



RESERVE BANK OF INDIA

06 SEP 2007

# THIRTEENTH ANNUAL REPORT 2006-2007



**BOARD OF DIRECTORS :**

Sri B. L. Rath  
Sri R. K. Saraogi  
Sri Sanjay Kumar Modi  
Sri V. K. Mohatta - Managing Director

**CHIEF FINANCIAL OFFICER :**

Sri Rajiv Agarwal

**COMPANY SECRETARY :**

Sri Saugata De

**AUDITORS**

M/s B. P. Agarwal & Associates  
14, S. P. Mukherjee Road  
Kolkata – 700 025

**BANKERS :**

ICICI Bank Ltd  
Oriental Bank of Commerce  
UTI Bank Ltd

**REGISTRAR & SHARE TRANSFER AGENT :**

M/s. Niche Technologies Pvt. Ltd.  
D-511, Bagree Market  
71, BRB Basu Road  
Kolkata – 700 001

**REGISTERED OFFICE :**

'Anandlok' 4<sup>th</sup> Floor  
227, A J C Bose Road  
Kolkata – 700 020



## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirteenth Annual General Meeting** of the members of the Company will be held on 14-09-2007 at 10.30 a.m. at the Registered Office of the Company at 'Anandlok', 227, A. J. C. Bose Road, Kolkata – 700 020, to transact the following business:

### A. ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2007 and the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of B. L. Rath, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### B. SPECIAL BUSINESS

#### 4. Appointment of Mr. Sanjay Kumar Modi as a Director

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT Sri. Sanjay Kumar Modi, who was appointed under section 260 of the Companies Act, 1956 as an Additional Director of the Company w.e.f 29<sup>th</sup> January, 2007 by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office is liable to retire by rotation."

#### 5. Delisting of Equity Shares from Calcutta Stock Exchange

To consider and if thought fit to pass, with or without modification, the following resolution as a special resolution:

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956 & clause 5.2, 6.1 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003 and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions which may be agreed to by the board of directors of the company (which shall deem to include any committee thereof) consent of the company be and is hereby accorded to the board to voluntarily de-list equity shares of the company from The Calcutta Stock Exchange Limited"

"RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares as it may in its absolute discretion deem fit without being required to seek any further approval of members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority by this resolution."

"RESOLVED FURTHER THAT the board be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its committees or any of its directors or any of the officers of the company to do all such acts, deeds or things to give effect to the aforesaid resolution."

Place: Kolkata

Date: 29-06-2007

By Order of the Board

**Saugata De**

Company Secretary

## 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 VALID MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the Annual General Meeting.

- b) The Register of Members and Share Transfer Books of the Company will remain closed from 10-09-2007 to 14-09-2007 (both days inclusive).
- c) Members holding shares in DEMAT form are requested to bring their client ID No. and DP ID No. for easier identification of their attendance at the meeting.
- d) Members holding shares in physical form are requested to notify any change in their address to the Company and always quote their Folio Number in all correspondences with the Company.
- e) Brief particulars of Mr. Sanjay Kumar Modi, Additional Director of the Company proposed to be appointed as Director are furnished under the Corporate Governance Report.
- f) Shareholders desiring any information as regards the Accounts are requested to write to the Company sufficiently in advance so as to enable the management to keep the information ready. They are also requested to bring a copy of the Annual Report at the Annual General Meeting.
- g) The notice itself may be treated as an abstract u/s 302 of the Companies Act, 1956, as far as agenda no. 4 is concerned.

Place: Kolkata

Date : 29-06-2007

By Order of the Board

**Saugata De**

Company Secretary



## ANNEXURE TO THE NOTICE

### EXPLANATORY NOTES PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO 4

Sri. Sanjay Kumar Modi was appointed as an Additional Director of the Company with effect from 29<sup>th</sup> January, 2007, pursuant to the provisions of section 260 of the Companies Act, 1956. Sri Sanjay Kumar Modi, in terms of the said provisions, holds office only upto the date of this Annual General Meeting.

Sri Sanjay Kumar Modi is a commerce and law graduate, having immense experience in the field of law, finance and business.

Notice u/s 257 of the Companies Act, 1956 has been received by the Company from a member signifying his intention to propose Sri Sanjay Kumar Modi as a director of the Company. The Board considers that it is in the interest of the Company to continue to have Sri Sanjay Kumar Modi on the Board and recommends the proposed resolution for approval of the Members.

Sri Sanjay Kumar Modi holds 400 equity shares of the company. None of the directors except Sri Sanjay Kumar Modi is concerned or interested in the resolution.

#### ITEM NO 5

The Company is presently listed on Calcutta Stock Exchange (CSE) and The Bombay Stock Exchange Ltd (BSE). The Company's shares are hardly traded on the Calcutta Stock Exchange. The directors feel that the fees payable to the Calcutta Stock Exchange outweigh the benefit of trading facility provided by them. Besides, BSE having nation-wide terminals provide adequate opportunity to shareholders to trade in Company's shares.

In this backdrop it is considered desirable to voluntarily de-list the shares of the company from the Calcutta Stock Exchange subject to the Company complying the various provisions of SEBI (Delisting of Securities) Guidelines, 2003 and obtaining requisite approvals, permissions and sanctions in this regard.

In terms of the SEBI (Delisting of Securities) Guidelines, 2003, a public announcement regarding the proposed delisting will be published. The delisting will take effect only after all approvals, sanctions and permission have been received. The exact date on which delisting will take place will be suitably notified at that time.

Due to the availability of trading facilities of BSE in most of the cities across the country, the proposed delisting of the Company's Equity Shares on the said Stock Exchange will not be prejudicial to or affect the interest of, the investors.

The Directors recommend the resolution as a special resolution for approval of the shareholders.

Place: Kolkata

Date: 29-06-2007

By Order of the Board

**Saugata De**

Company Secretary



## DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2007.

### FINANCIAL RESULTS

	(Rs. in lacs)	
	2006-07	2005-06
Profit Before Tax	5.59	6.04
Provision for Current Tax	1.90	2.12
Fringe Benefit Tax	0.18	—
Less/ (Add): Provision for Deferred Tax	(0.09)	(0.84)
Profit After Tax	3.60	4.76
Less : Income Tax Adjustments for earlier years	0.22	—
Balance Brought forward	28.91	25.10
Profit available for appropriation	32.29	29.86
<b>Appropriations:</b>		
Transfer to RBI Reserve Fund	0.68	0.95
Surplus carried to Balance Sheet	31.61	28.91

### DIVIDEND

Due to non-availability of sufficient surplus, the Board regrets its inability to recommend any dividend for the year under review.

### BUSINESS OUTLOOK AND FUTURE PROSPECTS

The Company is trying to make the best utilisation of available resources and expects an improved performance in the coming year.

### FIXED DEPOSITS

The Company has not accepted any deposit under Section 58A of the Companies Act, 1956, during the year under report.

### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

As the Company is engaged in financial services activities and there is no earning and outgo of foreign exchange, the disclosure required u/s 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.

### DIRECTORS

Sri B. L. Rath, Director, retires by rotation at the ensuing Annual General Meeting, liable to re-appointment.

Your directors inducted Sri Sanjay Kumar Modi as additional director of the Company. His appointment requires approval of the members at the ensuing Annual General Meeting.

### DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the selected accounting policies were applied consistently and the directors 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 as at March 31, 2007 and of the profit or loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

### AUDITORS

M/s. B. P. Agarwal & Associates, Chartered Accountants, the Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. The members are requested to appoint the Auditors and to authorise the Board of Directors to fix their remuneration.

### AUDITORS' REPORT

The observations made in the Auditors' Report are self-explanatory and do not require further clarification.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT AND REPORT ON CORPORATE GOVERNANCE

As required under the listing agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed forming part of this report.

### PARTICULARS OF EMPLOYEES

The Company had no employee of the category indicated u/s 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

### ACKNOWLEDGEMENT

The Management is grateful to Reserve Bank of India, ICICI Bank, Oriental Bank of Commerce, UTI Bank, the Government of India, the Government of West Bengal and other Central and State Govt. Departments and Local Authorities for their assistance and kind co-operation.

Place : Kolkata

Date : 29-06-2007

For and on behalf of the Board

V. K. Mohatta      B. L. Rath  
Managing Director      Director

## REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and on the practices as followed by the Company.

### 1) Company's Governance Philosophy

Your Company firmly believes in and continues to practice good Corporate Governance. Over the years, your company has complied with the broad principles of Corporate Governance through a strong emphasis on transparency, empowerment, accountability and integrity.

### (2) Board of Directors

#### A. Composition, details of Board Meeting & Attendance at Board Meeting and last AGM and details of membership of Directors in other Boards and Board Committees:

At present, the Board of Directors comprises of 4 Directors.

During the year, 7 Board Meetings were held on 24-04-2006, 29-06-06, 28-07-06, 20-09-06, 30-10-06, 04-12-06, and 29-01-2007.

The composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting as also number of other directorships / memberships of committees are as follows:

Name of the Director	Designation	Category	No. of Board meetings attended	Attendance at last AGM	No. of Directorship held		No. of outside Committees	
					Public	Private	Member	Chairman
Mr. Bhawar Lal Rath	Promoter Director	Non-Executive	7	Yes	—	2	—	—
Mr. J. K. Malpani*	Independent Director	Non-Executive	7	No	—	—	—	—
Mr. V. K. Mohatta	Managing Director	Executive	7	Yes	—	3	—	—
Mr. R. K. Saraogi	Independent Director	Non - Executive	5	Yes	1	—	—	—
Mr. Sanjay Kr. Modi**	Independent Director	Non - Executive	Nil	—	1	1	—	—

\*Mr. J K Malpani has resigned w.e.f. 20<sup>th</sup> April, 2007.

\*\* Mr. Sanjay Kumar Modi is appointed as independent director w.e.f. 29<sup>th</sup> January, 2007.

#### B. Directors' Interest in the Company & Remuneration:

Given below are the details of actual payments made during the financial year 2006 – 07 to the directors of the Company:

Name of the Director	Relationship with Other Directors	Salaries & Perquisites	Sitting Fees for Board and Committee Meetings (Rs. In Lacs)
Mr. B. L. Rath	—	—	0.15
Mr. J. K. Malpani	—	—	0.15
Mr. V. K. Mohatta	—	1.17	0.06
Mr. R. K. Saraogi	—	—	0.09

### 3. Appointment and Re-Appointment of Directors:

Additional information on directors recommended for appointment or seeking re-appointment at the Annual General Meeting:

#### Mr. B. L. Rath

Mr. B. L. Rath is a Commerce Graduate and Fellow Member of the Institute of Chartered Accountants of India. He has over 23 years of experience in the field of Finance, Accounts and Legal Matters.

Companies in which Mr. B. L. Rath holds directorship and committee memberships: -

#### Name of the company and nature of interest

Mahatab Mercantiles (P) Ltd	: Director
Rainbow Capital (P) Ltd	: Director
Shareholding in the Company	: 10,001 no. of Equity Shares

#### Mr. Sanjay Kumar Modi

Mr. Sanjay Kumar Modi is a Commerce and Law graduate. Mr. Modi is having vast experience in the field of Law, Finance, and Business. Companies in which Mr. Sanjay Kumar Modi holds directorship and committee memberships: -

- The Bharat Salt and Chemical Industries Ltd - Director
  - Jagannath Chemical and Pharmaceuticals Works Pvt Ltd – Managing Director
- Shareholding in the Company : 400 no of Equity Shares



**(4) Committees:****A. Audit Committee:**

Upon cessation of Mr. J.K. Malpani from directorship of the company w.e.f. 20<sup>th</sup> April, 2007 the company had re-constituted the Audit Committee on 20<sup>th</sup> April, 2007. Mr. Sanjay Kumar Modi was nominated to the Audit Committee w.e.f. 20<sup>th</sup> April, 2007. The committee presently comprises of 3 directors:

- Mr. B.L. Rathie – Promoter and Non-executive Director.
- Mr. R.K. Saraogi – Non- executive independent Director.
- Mr. Sanjay Kr. Modi – Non-executive independent Director.

The committee held four meetings during FY 2006-07 on 29.06.2006, 28.07.2006, 30.10.2006 and 29.01.2007.

Name of Director	Qualification	Category	No. of meetings attended
Mr. B. L. Rathie	B.Com, F.C.A	Chairman, Non-Executive	4
Mr. J. K. Malpani	B.Sc, B Tech	Non-Executive , Independent	4
Mr. V. K. Mohatta	B.Com	Executive	1
Mr. R. K. Saraogi	B.Com, C.S, AICWA	Non-executive independent director	3

The broad functions of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and the Listing Agreement.

**B. Remuneration Committee:**

Upon cessation of Mr. J.K. Malpani from directorship of the company w.e.f. 20<sup>th</sup> April, 2007 the company had re-constituted the Audit Committee on 20<sup>th</sup> April, 2007. The committee presently comprises of 2 directors:

- Mr. B.L. Rathie – Promoter and Non-executive Director.
- Mr. R.K. Saraogi – Non- executive independent Director.

The committee is empowered to discuss and submit its recommendation to the Board in respect of the remuneration packages, if any for executive directors. The Committee met during the financial year.

The company does not pay any remuneration except sitting fee to its non-executive directors.

**C. Share Transfer and Shareholders' / Investors' Grievances Committee:**

Upon cessation of Mr. J.K. Malpani from directorship of the company w.e.f. 20<sup>th</sup> April, 2007 the company had re-constituted the Audit Committee on 20<sup>th</sup> April, 2007. The committee presently comprises of 2 directors:

- Mr. B.L. Rathie – Promoter and Non-executive Director.
- Mr. R.K. Saraogi – Non- executive independent Director.

The Committee deals with various matters relating to:

Transfer / transmission of shares

Issue of duplicate share certificates

Review of shares dematerialized and all other related matters

Investors' grievances and redressal mechanism

The Company Secretary acts as the Compliance Officer.

M/s Niche Technologies (P) Ltd. is the Registrar and Share Transfer Agent. The company received 4 complaints during the year which were attended and disposed off properly. There was no complaint pending for reply as on 31.03.2007.

**(5) General Body Meetings:**

Location and time of the General Body Meetings held during last three years are as follows:

Year	Type	Location	Date	Time
2003-2004	AGM	"Anandlok", 227, AJC Bose Road, Kolkata – 20	30.07.04	10.00 a.m.
2004-2005	AGM	"Anandlok", 227, AJC Bose Road, Kolkata – 20	26.09.05	10.00 a.m.
2005-2006	AGM	"Anandlok", 227, AJC Bose Road, Kolkata – 20	21.09.06	10.00 a.m

No Special Resolution was put through postal ballot last year. No postal ballot is proposed to be conducted this year.

**(6) Disclosures:**

- (i) **Related Party transactions:** The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Schedule 13) and intimated to Audit Committee. There were no material transactions during the year 2006 – 2007, which were prejudicial to the interest of the Company.
- (ii) **Statutory compliance, Penalties and Strictures:** The Company complied with the requirements of the Stock Exchanges/SEBI/Statutory Authorities on all matters related to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any Statutory Authority relating to above.
- (iii) **Code of Ethics and Business Conduct for Directors and Senior Management:** The Company has adopted a Code of Ethics and Business Conduct applicable to all its directors, officers and employees, a copy of which is available on the company's website [www.vintage-securities.com](http://www.vintage-securities.com). The CEO hereby affirms compliance of the same.

**(7) Means of Communication:**

The quarterly, half-yearly and annual financial results of the Company are forwarded to Calcutta and Bombay Stock Exchanges and are published in one English Newspaper and one Bengali Newspaper. The results are also available at its website, [www.vintage-securities.com](http://www.vintage-securities.com) and sebi website, [www.sebidftr.nic.in](http://www.sebidftr.nic.in)