

Vintron

Vintron Informatics Limited



**23rd Annual Report
2013-2014**

23rd Annual Report 2013-2014

BOARD OF DIRECTORS

Shri Raj Kumar Gupta, Chairman & Managing Director

Shri Jagdish Singh Dalal, Director

Shri Satish Chand, Director

Shri Vikas Gulechha, Additional Director

Shri Parvesh Ahuja, Additional Director

Shri Satish Raychand Chopra, Additional Director

COMPANY SECRETARY

Mrs. Kajal Gupta

STATUTORY AUDITORS

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

8/12, Kalkaji Extension

New Delhi-110019

INTERNAL AUDITORS

M/s. S. Agarwal & Co.

123, Vinoba Puri, Lajpat Nagar-II

New Delhi - 110 024

SHARE TRANSFER AGENT

Regd. Office:

M/s. Skyline Financial Services Pvt. Ltd.

D-153/A, First Floor

Okhla Industrial Area, Phase-I

New Delhi - 110 020

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-90/1 A, Okhla Industrial Area,

Phase-I, New Delhi - 110 020

CIN: L72100DL1991PLC045276

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF VINTRON INFORMATICS LIMITED SHALL BE HELD ON MONDAY, THE 15TH DAY OF SEPTEMBER 2014 AT 10.30 A.M. AT ARYA AUDITORIUM, DESRAJ CAMPUS, C-BLOCK, EAST OF KAILASH, NEW DELHI-110065 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements, which includes Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company as at 31st March 2014 together with the Auditors' Report thereon and the Directors' Report annexed thereto.
2. To appoint a Director in place of Shri Jagdish Singh Dalal, 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 139 and 141 and all other provisions, if any, of the Companies Act, 2013 (Corresponding 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 appointed as Statutory Auditors of the Company for a period of five years commencing from 01.04.2014 till 31.03.2019, to hold office from the conclusion of this 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:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT in suppression of the earlier resolutions passed, pursuant to the provisions of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, and enactment thereof from time to time, of the Companies Act, 2013 (Corresponding Sections 198, 269, 309 and 310 read together with Schedule XIII and subject to the 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 a period of five years with effect from 1st day of October 2014 on the following terms and conditions:

Salary: Rs.100000.00 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.10000/- 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.

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NOTICE Contd.

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

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.

"RESOLVED FURTHER THAT in accordance with the provisions of Section 197(3) read with Schedule V and the notifications issued under the Schedule of the Companies Act, 2013 and subject to such approvals as may be necessary, the remuneration as set out above may be paid as minimum remuneration to Shri Raj Kumar Gupta, Managing Director of the Company in the absence or inadequacy of profits in any financial year."

"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 subject to the ceiling laid down in Schedule V to the Companies Act, 2013 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

Sd/-
(RAJ KUMAR GUPTA)

Chairman & Managing Director
DIN: 00019125

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

Date: **29/07/2014**

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 Saturdays, Sundays and other public Holidays between 2.00 P.M. to 4.00 P.M. up to one day prior to the date of Annual General Meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 6th day of September 2014 to Monday, the 15th day of September 2014 (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 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. He has commanded major equipment Depots and been Director-Purchase in Air HQ involving Foreign and Indigenous purchases. He has also been Director-Maintenance & Administration 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. Shri Jagdish Singh Dalal has been on the Board of Directors of the Company

NOTICE Contd.

since 30.10.2002 and during the period since his association with the Company he has been of immense help by providing valuable advice and contribution in the entire process of reviving the Company from its sickness and further growth of the Company.

None of the Directors except Shri Jagdish Singh Dalal himself is interested in the said appointment. The Board recommends his re-appointment.

EXPLANATORY STATEMENT:

In conformity with the provisions of Section 102 of the Companies Act, 2013, 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. 4

Shri Raj Kumar Gupta has been associated with the Company as Promoter Director and had been working as Chairman & Managing Director of the Company on the terms and conditions as approved by the respective annual / extra-ordinary general meetings. Shri Raj Kumar Gupta was lastly re-appointed as Chairman & Managing Director in 18th Annual General Meeting held on Thursday, the 10th day of September, 2009 and his tenure is due to expire on 30.09.2014. In view of the fact that Shri Raj Kumar Gupta, being promoter / director of the Company has further brought substantial investment while sanction of Rehabilitation Scheme by Hon'ble BIFR, and by tireless efforts, has once again revive the Company and brought the net worth in positive direction, the Company requires his full time direction, control and supervision of operations. The vision of Shri Raj Kumar Gupta about re-establishing the Company and his efforts in this direction has started giving positive results and hence, the services of Shri Raj Kumar Gupta are considered of utmost importance. Therefore, it is proposed that Shri Raj Kumar Gupta be re-appointed as Chairman & Managing Director of the Company for a period of another five years with effect from 01.10.2014 pursuant to provisions of Section 196, 197 and 203 and all other provisions of the Companies Act, 2013. The aforesaid proposed terms of appointment of Shri Raj Kumar Gupta have been duly approved by the Remuneration Committee of the Board of Directors, in its meeting held on 29th day of July 2014 and accordingly, it is proposed to appoint him as Chairman & Managing Director of the Company with effect from 01.10.2014.

Shri Raj Kumar Gupta is a Mechanical Engineer from the Birla Institute of Technology and Sciences (BITS), Pilani, and since 1977 he has been into the Electronics & Computer Industry, and gained wide experience in Personal Computers and Computer Peripheral Industry. Shri Raj Kumar Gupta is one of a main Promoter Director of the Company.

Further, none of the other Director(s) except Shri Raj Kumar Gupta, any key managerial person(s) of the Company and their relative(s) is/are concerned or considered to be interested in this resolution except their shareholding in the Company.

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

By order of the Board
For VINTRON INFORMATICS LIMITED

Sd/-

(RAJ KUMAR GUPTA)

Chairman & Managing Director
DIN: 00019125

Place: **F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020**
Date: **29/07/2014**

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors have pleasure in presenting the Twenty Third 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 2014.

BUSINESS 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.

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, Digital Call Bell Alarms 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.

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)	2,472.65	2,145.88
Profit/(Loss) before Depreciation, Interest/Financial Charges and Tax	276.15	374.62
Depreciation	301.33	69.13
Interest and Financial Charges	0.00	0.00
Profit/(Loss) before Extra-ordinary Items	(25.18)	305.49
Extra Ordinary Items Written Off	5.47	8.81
Profit/(Loss) after Extra-ordinary Items, but before Income Tax	(30.65)	296.68
Income Tax Adjustments	0.00	0.53
Profit/(Loss) after Tax	(30.65)	296.15
Surplus brought forward	(3,684.68)	(3,980.83)
Balance in Profit & Loss A/c	(3,715.33)	(3,684.68)

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 and although the net worth of the Company is positive, however, due to amortization of certain one-time expenses, the net profit of the Company has turned negative, despite of operational profits. Your management is pleased to note that the revenue of the Company has increased by 15.23% whereas the operational profit has decreased by 26.00% approx. as compared to the last year with the same resources, although, there being a negative net profit because of amortization of certain one-time expense.

Your management is confident that during the current year, the working capital fund requirement of the Company shall also 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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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.

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.

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.

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 197 as against 181 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, 2013 and the Company's Articles of Association, Shri Jagdish Singh Dalal, 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 does not have any subsidiary.

AUDITORS

The Auditors of the Company M/s. O. P. Bagla & Company, Chartered Accountants, New Delhi, retire on the conclusion of

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DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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 Sections 139 and 141 of the Companies Act, 2013 (Corresponding 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 2014 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 134 (CORRESPONDING SECTION 217)

As required under Section 134 (3) (c) of the Companies Act, 2013 (corresponding Section 217(2AA) of the Companies Act, 1956), 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.

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.

DECLARATION UNDER SECTION 149 (6) OF THE COMPANIES ACT, 2013

The Board hereby declares that Shri Jagdish Singh Dalal and Shri Satish Chand are the Independent Directors on the Board of Directors of the Company and they, in the opinion of the Board, 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 declare 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.

None of the aforesaid independent directors either himself or any of their relative hold or has held any position or key managerial person or has been employee of the Company or its holding, subsidiary or associate Company in any of the last three financial years or during the current financial year.

None of the aforesaid independent directors together with/or their relatives hold 2% or more of total voting power of the Company or is chief executive or director of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% or more of the total voting power of the Company.

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 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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS Contd.

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.

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 Calcutta Stock Exchange is yet to be 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
DIN: 00019125

Place: F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020
Date: 29/07/2014

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 2014.

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.

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, finished goods etc. including repair & maintenance and travelling expenses for amount aggregating to Rs.1078.15 Lacs as compared to Rs. 1010.78 Lacs during the previous year.

By order of the Board
For VINTRON INFORMATICS LIMITED

Sd/-
(RAJ KUMAR GUPTA)

Chairman & Managing Director
DIN: 00019125

Place: F-90/1A, Okhla Industrial Area Phase-I, New Delhi-110020
Date: 29/07/2014

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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 five 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, 2014

Category	No. of Directors	%
Executive Directors	1	16.67%
Non-Executive, Independent Directors	5	83.33%
Total	6	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.
- 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.