

VENTURA GUARANTY LTD

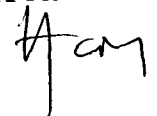
ANNUAL REPORT

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2006-2007

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**FOR VENTURA GUARANTY LTD.**



**DIRECTOR.**

# VENTURA GUARANTY

## DIRECTORS' REPORT

To,

The Members of Ventura Guaranty Limited

Your Directors are pleased to present the Annual Report together with the Audited Statements of Accounts and the Auditors' Report of the Company for the year ended March 31, 2007.

### FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	Year ended 31 <sup>st</sup> March 2007	Six months from 01 <sup>st</sup> October 2005 to 31 <sup>st</sup> March 2006
Gross Income	5,139,896	5,992,360
Expenditure	133,147	210,875
Profit before Tax	5,006,748	5,781,485
Less: Provision from Income Tax	-	104,000
Less: Deferred Tax	7,740	4,623
Profit after Tax	4,999,008	5,672,862
Add: B/F Profit & Loss A/c from earlier year	17,311,476	11,638,613
Net Surplus	22,310,484	17,311,476
Balance carried to Balance sheet	22,310,484	17,311,476

#### Note:-

*Current year figures are not comparable with the previous year figures as the previous year figures were for the period of six months*

#### DIVIDEND:

The Directors do not recommend any dividend for the year under review.

#### BUSINESS PERFORMANCE:

The Company recorded the total Gross Income of Rs. 51.40 lacs for the year ended 31<sup>st</sup> March 2007 as against Rs. 59.92 lacs for the six months period ended



# VENTURA GUARANTY

31<sup>st</sup> March 2006 and Profit after Tax of Rs. 49.99 lacs for the year ended 31<sup>st</sup> March 2007 as against Rs. 56.73 lacs for the six months ended 31<sup>st</sup> March 2006.

## SUBSIDIARY:

The Company's Wholly Owned Subsidiary M/s Ventura Securities Limited has made a Net Profit of Rs. 355.67 Lacs for the year ended March 31, 2007.

As required under Section 212 of the Companies Act, 1956, the Auditors' Report together with the financial statements for the year ended 31<sup>st</sup> March 2006 of M/s Ventura Securities Ltd is appended to this report.

## DIRECTORS:

Mr. Jai Rajju Shroff, Director of the Company retires by rotation and being eligible, offers himself for re-appointment.

Mrs. Saroja Malik, Director of the Company retires by rotation and being eligible offers herself for re-appointment.

## FIXED DEPOSITS:

Your company has not accepted any deposit and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

## PERSONNEL:

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Being an investment company, information under Section 217(1)(e) of the Companies Act, 1956, read with the Companies ((Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is not annexed in this report.

*JK*

# VENTURA GUARANTY

There was no foreign exchange earnings and outgo during the financial year under consideration.

## AUDITORS:

The Auditors M/s. Shashank Ranade & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms and reports:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have 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 of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a going concern basis.

24

# VENTURA GUARANTY

## ACKNOWLEDGEMENT:

Your Directors would like to express their gratitude appreciation for the assistance and co-operation received from Bankers, Government Authorities, clients, investors and shareholders during the period under review.

ON BEHALF OF THE BOARD OF DIRECTORS

  
SAID MALIK  
DIRECTOR

  
HEMANT MAJETHIA  
DIRECTOR

Mumbai, 24<sup>th</sup> August 2007

Registered Office: Dhannur 'E',  
15 Sir P.M. Road,  
Fort, Mumbai - 400 001

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Tel.No.24374237.

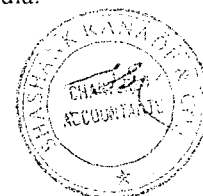
**SHASHANK RANADE & CO.**

**Chartered Accountants**

3/1, Radhakrishna Niwas, Gr. Floor,  
Dagadi Wadi, S.K. Bole Road, Dadar (W),  
MUMBAI 400 028.

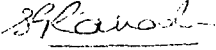
**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF**  
**VENTURA GUARANTY LIMITED**

1. We have audited the attached Balance Sheet of Ventura Guaranty Limited for the year ended as at 31<sup>st</sup> March 2007, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - 4.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 4.2. 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.
  - 4.3. The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - 4.4. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable, and
5. On the basis of written representations by all the directors of the Company for the year ended as at 31<sup>st</sup> March 2007, and taken on record by the Board of Directors, and the information and explanations as made available to us by the Company, we report that none of the directors of the Company prima facie, have any disqualifications as referred to in clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:



- in the case of the Balance Sheet, of the State of Affairs of the Company for the year ended as at 31<sup>st</sup> March 2007
- in the case of the Profit and Loss Account, of the Profit for the year ended on that date and
- in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Shashank Ranade & Co.  
Chartered Accountants



Shashank Ranade  
Proprietor

Membership No 37847

Mumbai, Dated: 24th August 2007



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## Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our Report of even date on the Accounts for the year ended as at 31<sup>st</sup> March 2007 of Ventura Guaranty Limited)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets have been physically verified by the management during the year. As per the explanations and information given to us, no material discrepancies were noticed on such verification. In our opinion, frequency of verification is at reasonable intervals.
  - c) During the year, the Company has not disposed off any substantial part of the fixed assets.
2. a) According to the information and explanation given to us, the physical verification of the inventory has been conducted at the reasonable intervals by the management.
  - b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) As per the information and explanation given to us, the company is maintaining proper records of inventory and there is no material discrepancy has been noticed.
3. a) According to the information and explanations given to us the Company has granted unsecured loan to one company covered in the register maintained under section 301 of the companies Act 1956. The maximum amount involved during the year Rs.223,258/- and the year end balance of loan was Rs.NIL.
  - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loan has been granted to the company listed in the register maintained under section 301 of the Companies Act, 1956 is not, prima facie, prejudicial to the interest of the company;
  - c) The company has received the principal amount and interest as stipulated.
  - d) According to the information and explanations given to us the Company has taken loans from one party covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs.11,00,000/- and the year end balance of loan was Rs.11,00,000/-.
  - e) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loans have been taken by the company from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company;
  - f) The Company is regular in repaying the principal amount and interest wherever stipulated.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.



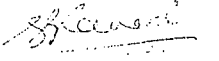


- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices and other relevant factors at the relevant time.
6. The Company has not accepted any deposits from the public and consequently the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. The Company has no formal internal audit department. However its control procedures ensure reasonable internal checking of its financial and other records.
8. The Company is not engaged in production, processing, manufacturing or mining activities. Therefore the provisions of clause (viii) of paragraph 4 of the order are not applicable.
9. a) The Company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it, with the appropriate authorities. There are no arrears of outstanding statutory dues as at the year end for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the period and it has not incurred any cash losses in the current period and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. According to the information and explanations the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. In respect of dealing or trading in shares and other investments, in our opinion and according to the information and explanation given to us proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the shares and other securities have been held by the company in its own name except for certain shares which have either been lodged for transfer or held with blank transfer deeds or which have been given as security.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not availed of any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.



19. The Company does not have any outstanding debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Shashank Ranade & Co.  
Chartered Accountants



Shashank Ranade  
Partner

Membership No 37847

Mumbai, Dated: 24th August 2007

