Company for a term of five consecutive years i.e. from the conclusion of 26th Annual General Meeting till the conclusion of 31st Annual General Meeting of the Company pursuant to Section 139 of the Companies Act, 2013, forms part of the Notice of the 26th Annual General Meeting of the Company. The Company has received their written consent and a certificate that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder. The Report given by M/s. O. P. Bagla & Co., Chartered Accountants (Firm Registration No. 000018N), Statutory Auditors on the financial statement of the Company for the year 2016-17 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

The Report of the Auditors on the financial statements including relevant notes on the accounts for the Financial Year ended 31st March, 2017 are self-explanatory and therefore do not call for any further comments.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit has been carried out by M/s. Mahesh Gupta & Company, Practicing Company Secretary, and his report is annexed as Annexure-2.

INTERNAL AUDITORS

The Board of Directors of your Company has re-appointed M/s. S. Agarwal & Company, Chartered Accountants, New Delhi (Firm Registration No.000808N) as Internal Auditors pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2017-2018.

STATUTORY AUDITORS' REPORT

The Independent Statutory Auditors' Report to the members together with Accounts for the year ended on 31st March 2017 and Notes thereon is attached, which are self-explanatory.

SECRETARIAL AUDITOR'S REPORT

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Mr. Mahesh Kumar Gupta, Proprietor of M/s. Mahesh Gupta & Company, Practicing Company Secretary in whole time practice to undertake the secretarial audit of the Company for the financial year ended on 31st March 2017. The report of secretarial auditor is annexed herewith have observed the following qualifications:

DIRECTORS' REPORT Contd.

1. The promoter's holding is more than 75% and SEBI has issued an order dated 2nd September, 2014 against the Company, its Directors, Promoters and promoters' group under section 19 of the Securities and Exchange Board of India, 1992 read with section 11(1), 11(2)(i), 11(4) and 11B thereof and section 12A of the Securities Contracts (Regulation) Act, 1956 for non compliance of minimum public shareholding (MPS) norms as stipulated under Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **(MINIMUM PUBLIC SHAREHOLDING COMPLIANCE HAS DONE BY COMPANY UNDER THIS AUDIT PERIOD BY WAY OF OFS DONE ON 28.02.2017 TO 01.03.2017 AND 22.03.2017 TO 23.03.2017)**
2. *As per Sub-regulation 1 of regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company shall appoint a qualified Company Secretary as the compliance officer but Company has appointed Mr. U. S. Lakhera as the compliance officer of the Company instead of Ms. Kajal Gupta, Company Secretary.*
3. *As per Sub-regulation 2 of regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 100% shareholding of promoter(s) and promoter group shall be in dematerialized form but VINTRON COMPUTERS PVT LTD (Promoter Company) holds 900 shares in physical form.*

DIRECTORS VIEW ON AUDITORS OBSERVATIONS

There is no adverse observation in the Statutory Auditors' Report which needs any comments on the part of the Directors. The queries raised by the Statutory Auditors have been explained to the satisfaction of the Statutory Auditors. The Statutory Auditors' Report is self explanatory.

In accordance with Section 134(3)(f) of the Companies Act, 2013, response to the abovementioned observations in the Secretarial Audit Report are as under:

- 1) The Directors, Promoters and Promoters Group have complied with the provisions of Minimum Public Shareholding (MPS) before 31.03.2017 by way of OFS done on 28.02.2017 to 01.03.2017 and 22.03.2017 to 23.03.2017 and maintained the promoters shareholding to the level of 75% as required under section 19 of the Securities and Exchange Board of India, 1992 read with section 11(1), 11(2)(i), 11(4) and 11B thereof and section 12A of the Securities Contracts (Regulation) Act, 1956 for non compliance of minimum public shareholding (MPS) norms as stipulated under Rule 19(2)(b) and 19A of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intimated the SEBI and the concerned stock exchanges accordingly.
- 2) Mr. U. S. Lakhera, Manager-Secretarial/Administration of the Company has been associated with the secretarial functions of the Company since 1993 and is well versed with the secretarial records, stake holders and other compliance related activities including public relation with the shareholders. Under his able control of compliances, the Company has been able to succeed in redressing all the grievances of the shareholders as arisen from time to time and therefore, it was considered that he should continue to be the Compliance Officer.
- 3) The demat account(s) of the promoters were ISIN level freeze by virtue of Order passed by the Hon'ble Members of the SEBI vide dated 04.06.2013 due to non-compliance of minimum public shareholding by the Company/promoters of the Company. Hence, the Company and its promoters have now complied with norms of the MPS, the demat account of M/s. Vintron Computers Private Limited is still suspended for debit / credit under ISIN level freeze. The promoter group Company M/s. Vintron Computers Private Limited shall get the balance 900 shares dematerialized as and when the aforesaid stay is vacated on the instructions of SEBI / Depositories.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of 134 and 197(12) of the Companies Act, 2013, read with Rule 5(1) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in Annexure-3. Further that Rule 5(2) and 5(3) are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

With the enactment of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with the various clarifications issued by the Ministry of Corporate Affairs. As per the Financial Statements attached hereto, the contents of Section 135 are not applicable to the Company.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate

DIRECTORS' REPORT Contd.

safeguards against victimization of Directors and Employees who avail the mechanism. In exceptional cases, Directors and Employees have direct access to the Chairman of the Audit Committee of the Board. The whistle blower policy is available at the Company's website http://vintroninformatics.com/wp-content/uploads/2016/09/Whistle-Blower-Policy_Final.pdf

NOMINATION AND REMUNERATION POLICY

The Company follows a policy on nomination and remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee of the Board. More details in this respect are prescribed in the Corporate Governance Report.

CORPORATE GOVERNANCE

A separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report as Annexure-4 and the certificate from M/s. APAS & Co., Statutory Auditors of the Company confirming compliance with the requirements of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as annexure-5.

LOANS & INVESTMENT BY THE COMPANY

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

RELATED PARTY TRANSACTIONS

The Board declares that it has not entered into any contract, transactions or arrangement with any related party with respect to any sale, purchase or supply of any goods, material, property, services, appointment of agent(s), underwriting the subscription of any securities or derivatives of any Company or for appointment to any office or place of profit in the Company, its subsidiary or associate Company. The policy in respect of Related Party Transactions is disseminated on the Company's website http://vintroninformatics.com/wp-content/uploads/2016/09/RELATED-PARTY-TRANSACTIONS-POLICY_FINAL.pdf

AUDIT COMMITTEE

During the year all the recommendations of the Audit Committee were accepted by the Board. The Composition of the Audit Committee is as described in the Corporate Governance Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form_MGT-9 is annexed herewith as Annexure-6.

MEETINGS

During the year five (5) Board Meetings and five (5) Audit Committee Meetings were convened and held. The details of which are given in Corporate Governance Report.

MATERIAL CHANGES AFFECTING FINANCIAL POSITIONS OF THE COMPANY

No material changes have occurred and commitments made, affecting the financial position of the Company, between the end of the financial year of the Company and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There is no order passed by any regulator or Court or Tribunal against the Company, impacting the going concern concept or future operations of the Company.

LISTING FEES

The Equity Shares of the Company continue to be listed at the Stock Exchange(s) of Bombay and Calcutta, and as on the date of signing of this report, the listing fees for all Stock Exchanges is yet to be paid for the current financial year i.e. 2017-2018. 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.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment of women employee(s). There were no complaint received from any employee during the financial year 2016-2017 and hence no complaint is outstanding as on 31.03.2017 for redressal.

DIRECTORS' REPORT Contd.

MANAGEMENT DISCUSSION & ANALYSIS

OUTLOOK

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

OUTLOOK ON THREATS, RISKS AND CONCERNS

The Company has an integrated approach to managing the risks inherent in various aspects of its business. As a part of this approach, the Board of Directors is responsible for monitoring risk levels on various parameters, and the Board of Directors supported by professionals in various fields is responsible for ensuring implementation of mitigation measures, if required. The Audit Committee provides the overall direction on the risk management policies. The over all economic environment will have a strong bearing on how things shape in the coming years. Falling prices of the electronic products due to increasing competitiveness with the introduction of multiple variants in each product are potential risks. The over all Industrial and Business sentiment has been low during the last financial year. Your Company, therefore has planned to introduce high quality technically advanced gadgets in the Company's product basket once it meets the working capital requirement to start its operations in full capacity, which will expedite its revival scheme. The Company has already ventured into manufacturing and dealing of high quality CCTV cameras and Digital Video Recorders (DVR) meant for CCTV Cameras. Your Company, however, is confident that with further improvement in quality, competitively priced products and their utility, it will be able to expand its market share.

SEGMENT WISE PERFORMANCE

The Company has been operating in the electronic industry and dealing and manufacturing only electronic products including Security & Surveillance related electronic equipments. The Company's products are mainly electronic and therefore there is a single segment of operation. In view of the same, segment wise reporting is not required.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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)

Place: **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date : **11th August, 2017**

Chairman & Whole Time Director
DIN: 00019125

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-1

INFORMATION AS PER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2017.

A. CONSERVATION OF ENERGY

Your Company is not covered under Industries, which are required to furnish the information in Form-A under Section 134 (3) (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014. The consumption of energy in the operation of the Company is not significant. However, the Company has taken all steps to optimise the use of energy through improved operational methods.

B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R & D)

Specific areas in which R & D is carried out by the Company	:	R & D is carried out for improvement in production process and quality of products.
Benefits derived as a result of the above R & D	:	The products have found better acceptability in the market.
Future plan of action	:	The Company is carrying on R & D to enhance the product features and improve their quality.

Expenditure on R & D

- Capital	:	NIL
- Recurring	:	NIL
- Total	:	NIL
- Total R & D expenditure as a percentage of total turnover	:	NIL

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

None

D. 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 raw material/Stores/finished goods etc. including travelling expenses for amount aggregating to Rs.1,377.50 Lacs as compared to Rs. 584.77 Lacs during the previous year.

By order of the Board
FOR VINTRON INFORMATICS LIMITED

Sd/-
(RAJ KUMAR GUPTA)

Place : **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date : **11th August, 2017**

Chairman & Whole Time Director
DIN: 00019125

ANNEXURE-2

To
The Members
VINTRON INFORMATICS LIMITED
F-90/1A, Okhla Industrial Area
Phase-I, New Delhi-110020

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VINTRON INFORMATICS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ANNEXURE TO DIRECTORS' REPORT Contd.

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable as the Company did not issue any securities during the financial year under review.**
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not Applicable as the Company has not granted any Options to its employees during the financial year under review.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable as the Company has not issued any debt securities during the financial year under review.**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- **Not Applicable as the Company is not registered as Registrars to an Issue and Share Transfer Agents during the financial year under review.**
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **The Company had applied for delisting with Delhi Stock Exchange (DSE) as per BIFR order dated 2nd June, 2009.**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) The management has identified and informed the following laws as being specifically applicable to the Company:
 - 1. Factories Act, 1948
 - 2. Employee's Provident Fund and Miscellaneous Provisions Act, 1952
 - 3. Payment of Wages Act, 1936
 - 4. Payment of Gratuity Act, 1972

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreement entered into by the Company with Stock Exchange (s) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned except those mentioned in **Annexure-A**:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee meetings are carried out unanimously and the views of dissenting members, if any, are captured and recorded as part of the minutes of Board of Directors or committees of the Board, as the case may be.

We further report that based on the compliance mechanism established by the Company and on the basis of the Certificates issued by the Departmental Heads of the Company taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. above have taken place.

For Mahesh Gupta and Company
Company Secretaries

Sd/-

MAHESH KUMAR GUPTA

Proprietor

Place : **Delhi**
Date : **11th August, 2017**

FCS No.: 2870; C P No.: 1999