

Vintron®

12th Annual Report 2002-2003

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VINTRON INFORMATICS LIMITED



QUALITY POLICY

"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."

(Raj Kumar Gupta)

Chairman & Managing Director

Chairman & Managing Director

Shri Raj Kumar Gupta

Directors

Shri Suresh Chauhan

Shri Raj Roop Doshi

Shri Manish Agrawal

Shri Narsingh Awatar

Shri Ravinder Singh Dugal

Shri Shiv Kumar Singhania

Shri Jagdish Singh Dalal

Company Secretary

Shri Nagendra Kumar

Statutory Auditors

M/s. O. P. Bagla & Co., New Delhi

Internal Auditors

M/s. S. Agarwal & Co., New Delhi

Solicitor

Shri Om Prakash S. Skekhawat

Share Transfer Agent

M/s. Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II,

New Delhi - 110024

Bankers

Oriental Bank of Commerce

ICICI Bank Ltd.

Registered Office & Works

F-90/1A, Okhla Industrial Area,

Phase-I, New Delhi - 110020

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12th ANNUAL REPORT 2002-2003**NOTICE**

Notice is hereby given that the **Twelfth Annual General Meeting** of the members of Vintron Informatics Limited shall be held on Monday, the 30th day of June 2003 at 10.00 A.M. at Shree Delhi Gujarati Samaj (Regd.), Mahatma Gandhi Sanskritik Kendra, MPCU Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110054 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2003, the Profit & Loss Account for the year ended on that date, Auditors Report thereon and the Directors' Report annexed there to.
2. To appoint a Director in place of Shri Raj Roop Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
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 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 224A of the Companies Act, 1956, M/s. O. P. Bagla & Company, Chartered Accountants, be and are hereby re-appointed as 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."

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Shri Shiv Kumar Singhania, who was appointed as an Additional Director of the Company with effect from 30th day of October 2002 and who holds charge upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:
 "RESOLVED THAT Shri Jagdish Singh Dalal, who was appointed as an Additional Director of the Company with effect from 30th day of October 2002 and who holds charge upto the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member as required under Section 257 of the Companies Act, 1956, proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:
 "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read together with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (as amended and prevailing for the time being) or any other law in force, the consent of the Company be and is hereby accorded to the re-appointment of Shri Raj Kumar Gupta as Chairman & Managing Director of the Company for another period of five years with effect from 1st day of April 2003 on the following terms and conditions:

Salary: Rs.30000.00 per month

Housing: The expenditure incurred by the Company on hiring unfurnished accommodation subject to ceiling of 50 % of Salary OR

In case no accommodation is provided by the Company, House Rent Allowance shall be paid @ 50% of Salary.

Medical Reimbursement: Expenses incurred on Self and family subject to one month's salary in a year or three months salary over a period of three years.

Leave Travel Concession: Entitled to travel with family once in a year subject to a ceiling of one month's Salary

Club Fee: Fees of Clubs subject to maximum of two clubs excluding admission and life membership fee.

Personal Accident Insurance: Premium not exceeding Rs.4000/- per annum

Explanation: Family shall mean to include the spouse, dependant children, and dependant parents of the appointee

Contribution to Provident Fund: As per policy of the Company.

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

Telephone: Provision of telephone at the residence with personal long distance calls to be billed by the Company to the appointee.

NOTICE Contd.

Electricity Bill: Payment of electricity bill of the residence on actual basis.

Conveyance: Provision of Car with driver for the use on Company's business. The use of Car for personal purposes shall be billed by the Company to the appointee.

Commission: The Commission on Net Profit to be paid @ 1% on the Net Profit of the Company, computed as per Section 349 & Section 350 of the Companies Act, 1956. The Commission will be payable with effect from 1st day of April 2003.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year, the above shall be treated as the minimum remuneration payable to Shri Raj Kumar Gupta and shall be governed by Section II of Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary, on recommendation of the Remuneration Committee, any of the aforesaid terms in regard to remuneration and perquisites within the ceiling laid down in Schedule XIII to the Companies Act, 1956 as amended from time to time."

"RESOLVED FURTHER THAT for giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be deemed necessary."

By order of the Board
For Vintron Informatics Limited

Place:

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

New Delhi-110020

Date: 15th May 2003

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director

NOTES:

- 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.
- The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 is annexed.
- The documents referred to in the Notice and the Explanatory Statement 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. upto the date of Annual General Meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd day of June 2003 to 30th the day of June 2003 (both days inclusive).
- 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 Raj Roop Doshi, aged about 50 years, is a graduate in Commerce and Law from Calcutta University. He has an experience of more than 27 years and is engaged in import and marketing of electronic components. He has been associated with the Company since May 1992.

Shri Manish Agrawal, aged 35 years is a Graduate in Engineering from Nagpur University, and has an experience of over 14 years in the field of Computer Industry. Since 1992, he has been associated with this Company, and gained wide experience in Personal Computers and Computer Peripheral Industry. Under his able leadership, the operations of the Company have reached to a level of national brands in the Country in the areas of Personal Computers and Computer Peripherals.

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. 5

Shri Shiv Kumar Singhania was appointed as an Additional Director on 30th day of October 2002 by the Board of Directors in their meeting held on 30th day of October 2002. In terms of the provisions of the Companies Act, 1956, he holds office upto the date of the Annual General Meeting. Shri Shiv Kumar Singhania is eligible for appointment as Director and in respect of whom a notice has been received from a member of the Company notifying his intention of proposing his name for appointment as a Director at the Annual General Meeting.

Shri Shiv Kumar Singhania is a graduate from Pt. Ravi Shanker University, Madhya Pradesh. During his long working experience of more than 25 years, he has been associated in various line of activities including forest and forest produce, international trade and commerce and for last 10 years he has been actively involved in the business of Computers and

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Computer Peripherals in IT Industry. During his last 10 years of association with IT Industry, he has gained deep inside knowledge of IT Industry and contributed in various ways to electronics and computer technology industry. In view of his varied experience, it is in the interest of the Company to appoint Shri Shiv Kumar Singhania as a Director of the Company. None of the Directors except Shri Shiv Kumar Singhania himself is interested in the said appointment.

The Board recommends the passing of Resolution covered under item No.5 of the Notice read with the explanation given above.

Item No. 6

Shri Jagdish Singh Dalal was appointed as an Additional Director on 30th day of October 2002 by the Board of Directors in their meeting held on 30th day of October 2002. In terms of the provisions of the Companies Act, 1956, he holds office upto the date of the Annual General Meeting. Shri Jagdish Singh Dalal is eligible for appointment as Director and in respect of whom a notice has been received from a member of the Company notifying his intention of proposing his name for appointment as a Director at the Annual General Meeting.

Shri Jagdish Singh Dalal, a Master in Military Science from Madras University is a retired Govt. servant. He has worked with Indian Air Force as a Pilot Officer and Air Commodore till October 2000. During his period of employment with the Indian Air Force, he has handled very challenging and responsible assignments during his tenure of service. He has commanded major equipment Depots and been Director-Purchase in Air HQ involving Foreign and Indigenous purchases. He has also been Director-Maintenance & Admn. involving financial responsibilities and he has been awarded "Vishisht Sewa Medal" and "Ati Vishisht Sewa Medal" by the President of India for his services of highest order. He has got specialization in inventory management, control of equipments and spares, personnel management, planning & control of funds and budgeting etc. In view of his varied experience it was considered important in the interest of the Company to appoint Shri Jagdish Singh Dalal as a Director of the Company to avail the benefits of his wide and varied experience.

None of the Directors except Shri Jagdish Singh Dalal himself is interested in the said appointment.

The Board recommends the passing of Resolution covered under item No.6 of the Notice read with the explanation given above.

Item No. 7

The members in their Seventh Annual General Meeting held on Tuesday, the 29th of September 1998 had approved the appointment of Shri Raj Kumar Gupta, Chairman & Managing Director of the Company pursuant to provisions of Section 269 read with Schedule XIII of the Companies Act, 1956. Considering the increased responsibility relating to diversification and expansion activities of the Company, being undertaken by Shri Raj Kumar Gupta, Chairman & Managing Director of the Company and inflationary trends resulting into higher cost of living, his remuneration was revised in Extra-ordinary General Meeting held on 23rd day of December 1999. His tenure of appointment expires on 31st March 2003. Considering his contribution to the Company, the Remuneration Committee of the Board of Directors, in its meeting held on 24th day of March 2003 have considered and approved the re-appointment of Shri Raj Kumar Gupta, Chairman & Managing Director for another period of five years with effect from 1st day of April 2003 on the same terms and conditions prevailing in his current tenure. The terms and conditions and remuneration have not been increased in view of the current state of economy in Computer Hardware Industry. His appointment has also been approved by the Board of Directors. His appointment, if approved by the shareholders, shall be in accordance with the provisions of Section 198, 269, 309 and 310 read together with Schedule XIII to the Companies Act, 1956.

The Board recommends the passing of Resolution covered under item No.7 of the Notice read with the explanation given above.

None of the Directors except Shri Raj Kumar Gupta, Chairman & Managing Director of the Company are interested or concerned, in any way, in the Resolution covered under Item No.7 of the Notice.

By order of the Board
For Vintron Informatics Limited

Place:

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

New Delhi-110020

Date: 15th May 2003

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director

DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Twelfth Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2003.

BUSINESS PHILOSOPHY

We are passing through a phase where unprecedented events have affected the global economy and the recessionary trends are prevalent all over the world. This has forced all the big corporations around the world to change their business strategies in order to face this challenge. We at Vintron have also decided to stage a V shape recovery of our operations all over the Country by resorting to effective cost saving measures and by shedding the excess flab to streamline the operations of the Company.

The Company has decided to continue with its policy of creating superior value for the customers by building superior products and providing accident services.

OUTLOOK

Financial Year 2002-2003 has an extremely challenging year for the over all economy and there are as yet no indications of a quick recovery in Financial Year 2003-2004. Although IDC has predicted a growth of 22.4% in PC sales for the year 2003-2004, the turn around is mainly attributed to increased consumption by telecom, banking, financial services, manufacturing, IT enabled services and government demand and the assembled PC market is accounting for 48% of the total market sales. Similarly, the Indian brands have marginally improved their market share but the household demand in PC market have declined by 1% as compared to the last year. Further, the increased demand in sales is mainly due to the desktop and notebook market. The consumer goods and non-durable sectors were adversely affected with negligible demand growth due to the international factors also as Afghanistan War and lately the cloud of Iraq War at the end of the financial year 2002-2003. Under these circumstances, economy indicators and business confidence in India and around the world point to a restricted growth environment in the near term. As your Company operates in SOHO market, the product of your Company is mostly serving the end-users, and hence, sentiments of consumers have affected performance of your Company to a large extent.

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	4651.09	13252.35
Share of Profit in Partnership Firm	(116.33)	(366.62)
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	(580.13)	(279.74)
Depreciation	86.45	81.51
Interest and Financial Charges	631.58	562.47
Profit/(Loss) before Income Tax	(1414.50)	(923.72)
Provision for Income Tax (Net)	(19.21)	(16.09)
Profit/(Loss) after Tax	(1433.70)	(939.81)
Surplus brought forward	46.12	1100.12
Balance in Profit & Loss A/c	(1387.59)	16.12
APPROPRIATIONS:		
General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Corporate Dividend Tax	0.00	0.00

Although, growing dependence on Information Technology and extensive use of Personal Computers both at commercial as well as domestic level has contributed to a phenomenal growth of Computer Industry but a decline in SOHO market is reported and the Afghanistan war as well as cloud of Iraq War has contributed a large scale uncertainty in consumers leading to restricted spending sentiments which all has resulted into poor performance of your Company. This situation has been further aggravated due to increased competition from international brands as well as assemblers' segment on the one hand and hair thin margins on the other. Quick downward price revision in the Personal Computer components segment has contributed to a large extent in the poor performance of the Company by giving two side effects on the operational result of the Company. At the one hand, it has resulted into the accumulation of outdated inventory due to fast changing technological innovations and on the other hand increased cost of the material consumed due to long gap between order placement and components being used in the product and sold. Further, as reported by MAIT, the last fiscal was not a good year for the PC industry because sales were not forthcoming from the traditional sectors such as manufacturing. Even the government and software sector did not buy as much as it has in previous years.

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DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.

However, out of all odds, the Company has shown a positive sign in the international market for the first time and the products of your Company has been appreciated in the international market. The Company has supplied first consignment of Personal Computers to be exported to Afghanistan after the Afghanistan war. The Government of Afghanistan have selected our Personal Computers to be established during reconstruction of Afghanistan than and networking is already in progress. Further, the Company has been putting all its effort to concentrate in its strength areas like mother boards, add on cards and SMT job works. In view of the strategy adopted by the management of the Company to reduce and keep within control the overheads with increased efficiency, it is believed and the management is confident that the Company shall come out of red and move forward in the profit direction.

With the financial result of this year i.e. year ended 31st March 2003 the Company's accumulated losses of the Company has exceeded its entire peak networth of the Company during the last five years and as the Company have also incurred losses in the financial year preceding this financial year, the Company has become a Sick Industrial Company under the provisions of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 and therefore, in view of the provisions of Section 15 and other applicable provisions, of the said Act, the Board of Directors of the Company has formed its opinion that the Company has become a Sick Industrial Company and therefore, a reference to the Board of Industrial and Financial Reconstruction needs to be made under the provisions of SICA, 1985.

However, in spite of all the odds, your management is confident that the Company, with its products, quality, marketing strength and other infrastructure facilities is once again bound to come out of the red and move forward in a positive direction. With this commitment to the investors, work force and society at large, the management reassures you about the potential of the Company and expresses its gratitude for the confidence reposed in it.

DIVIDEND

Considering the results of the Company into losses, the Board has not recommended dividend on shares.

INDUSTRY STRUCTURE AND DEVELOPMENT

Even though, IDC forecasts a 22.2 % growth in India in PC market but due to severe competition and erosion in selling prices, there has been no growth in value terms. In the Personal Computer market, the real flat segment and Notepad segment has out grown the over all pace of growth in the other segments of Personal Computers. However, considering the forecast in respect of Hardware Industry in view of over all growth in the consumer segment (SOHO Market) the Personal Computer and Peripheral segments still holds ground, and foresees remarkable growth in next five to ten years.

PROSPECTS

The current financial year is a very crucial and promising year for the Company. There are plans for registering appreciable growth in top lines as well as bottom lines. Quantities of PCs as well as peripherals are likely to witness sizeable growth. In addition to the above, the emphasis on job work to utilize the capacity in its full, the Company is confident to give a remarkable result in the years to come. Your Company is also making vigorous efforts to enter the high-profile area of software development. This activity is a knowledge-based phenomenon, highly dependent on human factor and extensively tech-savvy. Hence, your Company is proceeding cautiously in this area.

OUTLOOK ON THREATS, RISKS AND CONCERNS

The Company has an integrated approach to managing the risks inherent in various aspects of its business. As 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. Political uncertainty and the devaluation of Rupee vis-à-vis Dollar are potential risks. The over all Industrial and Business sentiment is not very buoyant. Your Company, however, is confident that with the launch of high quality, competitively priced products, we will be able to expand our market share.

The Company has started taking more serious view on inventory management and debtors' management, as these areas have become all the more important in recent times. It has been clearly established that low inventory level and fast debtors turn over has become the need of the time and as technological development are taking place day and night, to operate in electronic and compute hardware industry, it is most important that the inventory carrying should be brought to the bare minimum. The management is taking all care in this direction and is expected to give positive result very soon.

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 there for 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

DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.

Company's Internal Auditors. The Company regularly validates its major IT enabled business applications for their integrity, control and quality of functionality. 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.

The total number of employees at the end of the year was 163 as against 266 employees 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 Raj Roop Doshi and Shri Manish Agrawal, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment. During the year under review, Shri P. K. Mittal resigned from the Office of the Director due to his pre-occupation, and the vacancy caused by his resignation was filled by the appointment of Shri Shiv Kumar Singhania as additional Director. In addition to the existing Directors on the Board, Shri Jagdish Singh Dalal was appointed as an Additional Director on the Board of the Company to further broad base the board and pursuant to provisions of Section 257 of the Company, notices in writing has been received from the members of the Company proposing their candidature to hold the office of the Director. The Board recommends their 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 VSOFT 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. Such Company was incorporated in February 2001, and there has been no change of interest of your Company. The said subsidiary Company had started business only during end of calendar year 2001 and earned a total income of US\$ 114,766 and earned net profit of US\$ 4469 after writing off total expenses/deductions during calendar year 2002. The resultant net profit of US\$ 4469 has been adjusted against the previous losses. These figures have been taken from the copy of Tax Return filed with US Revenue Department and supplied by the subsidiary Company.

AUDITORS

The Auditors of the Company M/s. O. P. Bagla & Company, Chartered Accountants, retire and offer 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 2003 and Notes thereon is attached, which are self-explanatory.

DIRECTORS VIEW ON AUDITORS OBSERVATIONS

Management response to the various observations of the auditors, even though explained wherever appropriate in the notes to the Accounts, is reproduced in compliance with the relevant legal provision.

1. *Slow moving/Non moving inventories are valued at cost because in terms of warranty the spares are used at the cost basis only and billed accordingly to the customers. However, there are certain items which are kept only as back up for the service centre and replacement of old systems as in case of old systems components are not easily available in the market because of being very fast changing and upgrading technology industry. Out of the same there are certain inventories which are almost outdated and the realizable value of the same are almost negligible.*
2. *The Company has been accounting on going concern basis and the fixed assets which are taken unserviceable are proposed to be used by the Company in its operation shortly. The management has taken a view that the said fixed assets shall be charged depreciation as per the provisions of The Companies Act, 1956 when brought into use.*
3. *The valuation of stocks of software has been taken as it was during the close of last financial year, because during the financial year under review no fresh software has been developed. However, recently the Company has received communications from the dealers associated with selling those software packages that the software has started generating interest of the buyers and it will be sold at the prices taken in the books very shortly.*

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DIRECTORS' REPORT & MANAGEMENT DISCUSSION & ANALYSIS Contd.

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.

LISTING FEES

The Equity Shares of the Company continue to be listed at the Stock Exchange(s) of Delhi (Regional), Calcutta and The Stock Exchange, Mumbai and the listing fees for the year 2003-2004 have already been paid.

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 and the ICICI Bank Limited.

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

Place:

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

New Delhi-110020

Date: 15th May 2003

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director

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, 2003 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 comment 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 our review and according to the information and explanations given to us, the mandatory requirements 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.

For O. P. Bagla & Company
Chartered Accountants

Sd/-

RAKESH KUMAR

Partner

Place: **New Delhi**

Dated: 15th May 2003