

VENTURA GUARANTY LIMITED
ANNUAL REPORT
2012-13

VENTURA GUARANTY

NOTICE

Notice is hereby given that the Annual General Meeting of Ventura Guaranty Limited will be held on Friday, September 27, 2013 at A-107, Kailash Industrial Complex, Building No. 2, Parksite, Vikhroli (West), Mumbai – 400079 at 3.00 p.m to transact the following business:

Ordinary business

- 1) To receive and adopt the Audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. Sajid Malik, who retires by rotation and being eligible, offers herself for re-appointment.
- 3) To appoint a Director in place of Mrs. Sandra Rajnikant Shroff, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Mr. Hemant Majethia, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956 M/s. Dixit Dattatray & Associates, Chartered Accountants, Mumbai (ICAI Registration No. 102665W), the retiring Auditors of the Company, being eligible for re-appointment be re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company.”

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai
Dated: May 30, 2013

HEMANT MAJETHIA
DIRECTOR

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NOTES:

1. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from September 20, 2013 to September 27, 2013 (both days inclusive) for the purpose of Annual General Meeting.
4. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956 authorizing their representative to attend and vote on their behalf at the meeting.
5. Members seeking any information or clarification on the Annual Accounts of the company for the year ended March 31, 2013 are requested to send in queries in writing to the Company, at least 5 days before the date of the Meeting, so that the information required by them may be made available to them.

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai
Dated: May 30, 2013

HEMANT MAJETHIA
DIRECTOR

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Annual Report of VENTURA GUARANTY LTD. along with the Audited Statements of Accounts and the Auditors' Report of the Company for the year ended March 31, 2013.

FINANCIAL RESULTS

Summary of Standalone Financial results for the year is as under:-

(Amount in Rs.)		
Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Gross Income	11,11,044	28,768
Expenditure	1,73,147	5,43,691
Profit from Operations before other income, interest and exceptional items	9,37,897	(5,14,923)
Other Income	49,08,498	70,294
Profit / (Loss) before Tax	58,46,395	(4,44,629)
Less: Provision for Income Tax	3,67,000	-
Less: Deferred Tax	2,414	10,884
Less: Tax Provision for earlier years	-	33,601
Profit / (Loss) after Tax	54,76,981	(4,89,114)

DIVIDEND

Directors do not recommend any Dividend for the year ended 31st March, 2013.

BUSINESS REVIEW

During the year under review, the Company's Gross Income increased to Rs. 11.11 lakhs from Rs. 0.29 lakhs recorded in the previous year and Other Income jumped to Rs. 49.08 lakhs from Rs. 0.70 lakhs in the previous year. The Profit after Tax was recorded at Rs. 54.77 lakhs against a loss of Rs. 4.89 lakhs in the previous year. Management of the Company has been working rigorously and resorting to all feasible and concrete actions towards the financial upliftment and augmenting the operations of the Company.

SUBSIDIARY COMPANIES

M/s. Ventura Securities Limited is a subsidiary and M/s. Ventura Insurance Brokers Limited is a wholly owned subsidiaries of your Company. In view of general exemption granted by MCA under Sec. 212 of the Companies Act, 1956, vide **General Circular No. 2/2011 dated**

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8th February, 2011 from the requirement of attaching Balance Sheet, Profit & Loss A/c, etc. of its subsidiaries to its accounts, your company has decided to take the benefit of the said exemption. The consolidated financial statement is forming part of this Annual Report. Your Company undertakes that Annual Accounts of the subsidiary company and related information will be made available to the members on request. Further, the annual account of subsidiary company will be kept at registered office of the company for inspection by any member.

CONSOLIDATED RESULTS

The Audited Standalone and Consolidated Financial Statements of the Company along with its subsidiary companies are attached herewith and form part of this Annual Report. These have been prepared in accordance with the provisions of the Companies Act, 1956, the Listing Agreement, the Accounting Standard 21 (AS-21) on Consolidated Financial Statements and Accounting Standard 23 - (AS-23) on Accounting for Investments in Associates in Consolidated Financial Statements based on Audited Financial Results for the ended 31st March, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Clause 49 of the Listing Agreement executed by the Company with BSE Limited, Management Discussion and Analysis Report for the year under review, is presented in a separate section forming part of the Annual Report.

CORPORATE GOVERNANCE

The Report on Corporate Governance as per the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors, M/s. Dixit Dattatray & Associates, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as per the requirements of Clause 49 is annexed to this Report.

DIRECTORS

Mrs. Sajid Malik, Mrs. Sandra Rajnikant Shroff and Mr. Hemant Majethia - Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the year under review and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

PARTICULARS OF EMPLOYEES

The Company does not have any employee drawing remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies

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(Particulars of Employee) Rules 1975, as amended vide Companies (Particulars of Employees) Amendment Rules, 2011 during the year under review.

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

Since your Company is into investment business, disclosure of information required 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 applicable to the company and hence, no report is annexed in this regard.

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

AUDITORS

M/s. Dixit Dattatray & Associates, Chartered Accountants, the Statutory Auditors of the Company, bearing ICAI Registration No.102665W will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and your Board recommend their reappointment as Auditors of the Company. The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limit 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.

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ACKNOWLEDGEMENT

Your Directors take this opportunity to express their deep gratitude and sincere appreciation for the timely co-operation, guidance received from Bankers, Government Authorities during the period under review. Further, your Directors would also like to thank all shareholders of the company for placing their faith and confidence in the Company.

ON BEHALF OF THE BOARD OF DIRECTORS

**Sd/-
SAJID MALIK
DIRECTOR**

**Sd/-
HEMANT MAJETHIA
DIRECTOR**

Mumbai, May 30, 2013

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

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CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

For any Company, nowadays, Good Governance is a key to ensure an unbeatable and competitive position among and between the counterparts as well as to take a competitive advantage in the market in general, as the underlying concept of good governance refers to religiously following and evolving best practices of management and administration. The tenets of governance encompassing, inter-alia, transparency, independence, accountability and responsibility, not just influence a company to do well in terms of its corporate strategy, internal control and financial performance but also persuade that company to be ethical and responsible in decision making and thereby, reinforcing the idea of protecting the rights and interest of all its stakeholders. Your company, thus, follows a holistic approach and makes sincere efforts to fulfill all the standards set up for a good governed and managed company.

In the backdrop of above, we present hereunder our report on compliance of governance conditions specified in Clause 49 of the Listing Agreement(s).

BOARD OF DIRECTORS

Composition of the Board

In order to ensure proper governance and management of the Company, the Board has been constituted in a manner, as desired under clause 49 of the Listing Agreement. As at 31st March, 2013, the Board of Directors of the Company consisted of nine Directors all of which are Non-Executive Directors including 3 Independent Directors. In electing a Director importance is given to the experience held by him in related fields of the Company's business.

None of the Directors hold directorship in more than 15 public limited companies, and none of them is a member of more than ten Committees or Chairman of more than five Committees across all public limited companies in which they are Directors.

Board Procedures

During the financial year under the review, Board of directors met five times, viz, 15th May, 2012; 10th July, 2012; 14th August, 2012; 9th November, 2012; 14th February, 2013. The maximum time gap between any two meetings during this period did not exceed four months at any point in time.

Attendance record of directors

Composition of the board and attendance record of directors for financial year 2012-13:-

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Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM
Mr. Sajid Malik DIN: 00400366	Non Executive Director	5	YES
Mrs. Saroja Malik DIN: 00400421	Non Executive Director	3	NO
Mr. Jaidev Shroff DIN: 00191050	Non Executive Director	-	NO
Mrs. Sandra Shroff DIN: 00189012	Non Executive Director	-	NO
Mr. Hemant Majethia DIN: 00400473	Non Executive Director	5	YES
Mr. Kulinkumar Majethia DIN: 02448261	Non Executive Director	3	NO
Mr. Ganesh Acharya DIN: 00702346	Independent Directors	5	YES
Mr. Ashish Nanda DIN: 03163927	Independent Directors	-	NO
Mr. Sridhar Vaidyanathan DIN: 05242265	Independent Directors	5	YES

Directorships and memberships of board committees

Number of Directorships/committee positions of directors as on 31 March 2013

Name of the Director	In other Public Limited Companies as on March 31, 2013	Committee Positions	
		As Chairman	As Member
Mr. Sajid Malik	4	-	-
Mrs. Saroja Malik	2	-	2
Mr. Jaidev Shroff	8	-	1
Mrs. Sandra Shroff	8	-	-
Mr. Hemant Majethia	2	-	-
Mr. Kulinkumar Majethia	-	-	-
Mr. Ganesh Acharya	2	-	4
Mr. Ashish Nanda	-	-	-
Mr. Sridhar Vaidyanathan	-	-	-

Notes: Private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purposes.

Only audit committee and shareholders' grievance committee are considered for the purpose of committee positions as per listing agreement.

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None of the directors was a member in more than 10 committees or a chairman in more than five committees across all companies, in which he/she was a director.

Shares held by Directors

Name of Director	No. of Equity Shares
Mr. Sajid Malik	7,31,500
Mrs. Saroja Malik	5,20,000
Mr. Jaidev Shroff	2,85,000
Mrs. Sandra Shroff	90,000
Mr. Hemant Majethia	4,13,600
Mr. Kulinkumar Majethia	652
Mr. Ganesh Acharya	10,000
Mr. Ashish Nanda	Nil
Mr. Sridhar Vaidyanathan	650

AUDIT COMMITTEE

Constitution and Composition

Audit Committee was set up by Ventura Guaranty Limited on March 30, 2012. The terms of reference stipulated by the Board to Audit Committee as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 can be enumerated as follows:

- a. Oversight of Company's financial reporting process and disclosure of its financial information.
- b. Review with the management, quarterly and annual financial statements and related party transactions.
- c. Review the Company's financial and risk management policies.
- d. Review the adequacy of internal control systems.
- e. Review the financial statements of subsidiary company.
- f. Recommend to the Board the appointment, re-appointment and removal of the statutory auditor, fixation of their remuneration.
- g. Discussion with auditors about nature and scope of audit as well as post audit discussion to ascertain any area of concern and internal control weaknesses, if any, observed by the Statutory Auditors.
- h. Review of Management discussion and analysis of financial condition and results of operations.
- j. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee and any other responsibility as may be entrusted by the Board.

The present Audit Committee consists of the following directors: