

25TH ANNUAL REPORT

CROITRE INDUSTRIES LIMITED

25TH ANNUAL REPORT

2012 - 2013

PARTICULARS	DETAILS
Board Of Directors	Mr. Deepak Bansal, Managing Director Mr. Rajesh Sharma, Director Mr. Sanjeev Kumar, Director Mr. Prabhu Chettyar, Director
Audit Committee	Mr. Prabhu Chettyar Mr. Rajesh Sharma Mr. Sanjeev Kumar
Remuneration Committee	Mr. Prabhu Chettyar Mr. Rajesh Sharma Mr. Sanjeev Kumar
Investor's Grievance Committee	Mr. Deepak Bansal Mr. Rajesh Sharma Mr. Sanjeev Kumar
Statutory Auditors	M/s. Nitin Mittal & Co. Chartered Accountant
Bankers	Axis Bank Limited
Registered Office	8-2-87/89, 401, Srinivasa Plaza, Srinagar Colony Main Road, Opp. Smiline Dental Hospital, Punjagutta, Hyderabad - 500 082 Email: <a href="mailto:croitreindustries@gmail.com">croitreindustries@gmail.com</a>
Listing	Bombay Stock Exchange Ahmedabad Stock Exchange Madras Stock Exchange Hyderabad Stock Exchange
Registrar & Share transfer Agent	Bigshare Services Private Limited 306, Right Wing, Amrutha Ville, Opp. Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082. E-mail: <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a>

## DIRECTORS REPORT

The Directors have pleasure in presenting the Twenty-Fifth Annual Report together with Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2013.

## FINANCIAL RESULT:

PARTICULARS	AS AT31/03/2013 (In Rs.) (In Lacs)	AS AT31/03/2012 (In Rs.) (In Lacs)
Sales	4339.52	2102.06
Other Income	0	81.75
Profit/(Loss) before Taxation	1.067	1.01
Provision of Current Tax	0.33	0
Net Profit after Tax	0.35	1.01
Balance Carried to Balance Sheet	<u>0.35</u>	<u>1.01</u>

## DIVIDEND:

Your directors do not recommend payment of dividend with a view to plough back the profits for future business expansion.

## REVIEW OF OPERATIONS:

The turnover of the Company has increased to Rs. 4339.52 lacs during the current financial year as compared to Rs. 2102.06 lacs in the previous year, which registered an increase of 106%. The profit before interest, depreciation and tax has marginally improved from Rs. 1.01 in lacs in the year 2011-12 to Rs. 1.06 during the current year i.e. a growth of 5.39%. The future outlook of the Company's business is dealt within the management discussion and analysis.

## COMPLIANCE OF CODE OF CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given as Annexure 'A' to this Report.

## FIXED DEPOSITS:

The Company has not accepted any loans or deposits from the public in terms of Section 58A of the Companies Act, 1956 and Rules framed under the Companies (Acceptance of Deposits) Rules, 1975.

## RESEARCH AND DEVELOPMENT:

The company doesn't have any research & development activity to be carried out.

## DIRECTORS:

During the year Mr. Raj Kumar have resigned from the Board of Directors of the Company w.e.f. 20/06/2012 and Mr. Girdhar Bansal resigned from the Board of Directors of the Company w.e.f. 21/06/2013 and same was accepted by the Board of Directors. Mr. Rajesh Sharma and Mr. Sanjeev Kumar were appointed as the Additional Directors of the company with effect from 21/06/2013 till ensuing Annual General Meeting.

Mr. Rajesh Sharma and Mr. Sanjeev Kumar are being appointed as the Directors in the Annual General Meeting with the approval of the Members.

## AUDITORS:

M/S. Nitin Mittal & Co, Chartered Accountant, the statutory auditors of the company till the next ensuing Annual General Meeting.

## INDUSTRIAL RELATONS:

Your company is pleased to inform that the relations with employees including workmen at all levels continue to be warm and cordial.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Sec 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm

1. That in the preparation of the Annual Accounts, the applicable accounting standards had been followed

- along with proper explanation relating to material departure.
2. That 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 loss of the company for that period.
  3. That 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.
  4. That the directors had prepared the annual accounts on a going concern basis.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988:

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

Our Company is committed to the conservation of the resources. There is no wastage of energy and the working groups formed by the company for this purpose, continuously monitor the consumption of various forms of energy and evaluate the option available for energy conservation. Investments will be made, when required, for any activity identified as a source for helping us to achieve further energy savings. The Company is not using any foreign technology.

ACKNOWLEDGMENTS:

The Board of Directors would like to record their appreciation of the continued support and co-operation received from the Government of India, Andhra Pradesh and the Financial Institutions. The Directors would also like to thank all the esteemed Customers, Dealers, Suppliers, and Auditors of the Company.

The Directors also wish to place on record their sincere appreciation of the employees at all levels for their dedicated contribution towards the growth of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR CROITRE INDUSTRIES LIMITED

(MANAGING DIRECTOR)

PLACE: Mumbai  
DATE: 05/09/2013

## CORPORATE GOVERNANCE REPORT:

## COMPANY'S PHILOSOPHY:

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. These practices are categorized through principle based standards and not just through a framework enforced by regulation. It develops through adoption of ethical practices in all of its dealings with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors.

By combining ethical values with business acumen, globalization with national interests and core business with emerging business, the Company aims to be amongst the largest and most respected global organizations.

The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. The Company's corporate governance philosophy has been further strengthened through the Business Excellence Model, the Code of Conduct for Prevention of Insider Trading, as also the Code of Corporate Disclosure Practices. The Company has in place an Information Security Policy that ensures proper utilization of IT resources.

The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

## BOARD OF DIRECTORS

## a. Composition:

To have a more professional outlook your company is having four directors comprising of one Chairman & Managing Director and 3 non-executive directors.

## b. Attendance of each director at the Board Meeting and the last AGM

The Board meets 5 times during the financial year. The dates on which the meeting was held are 14/05/2012, 14/08/2012, 06/09/2012, 15/11/2012, 14/02/2013.

Name of Director	Category	No of Director ship	No. of Committees in which member	No. of Board Meeting Attended	Whether attended last AGM
Mr. Deepak Bansal	Chairman & Managing Director	NIL	2	5	YES
***Mr. Girdhar Bansal	Whole Time	NIL	3	5	YES
Mr. Prabhu Chettiyar	Independent	NIL	3	5	YES
* Mr. Raj Kumar	Independent	NIL	3	2	YES
**Mr. Rajesh Sharma	Director	NIL	3	0	NO
**Mr. Sanjeev Kumar	Director	NIL	3	0	NO

\*Resigned as Director W.e.f. 22/06/2012 \*\*Appointed as Director W.e.f. 21/06/2013 and \*\*\*Resigned as Director 21/06/2013

## c. Audit Committee

During the year under review Four (4) meeting were held for the approval of unaudited financial results for the quarter ended. The Constitution of the Committee and the attendance of each member of the committee are given below:

Name of the Director	Designation	Whole time / Independent	Profession	Committee meeting attended
Mr. Girdhar Bansal***	Chairman	Whole time	Business	4
Mr. Raj Kumar*	Member	Independent	Business	1
Mr. Prabhu Chettiyar	Member	Independent	Business	4
**Mr. Rajesh Sharma	Member	Director	Business	0
**Mr. Sanjeev Kumar	Member	Director	Business	0

\*Resigned as Director W.e.f. 22/06/2012 \*\*Appointed as Director W.e.f. 21/06/2013 and \*\*\*Resigned as Director 21/06/2013

The meetings of Audit Committee are also attended by the heads of finance and Statutory Auditors as Invitees. The unaudited financial results for each quarter are approved by the audit committee before passed on to the Board of Directors for approval and adoption.

Terms and reference of the Audit Committee include a review of;

- Financial reporting process
- Draft financial statements and auditor 's report (before submission to the Board)
- Accounting policies and practices
- Internal controls and internal audit systems
- Risk management policies and practices
- Related party transactions
- Internal audit reports and adequacy of internal audit function

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, fixation of audit fee and also approval of payment of fees for any other services.

d. Remuneration Committee

The Remuneration Committee is constituted as follows:

Name of the Director	Designation	Whole time / Independent
Mr. Girdhar Bansal***	Chairman	Whole Time
Mr. Raj Kumar*	Member	Independent
Mr. Prabhu Chettiyar	Member	Independent
**Mr. Rajesh Sharma	Member	Director
**Mr. Sanjeev Kumar	Member	Director

\*Resigned as Director W.e.f. 22/06/2012 \*\*Appointed as Director W.e.f. 21/06/2013 and \*\*\*Resigned as Director 21/06/2013

e. Investor Grievance Committee

The Board constituted an investors grievance committee which looks into shareholders and investors grievances. The following are the members of the committee.

Name of the Director	Designation
Mr. Prabhu Chettiyar	Chairman
Mr. Raj Kumar*	Member
Mr. Girdhar Bansal***	Member
**Mr. Rajesh Sharma	Member
**Mr. Sanjeev Kumar	Member

\*Resigned as Director W.e.f. 22/06/2012 \*\*Appointed as Director W.e.f. 21/06/2013 and \*\*\*Resigned as Director 21/06/2013

Details of remuneration paid to Directors are given below: NIL

Name and Designation of the Compliance officer: Mr. Deepak Bansal

Compliance Officer

Email: [croitreindustries@gmail.com](mailto:croitreindustries@gmail.com)

The total numbers of complaints received and complied during the year were

Nature of Queries/Complaints	Received	Resolved	Unresolved
Change of Address	3	3	Nil
Non Receipt of Annual Report	2	2	Nil
Miscellaneous	9	9	Nil
Total	14	14	Nil

There are no outstanding complaints as on 31.03.2013.

## f. Details of the Annual General Meetings: Location and time of the last three AGMs:

YEAR	VENUE	Date & TIME
March 31, 2012	8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082.	September 29, 2012 4:00 pm
March 31, 2011	8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082.	September 30, 2011 10.30 am
March 31, 2010	6-3-570/1, 201, Diamond Block, Rockdale Compound, Somajiguda, Hyderabad	September 29, 2010

There were no resolutions passed through the Postal Ballot during the year financial year.

## g. Disclosures:

1. Disclosure on materially significant related party transactions i.e. transaction of the company of material nature with its promoters, the directors or the management's, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large: NONE
2. Details of non-compliance by the company, penalties, structure imposed on the company by the stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NONE

## h. Means of Communications

As per the listing requirement, the company publishes periodical financial results in leading English and regional newspaper information. The Management Discussion and Analysis (MD&A) forms part of the annual report.

## GENERAL SHARE HOLDER INFORMATION:

AGM Date, Time and Venue : Saturday, September 28, 2013  
04:00 pm  
At the registered office of the company

Next Financial Calendar : April to March 2014

## Financial Reporting for

QUARTER ENDED	TENTATIVE DUE DATES
Quarter Ended June 30, 2013	Before the end of 2nd Week of August 2013
Quarter Ended September 30, 2013	Before the end of 2nd Week of November 2013
Quarter Ended December 31, 2013	Before the end of 2nd Week of February 2014
Quarter Ended March 31, 2013	Before the end of 2nd Week of May 2014
Annual General Meeting for the FY ended March 31, 2014	Before the end September 30, 2014

Date of Book Closure : September 22, 2013 to September 28, 2013  
(both days inclusive)

Dividend Payment : Not Applicable

Listing on Stock Exchange : Hyderabad, Chennai, Ahmedabad and Mumbai.  
Listing fees for has been paid.

Stock code and symbol : 531648, CROITRE

Custodian Fees to Depositors : The annual custodian fees for the financial year 2013-14  
Have been paid to National Securities Depository Ltd (NSDL)  
and Central Depository Services (India) Limited (CDSL)

Market price data : (High & Low during the each in last FY)

High, Low (based on closing prices) and number of shares traded during each month in the year 2012-2013 on BSE Limited.

Month	Bombay Stock Exchange Limited		
	High (Rs)	Low (Rs)	Total Shares Traded
April 2012	115.15	92.15	40,400
May 2012	114.65	88.45	3,41,200
June 2012	117.20	69.55	11,30,900
July 2012	81.60	60.35	15,14,300
August 2012	86.00	61.85	10,38,500
September 2012	61.80	33.90	1,58,100
October 2012	34.85	24.75	8,99,600
November 2012	32.65	24.75	8,76,300
December 2012	23.55	13.00	33,900
January 2013	12.75	9.30	3,94,956
February 2013	9.12	7.85	9,50,414
March 2013	9.21	5.82	5,93,221

Registrar and Transfer Agent:

Name and Address:

BigShare Services Private Limited  
306, Right Wing, Amrutha Ville,  
Opp. Yasodha Hospital,  
Somajiguda, Raj Bhavan Road,  
Hyderabad - 500 082.  
Tel: 91-40-2337 4967 | 2337 0295  
Fax: 91-40-2337 0295  
E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

Share Transfer System:

82.18% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. As regards to the shares held in the physical form the transfer documents can be lodged with Bigshare Services Private Limited at the above mentioned address.

Distribution schedule as on March, 31 2013:

Shareholding of Nominal		Number of Shareholders	Percentage of Total	Share Amount (Rs)	Percentage of Total
Rs.	Rs.				
1	5000	192	34.5946	446120	0.7074
5001	10000	82	14.7748	709500	1.1250
10001	20000	37	6.6667	592940	0.9402
20001	30000	29	5.2252	755370	1.1978
30001	40000	20	3.6036	668000	1.0592
40001	50000	29	5.2252	1427000	2.2628
50001	100000	50	9.0090	3883500	6.1580
100001	500000	82	14.7748	18438800	29.2383
500001	1000000	21	3.7838	15067000	23.8916
1000001	5000000	13	2.3423	21075670	33.4195
		555		6303900	100.00



## Categories of Shareholders as at March 31, 2013

	Category	No. of shares held	% of shareholding
A.	PROMOTERS HOLDING		
1.	Promoters		
	-Indian	5000	0.08%
	-Foreign Promoters	0	0 %
2.	Person Acting in Concert	0	0 %
B.	NON PROMOTER HOLDING		
3.	Institutional Investors	0	0 %
a.	Mutual Fund	0	0 %
b.	Banks, Financial Institutional, Insurance Companies	0	0 %
c.	FII	0	0%
4.	Others		
a.	Corporate Bodies	1811788	28.73%
b.	Individuals		
	Individual shareholders holding nominal share capital upto Rs. 1 Lakh	730358	11.58 %
	Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	3581980	56.80 %
c.	NRIs / OCBs	0	0
d.	Any other (clearing members)	182264	2.89%
	Total	6306390	100 %

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

: The Company has entered into agreement with NSDL & CDSL for dematerialization of its shares.

## Outstanding GDRs / ADRs / Warrants or any

: The company has not issued any GDRs / ADRs /convertible instruments conversion date and likely warrants or any convertible instruments impact on equity.

## Address for correspondence

: Croitre Industries Limited  
Registered office of the Company  
E-mail: croitreindustries@gmail.com

## Non-Mandatory Requirements:

The other suggestions are not yet adopted by the company keeping the non-operational activities.

BY ORDER OF THE BOARD OF DIRECTORS  
FOR CROITRE INDUSTRIES LIMITED

(MANAGING DIRECTOR)

Place: Mumbai  
Date: 05/09/2013

## Management Discussions and Analysis Report

Pursuant to Clause 49 of the Listing Agreement, a report on Management Analysis Report, as an annexure to the Directors' Report is give below:

### A. Company Outlook

The Company during the current Financial Year 2012-13 has taken various steps to improve and expand the business of the Company which can be seen in the increase in the turnover of the company.

There is a clear shift in focus towards managed services model and new contracting models (output / outcome based) that align costs with activity levels. Customers are also trying to derive enhanced value from existing software investments - through application modernization, consolidation and upgrade of packaged solutions.

There has been significant interest in some of the emerging technology areas like Mobility and Cloud Computing - in terms of adoption.

### B. Internal Control Systems and their adequacy

The company has adequate internal control systems commensurate with the size of its operations and for the purpose of exercising adequate controls on the day-to-day operations. Systems are regularly reviewed to ensure effectiveness.

### C. Material Developments in Human Resources / Industrial Relations

Human resource development is a primary area of focus for the Company. The company recruited senior level and other functional specialists during the year. The Human relations in the organization have been cordial.

### D. Discussion on Financial Performance with respect to operational performance

The company started business activity either in the information technology sector. The total turnover of the company has been increased to 4339.52 Lacs as compared to 2102.06 lacs of previous year ending 31.3.12. However the company has made profit of 1.06 lacs in the year ending 31.03.2013 and will continue to take steps for its progress.

### E. Opportunities and Threats

In every challenge lies an opportunity. As explained earlier, we see a distinct preference from customers to align their costs with activity levels, using innovative contracting models like output / outcome based pricing or even risk reward models that involve sharing of IP. Company's proven track record in having worked on such models through various engagements puts us in good stead to capitalize on this opportunity. Our deep alliances with technology leaders like Microsoft, Oracle and IBM and involvement in several early adoption partnerships with them provides us with an early mover advantage on newer technology platforms and new releases of packaged applications. As customers embark on initiatives that derive enhanced value from existing software investments - through application modernization, consolidation and upgrade of packaged solutions, Company would be able to take advantage of these trends.

Declaration regarding compliance with the code of conduct and ethics policy of the company by Board Members and senior management personnel

This is to confirm that the company has adopted code of conduct and Ethics policy for the Board of Directors and Associates of the Company, which is available at the Registered Office of the company.

I, Deepak Bansal, declare that the Board of directors and senior management personnel has affirmed compliance with the Code of Conduct and Ethics Policy of the Company.

Deepak Bansal  
Chairman & Managing Director

Place: Mumbai  
Date: 05/09/2013

### CFO / CEO CERTIFICATION

I, Deepak Bansal, Chairman & Managing Director and Chief Executive Officer of CROITRE INDUSTRIES LIMITED to the best of our knowledge and belief, certify that:

I have reviewed the balance sheet and profit and loss account, and its schedules and notes on accounts, as well as the Cash Flow statement and the Directors report.

Based on our knowledge and information, these statements do not contain any un-true statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the statements made.

Based on our knowledge and information, the financial statements, and other financial information included in this report, fairly present in all material respects, the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and/or applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.

The Company's other certifying officers and we, are responsible for establishing and maintaining disclosure controls and procedures for the company, and we have:

- Designed such disclosure controls and procedures to ensure that material information relating to the company is made known to us particularly during the period in which this report is being prepared
  - Evaluated the effectiveness of the Company's disclosure, controls and procedures.
- We have disclosed to the Company's auditors and the audit committee
- All significant changes in internal control during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  - Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls.

DEEPAK BANSAL

Chairman, Managing Director

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### COMPLIANCE CERTIFICATE

TO THE MEMBERS

CROITRE INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by CROITRE INDUSTRIES LIMITED ("the Company" ), for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreements of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation 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 statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

FOR NITIN MITTAL & CO.,  
CHARATERED ACCOUNTANTS  
FIRMREGN.NO.017642N

PLACE: Mumbai  
DATE: 05/09/2013

Sunil Kumar Gupta  
PARTNER  
MEMBERSHIP NO. 403420

## Independent Auditors' Report

To  
The Members of Croitre Industries Limited

### 1. Report on the Financial Statement

We have audited the accompanying financial statements of Croitre Industries Limited (" the Company" ), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss for the year then ended, Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (" the Act" ). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- ii) in the case of the Statement of Profit and Loss Account, of the profits for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

### 5. Emphasis of Matter

None

### 6. Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (" the Order" ) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b ) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d ) Except as stated in point no. 5 above, if any, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e ) on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Nitin Mittal & Co  
Chartered Accountants

Sunil Kumar Gupta  
Partner  
Membership No. 403420  
FR No. 017642N

Place: New Delhi  
Date: 05/09/2013

Annexure to the auditors' report of even date to the members of Croitre Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2013

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and in terms of the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

(i) The Company does not have Fixed Assets hence clause 4(i) of the Order is not applicable to the Company. (ii)

In respect of inventories:

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 (the 'Act'). Accordingly, the provisions of clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not received interest free unsecured loans, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 (the 'Act').
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the register have been so entered.
- (b) As per information & explanations given to us and in our opinion, the transactions made in pursuance of contracts or arrangements referred to in section 301 of the Act are, in our opinion, at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable to the Company.
- (vii) The Company has established an internal audit system which currently commensurate with the size and nature of its business.
- (viii) According to the books & records examined by us and according to the information and explanations given to us by the management & to the best of our knowledge, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company. Accordingly, the provisions of clause 4(viii) of the Order are not applicable to the company.
- (ix) (a) According to the records of the company, Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess have generally been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect of income-tax, wealth-tax, service-tax, sales-tax, customs duty and excise duty were outstanding, at the year end for a period of more than six months

- from the date they became payable. However during the year, the Company has not complied with the provisions of Advance Tax as per Income Tax act.
- (b) According to the information and explanations given to us, there are no amounts in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) The company has accumulated losses at the end of the financial year, which is not less than 50% of its net worth. Further the Company has not Incurred Cash losses during the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans from financial institutions or debenture-holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) The Company has not dealt in or trading in shares, securities, debentures and other investments during the Financial Year under Audit and therefore clause 4(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly, the provisions of clause 4(xv) of the Order are not applicable to the Company.
- (xvi) Based on our audit procedures and on the information given by the management, we report that the Company has not taken any the term loans accordingly; the provisions of clause 4(xvi) of the Order are not applicable to the Company.
- (xvii) Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment (excludes permanent working capital).
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xix) The Company did not have any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Nitin Mittal & Co  
Chartered Accountants

Sunil Kumar Gupta  
Partner  
Membership No 403420  
FR No. 017642N

Place: New Delhi  
Date: 05/09/2013

BALANCE SHEET FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2013

	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
Shareholders' Funds			
Share capital	'1'	66,469,450	66,469,450
Reserves & Surplus	2'	(66,931,641)	(66,966,899)
		<u>(462,191)</u>	<u>(497,449)</u>
Non Current Liabilities			
Long-term Borrowings	'3'	-	-
Current Liabilities			
Short-term Borrowings		-	-
Trade Payables	'4'	35,980,564	205,894,028
Deffered Tax Liabilities		-	-
Other current liabilities	'5'	9,334	86,661
Short-term provisions	'6'	33,000	-
		<u>36,022,897</u>	<u>205,980,689</u>
<b>TOTAL</b>		<u><b>35,560,706</b></u>	<u><b>205,483,240</b></u>
<b>ASSETS</b>			
a) Non-Current Assets			
Fixed assets			
Tangible assets	'7'	-	-
Intangible Assets		-	-
Capital Work-in-Progress		-	-
Intangible Assets under Development		-	-
Non-Current Investments	'8'	-	-
Deferred Tax Assets (Net)		-	-
Long-term Loans and Advances		-	-
Other Non-Current Assets		-	-
Current Assets			
Current Investments		-	-
Inventories		-	-
Trade receivables	'9'	35,245,650	205,474,577
Cash and cash equivalent	'10'	315,057	8,663
Short-term loans and advances	'11'	-	-
Other current assets	'12'	-	-
		<u>35,560,706</u>	<u>205,483,240</u>
		<u><b>35,560,706</b></u>	<u><b>205,483,240</b></u>

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED  
FOR NITIN MITTAL & CO.  
Chartered Accountants

For and on behalf of the Board

(Sunil Kumar Gupta)  
Partner  
M NO. 403420  
FRN NO. 017642 N  
Place : New Delhi  
Date : 05-09-2013

Managing Director      Director



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2013

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>REVENUES</b>			
Revenue from operations	'13'	433,952,121	210,206,308
Other Income	'14'	-	8,175,340
Total Revenues		433,952,121	218,381,648
<b>EXPENSES</b>			
Cost of Raw Materials Consumed	'15'	431,950,070	211,767,846
Employee benefits expenses	'16'	465,710	661,150
Finance Costs	'17'	37,044	2,497
Depreciation and amortization expenses	'18'	-	-
Impairment Loss/ (Reversal) (Net)		-	-
Other expenses	'19'	1,392,529	5,848,848
Total Expenses		433,845,353	218,280,341
Profit before Exceptional and Extraordinary items and Tax Exceptional items		106,768	101,307
Profit before Extraordinary items and tax		106,768	101,307
Extraordinary Items		-	-
Profit before tax		106,768	101,307
Tax expense:			
Current tax		33,000	-
Deferred Tax Liabilities / (Assets)		-	-
Previous Year amount Written back		-	-
Tax adjustments for earlier years (Net)		38,510	-
Profit/ (Loss) for the period from Continuing Operations		35,258	101,307
Profit/ (Loss) from Discontinuing Operations after Tax		-	-
Profit/ (Loss) from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operations		-	-
Profit/ (Loss) for the period		35,258	101,307
Basic / Diluted EPS	'20'	0.01	0.02

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED

FOR NITIN MITTAL & CO.  
Chartered Accountants

For and on behalf of the Board

(Sunil Kumar Gupta)  
Partner  
M NO. 403420  
FRN NO. 017642 N  
Place : New Delhi  
Date : 05-09-2013

Managing Director      Director

## NOTE NO - 1: Notes to Financial Statements

## 1 SHARE CAPITAL:

Authorised, Issued, Subscribed and Paid-up Share Capital	AS AT			
	31-Mar-13		31-Mar-12	
Authorised:	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10/- each	7,500,000	75,000,000	7,500,000	75,000,000
Issued:				
Equity shares of Rs. 10/- each	7,000,000	70,000,000	7,000,000	70,000,000
Subscribed				
Equity shares of Rs. 10/- each	6,987,500	69,875,000	6,987,500	69,875,000
Paid Up				
Equity shares of Rs. 10/- each	6,306,390	63,063,900	6,306,390	63,063,900
Forfeited				
Equity shares of Rs. 5/- each	681,110	3,405,550	681,110	3,405,550
		<u>66,469,450</u>		<u>66,469,450</u>

## 1.1 Terms / Voting Rights Attached to the Equity Shares

The Paid up capital of the Company consists of only the Equity Shares of Rs. 10/- Each.

Shareholders are entitled to one vote per share

In the event of liquidation of the Company, The holder of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of the number of the equity shares held by the shareholder

## 1.2 The details of shareholders holding more than 5% shares

Name of the shareholder	AS AT			
	31-Mar-13		31-Mar-12	
	No. of Shares	% Held	No. of Shares	% Held
Deepak Bansal	4,300	0.07%	1,129,300	18%
Girdhar Bansal	700	0.01%	1,125,700	18%

## 1.2 The Reconciliation of the No. of Shares outstanding is set out below:

Particulars	AS AT	
	31-Mar-13	31-Mar-12
Equity Shares at the beginning of the year	6,306,390	6,306,390
Add: Shares issued during the year	-	-
Equity Shares at the end of the year	<u>6,306,390</u>	<u>6,306,390</u>

## Notes to Financial Statements

2 RESERVE AND SURPLUS	AS AT	
	31-Mar-13	31-Mar-12
Profit and Loss Account		
Opening Balance	(66,966,899)	(67,068,205)
Transferred from Profit and Loss Account	35,258	101,307
Closing balance	(66,931,641)	(66,966,899)
Less: Misc. Expenditures not written Off	-	-
Closing balance	<u>(66,931,641)</u>	<u>(66,966,899)</u>
Total	<u>(66,931,640.94)</u>	<u>(66,966,899)</u>
3 Non Current Liabilities		
Long term Liabilities		
Secured Loans	-	-
Unsecured Loans	-	-
Current Liabilities		
4 Trade Payable		
Creditors		
Sundry Creditors	1,333,831	205,894,028
Advance from Customers	<u>34,646,733</u>	<u>-</u>
Total	<u>35,980,564</u>	<u>205,894,028</u>
5 Other Current Liabilities		
VAT Payable	1,468	86,661
TDS Payable	<u>7,866</u>	<u>-</u>
	<u>9,334</u>	<u>86,661</u>
6 Short-term Provisions		
Short-term Provisions consist of the following:		
Provision for Income Tax	33,000	-
	<u>33,000</u>	<u>-</u>

AS PER COMPANIES ACT.

Notes - 7

S.NO	PARTICULARS	RATE OF DEPRICIATION (%)	GROSS BLOCK			DEPRICIATION			NET BLOCK AS ON 31.03.2013	NET BLOCK AS ON 31.03.2012
			OPENING BALANCE AS ON 01.04.2012	ADDITIONS	SOLD	TOTAL AS ON 31.03.13	DURING THE YEAR	ADJUSTMENT		
	Tangible Assets									
1						-	-	-	-	
2						-	-	-	-	
3						-	-	-	-	
4						-	-	-	-	
5						-	-	-	-	
6						-	-	-	-	
	TOTAL		-	-	-	-	-	-	-	

AS AT

31-Mar-13

31-Mar-12

## 8 Non-Current Investments :-

-	-
-	-

## 9 Current Assets

Trade receivables:-

- a) Amount Receivables from Customers  
b) Advance to Suppliers

35,074,388	205,474,577
171,262	-
<u>35,245,650</u>	<u>205,474,577</u>

## 10 Cash and Cash Equivalents:

Cash and Cash Equivalents consist of the following:

Balance with Banks:

Balance with banks

Cash in hand

127,564	2,698
187,493	5,966
-	-
<u>315,057</u>	<u>8,663</u>

## 11 Short-term loans and advances

Short-term loans and advances consist of the following:

Loans &amp; Advances

-	-
-	-

## 12 Other current assets

Other current assets consist of the following:

-	-
---	---

	Period Ended as on	
	31-Mar-13	31-Mar-12
13 Revenue from operations:		
Revenue from operations consist of the following:		
Sales	433,952,121	223,671,365
Less: Returns	-	13,465,057
	<u>433,952,121</u>	<u>210,206,308</u>
14 Other Income		
Other income from operations consist of the following:		
Professional Income	-	946,150
Brokerage Income	-	7,229,190
	<u>-</u>	<u>8,175,340</u>
15 Cost of Raw Material Consumed		
Direct Expenses:-		
Purchases	431,950,070	211,767,846
	<u>431,950,070</u>	<u>211,767,846</u>
16 Employees Benefit		
Salary Expenses	360,000	540,000
Employee Welfare Expenses	105,710	121,150
	<u>465,710</u>	<u>661,150</u>
17 Finance Cost :-		
Banks Charges	37,044	2,497
	<u>37,044</u>	<u>2,497</u>
18 Depreciation and Amortisation expenses		
	-	-
	-	-
	-	-

19 Other expenses:	Period Ended as on	
Other expenses consist of the following:	31-Mar-13	31-Mar-12
Audit Fee	56,180	25,000
Printing & Stationary	131,955	157,458
Postage & Telegrams	46,130	155,647
Other Misc. Expenses	817,194	5,327,805
Travelling expenses	341,070	182,938
	<u>1,392,529</u>	<u>5,848,848</u>

## 20 Earning Per Share

i) Net Profit after Tax as per statement of Profit & Loss attributable to equity shareholders	35,258	101,307
ii) Weighted average number of equity shares used as denominator for calculating EPS	6,306,390	6,306,390
iii) Basic and diluted Earning per Share	0.01	0.02
iv) Face Value per Share	10	10

## 21 Related Party Disclosure

(i) List of Related Parties	Relationship			
(ii) Details of Transactions	Enterprises over which Key			
(iii) Transactions	Relative of Director	Key Management Personnel	Management Personnel are able to exercise significant influence	Total

AS PER OUR SEPARATE REPORT OF EVEN DATE ATTACHED  
FOR NITIN MITTAL & CO.  
Chartered Accountants

For and on behalf of the Board

(Sunil Kumar Gupta)  
Partner  
M NO. 403420  
FRN NO. 017642 N  
Place : New Delhi  
Date : 05-09-2013

Managing Director      Director

List of Sundry Creditors for Expenses  
As on 31-03-2013

S. No.	Name	Amount
1	Concept Communication Limited	8,250
2	Nitin Mittal & Company	48,314
	Total	56,564

List of Sundry Creditors for supplies  
As on 31-03-2013

S. No.	Name	Amount
1	Kampan Linksys Limited	1,277,267
	Total	1,277,267

List of Advances Received from Customers  
As on 31-03-2013

S. No.	Name	Amount
1	Net 4 Communication Limited	10,218,905
2	Net 4 India Limited	12,766,325
3	Visesh Infotechnics Limited	3,198,372
4	Svam Software Limited	1,723,008
5	Bhartiya Global Infomedia Limited	4,045,880
6	Smart Identify Devices Private Limited	2,694,242
	Total	34,646,733

List of Receivables from Customers  
As on 31-03-2013

S. No.	Name	Amount
1	Applied Electronics Magnetics Private Limited	4,285,320
2	Leading Edge Communication Private Limited	16,154,492
3	Mahamaya Auto Centre	49,997
4	O-Zone Network Private Limited	409,024
5	Technosoft Infosystems Private Limited	8,583,343
6	Teletech Comp Software Solution	5,592,212
	Total	35,074,388

List of Advances from Suppliers  
As on 31-03-2013

S. No.	Name	Amount
1	Quantqm Net Technologies Limited	171,262
	Total	171,262

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