



***BOARD OF DIRECTORS :***

Sri B. L. Rathi  
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. Rathi, 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.”

By Order of the Board

**Saugata De**

Company Secretary

Place: Kolkata

Date: 29-06-2007

## 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.

By Order of the Board

**Saugata De**

Company Secretary

Place: Kolkata

Date : 29-06-2007

## **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)	
	<u>2006-07</u>	<u>2005-06</u>
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. Rathi, 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:

- i. that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. 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;
- iii. 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;
- iv. 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. Rathi**  
*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 Rathi	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. Rathi	-	-	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. Rathi

Mr. B. L. Rathi 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. Rathi 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. Rathi – 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. Rathi	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. Rathi – 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. Rathi – 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.sebidifar.nic.in](http://www.sebidifar.nic.in)

**(8) Shareholder Information:**

**(i) 13<sup>th</sup> Annual General Meeting:**

**Date** : 14-09-2007.  
**Time** : 10.30 a.m.  
**Venue** : "Anandlok" 227, AJC Bose Road, Kolkata – 700 020

**(ii) Financial Calendar : April 2007 to March 2008**

**Publication of results for the Financial Year 2007-08**

First Quarter results : Before 31st July, 2007  
 Second Quarter and half- yearly results : Before 31st October 2007  
 Third Quarter results : Before 31st January 2008  
 Fourth Quarter results and results for the year ending on 31.03.2008 : During June 2008

**(iii) Book Closure:**

From 10-09-2007 to 14-09-2007 (both days inclusive)

**(iv) Listing on Stock Exchanges and Stock code:**

The Equity shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Address	Code No
The Calcutta Stock Exchange Association Ltd.	7 Lyons Range, Kolkata-700001	10032036
The Bombay Stock Exchange Ltd	P.J.Towers, Dalal Street, Mumbai-400001	531051
ISIN Number for NSDL and CDSL	ISIN-INE153C010015	

Annual Listing fees has been paid to the Stock Exchanges for the financial year 2007-2008.

**(v) Market Price Data:**

Monthly high and low quotation of shares traded on the Bombay Stock Exchange Ltd for the year 2006-2007:

Month	High Price (Rs.)	Low Price (Rs.)	Month	High Price (Rs.)	Low Price (Rs.)
April	3.89	2.93	October	7.20	3.66
May	-	-	November	4.20	2.26
June	4.92	4.27	December	4.66	3.01
July	7.05	4.89	January	3.35	3.35
August	8.45	6.88	February	3.34	3.05
September	6.99	6.99	March	3.46	3.05

**(vi) Registrar & Share Transfer Agent**

Niche Technologies Pvt. Ltd.  
 D-511, 5<sup>th</sup> Floor, Bagree Market,  
 71, B.R.B. Basu Road,  
 Kolkata-700 001.

**(vii) Distribution of Shareholding as on 31.03.2007:**

No. of Equity Shares held		No. of Shareholders	% age of Shareholders	Total No. of Shares	% age of Share Holding
From	To				
1	- 500	842	74.978	181441	4.948
501	- 1000	128	11.398	115052	3.138
1001	- 5000	105	9.350	267845	7.305
5001	- 10000	14	1.247	113617	3.099
10001	- 50000	15	1.336	324745	8.856
50001	- 100000	9	0.801	696500	18.995
100001	and above	10	0.890	1967600	53.659
<b>Total</b>		<b>1123</b>	<b>100.00</b>	<b>3666800</b>	<b>100.000</b>

**Distribution of Share**

Categories of Shareholders as on 31<sup>st</sup> March 2007

Category	No. of Shares held	% to paid-up Capital
Promoters, Relatives and Associate	1934700	52.763
Financial & Investment Institutions	—	—
Mutual Funds	—	—
Non-Resident Individuals	—	—
Bodies Corporate [other than covered in (a) & (b) above]	804917	21.951
Resident Individuals	927183	25.286
Others (Clearing Member/Corp.)	—	—
<b>Total</b>	<b>36,66,800</b>	<b>100.000</b>

**(viii) Dematerialization of Shares:**

The Equity shares of the Company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The equity shares of the company have been notified by SEBI for settlement only in the demat form. At present 60% of the company's equity shares are held in dematerialized form. The break up of shares held in demat and physical form is given hereunder:

	As on 31 <sup>st</sup> March 2007	
	<u>No. of shares</u>	<u>%age</u>
<b>Issued Capital</b>	36,66,800	100.00
Paid Up Capital		
(i) NSDL	21,30,332	58.10
(ii) CDSL	68,541	1.87
(iii) Physical	14,67,927	40.03
<b>Total :</b>	<b>36,66,800</b>	<b>100.00</b>

**(ix) Secretarial Audit for Reconciliation of Capital:**

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

**(x) Office Location:**

Vintage Securities Limited, "Anandlok" 227, AJC Bose Road, Kolkata 700 020 (West Bengal)

**(xi) Share Transfer System:**

Shares are transferred at the meeting of the "Shareholders' / Investors' Grievance Committee" of the Directors which meet at a frequent intervals.

**(xii) Address for Correspondence:**

Investors' correspondence may be addressed to:

**The Company Secretary and Compliance Officer**

Vintage Securities Limited, 227, AJC Bose Road, 4th Floor, Kolkata-700 020. Phone Nos. 033-22800101 Fax No. 033-22909605 or E-mail: vintage@vsnl.net

OR

**M/s. Niche Technologies Pvt. Ltd** D-511, Bagree Market, 71 BRB Basu Road, Kolkata-700 001. Phone No. 033-22353070/22357271.

An exclusive E-mail id is created to redress the complaints of the investors instantly. Now the investors can redress their grievance by sending their mails to compliancevsl@gmail.com

**AUDITORS' REPORT ON CORPORATE GOVERNANCE**

**To The Members of M/s VINTAGE SECURITIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **M/s Vintage Securities Limited** for the year ended March 31, 2007 as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that in respect of investor grievances received during the year ended March 31, 2007, no investor grievances are pending against the company as per the records maintained by the company and presented to the Shareholders / Investors Grievance Committee of the company.

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

For **B. P. AGARWAL & ASSOCIATES.**

Chartered Accountants

**(SANJAY DIXIT)**

Partner

Membership No. : 401703

Place : Kolkata

Date : 29th day of June, 2007



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, V K Mohatta, Managing Director and Rajiv Agarwal, Chief Financial Officer of Vintage Securities Ltd to the best of our knowledge and belief, certify that:

- 1) We have reviewed financial statements and cash flow statement for the year.
- 2) Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material or contain statements that might be misleading.
- 3) Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
- 4) 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.
- 5) We are responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 6) We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
  - a) significant changes in internal controls during the year;
  - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal controls system.

Place: Kolkata  
Date : 29-06-2007

**V. K. Mohatta**  
Managing Director

**Rajiv Agarwal**  
Chief Financial Officer

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry Structure and Market Scenario

There are very limited opportunities for a small company of our size engaged in financing / investment business. Although the interest rates have improved slightly over the last one year, the good corporate customers can raise money at very low rates from the banking system. Hence, the company's earnings are likely to remain low. Your directors propose to cautiously make investment of the company's money even if it means low return on investment.

### Opportunities, Threats, Risk and Concerns

In the changed market scenario, the company does not have many opportunities for profitably investing its resources. The prevailing low interest rates are likely to restrict the business potential of the Company.

### Outlook

The Company intends to strengthen its efforts to reach out to good customers more effectively and also maintain long-term relationship with the existing customers.

### Internal Control System and their adequacy

The Company has an adequate internal control system to ensure proper and efficient use of the company's resources, their protection against any unauthorised use, accuracy in financial reporting and due compliance of the Company's policies and procedures as well as the Statutes. The audit committee reviews the adequacy of the internal control system and provides its guidance for constant improvement in the system.

### Discussion on Financial Performance

The financial performance of the Company for the year under review has been discussed in the Directors' Report, in detail. The Cash-Flow statement and the balance sheet abstract are annexed with the annual accounts of the Company.

### Human Resources / Industrial Relations

The Company did not employ any person directly. The accounting function is being outsourced. The Directors, who look after affairs of the Company, did not take any remuneration.

### Cautionary Statement

Statements in this report on Management Discussion and Analysis, describing the Company's expectations or predictions are "forward looking statements" within the meaning of the applicable securities laws and regulations. These statements are based on certain assumptions and expectations of future events. The Company assumes no responsibility to publicly amend, modify or revise any forward statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board

Place : Kolkata  
Date : 29-06-2007

**V. K. Mohatta**  
Managing Director

**B. L. Rathi**  
Director

## AUDITORS' REPORT

TO

THE MEMBERS OF

M/S. VINTAGE SECURITIES LIMITED

1. We have audited the attached Balance Sheet of **M/S. VINTAGE SECURITIES LIMITED**, 227, A. J. C. Bose Road, Kolkata-700 020 as at 31st March, 2007, the Profit and Loss Account of the company and the cash flow statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 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 (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order'), issued by the Central Government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, 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 accounts as required by law have been kept by the company so far as it appears from our examination of the books of the company.
  - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts of the company.
  - d. In our opinion the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (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, 2007, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31<sup>st</sup> March 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet & the Profit & Loss Accounts read together with and subject to the Notes thereon and Schedules annexed thereto give the information required by the Companies Act, 1956, 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 on 31st March, 2007,
    - ii) In the case of the Profit and Loss Account of the profit of the company for the year ended as on that date, and
    - iii) In the case of cash flow statement, of the cash flows for the year ended as on that date.
5. As required by the "Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998", we further state that we have submitted a Report to the Board of Directors of the Company containing a statement on the matters of supervisory concern to the Reserve Bank of India as specified in the said Directions, namely the following :-
  - i) The company, incorporated prior to January 9, 1997, has applied for registration as provided in section 451A of the Reserve Bank of India Act, 1934 (2 of 1934). The Company has been granted certificate of registration as NBFC by the Reserve Bank of India & the Registration no. is 05.00237 dated 20.02.98.
  - ii) The Board of Directors of the Company has passed a Resolution for non-acceptance of any public deposits.
  - iii) The Company has not accepted any public deposits during the year under reference.
  - iv) The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning of bad doubtful debts as applicable to it.

For **B. P. AGARWAL & ASSOCIATES**

Chartered Accountants

(**SANJAY DIXIT**)

Partner

Membership No. : 401703

Place : Kolkata.

Dated : 29.06.2007

## ANNEXURE TO AUDITORS' REPORT

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) The fixed assets of the Company have been physically verified by the management during the year. No discrepancies were noticed on such verification.  
(c) There was no substantial disposal of Fixed Assets during the year.
2. The nature of the business of the company is dealing in shares and securities and financing activities. In view of the said nature of the business Accounting Standard 2 – “Valuation of Inventories” is not applicable to the company. Accordingly, clauses (ii)(a), (ii)(b) and (ii)(c) of paragraph 4 of the ‘Order’ are not applicable.
3. a. According to the information and explanations given to us the Company has granted unsecured loans to four companies, covered in the register maintained u/s 301 of the Companies Act, 1956. Out of these, loan granted to three parties have been squared off during the year. The amount involved in the transactions is Rs.3,04,37,735/-.  
b. In our opinion and according to the explanation given to us, the rate of interest, wherever applicable and other terms and conditions are not, prima facie, prejudicial to the interest of the company.  
c. According to the information and explanations given to us, the Company has been in regular receipt of principal and interest amount.  
d. There is no overdue amount in respect of loans granted by the company.  
e. The Company has not taken any loans secured or unsecured from companies, firms & other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets. Further on the basis of our examination of the books of account and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct any major weaknesses in internal control system;
5. In our opinion and according to the information and explanations given to us, no contracts or arrangements as referred to in Section 301 of the Act have been entered into by the Company. Accordingly clauses (v)(a) and v (b) of paragraph 4 of the ‘Order’ are not applicable to the Company.
6. The Company has not accepted any deposits under the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. According to the information and explanations given to us, the company does not have an internal audit system commensurate with its size and nature of its business.
8. No cost record has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
9. a. The Company is regular in depositing undisputed statutory dues in respect of Income tax, cess and any other statutory dues with the appropriate authorities. Provisions of the Employee’s Provident Fund and Miscellaneous Provisions Act and the Employee’s State Insurance Act are not applicable to the Company.  
b. According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues, which have not been deposited on account of any dispute.
10. The Company has been registered for a period of more than five years and it has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year and in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues taken from bank.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit funds / nidhi / mutual benefit funds / societies are not applicable to it.
14. In our opinion, the company has maintained proper records of transactions and contracts in respect of trading in shares & other investments and timely entries have been made therein and the shares, securities, debentures and other securities have been held by the company, in its own name.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not taken any term loans during the year under reference.
17. The Company has not raised any funds on short-term basis, which have been used for long-term investment and vice-versa.
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 has not raised any money by way of issue of debentures and thus it is not required to create any securities thereof.
20. The company has not raised any money by way of public issue during the year and therefore the said clause is not applicable to the company.
21. As per the information and explanations given to us and on the basis of examination of records, no material fraud on or by the Company was noticed or reported during the year.

**BALANCE SHEET AS AT 31ST MARCH, 2007**

	Schedule	Amount (Rs.) As At <u>31.03.2007</u>	Amount (Rs.) As At <u>31.03.2006</u>
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Fund</b>			
Share Capital	1	37,754,500	37,710,000
Reserves & Surplus	2	4,099,189	3,760,933
<b>Loan Funds</b>			
Secured Loan	3	173,682	252,995
<b>Deferred Tax Liability</b>			
		34,344	43,775
	Total	<u>42,061,715</u>	<u>41,767,703</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	2,065,166	2,029,753
Less : Depreciation		<u>87,219</u>	<u>752,264</u>
<b>Net Block</b>		<b>1,187,947</b>	<b>1,277,489</b>
<b>Investments</b>	5	<b>24,361,048</b>	<b>20,599,988</b>
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	6	51,443	50,474
Cash & Bank Balances	7	922,884	269,968
Loans & Advances	8	16,090,127	20,175,008
		<u>17,064,454</u>	<u>20,495,450</u>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	9	131,734	117,224
Provisions	10	420,000	488,000
		<u>551,734</u>	<u>605,224</u>
<b>Net Current Assets</b>		<b>16,512,720</b>	<b>19,890,226</b>
	Total	<u>42,061,715</u>	<u>41,767,703</u>
<b>Notes on Accounts</b>	13		

The Schedules referred to above form an integral part of the Accounts.

As per our report of even date attached  
For **B. P. AGARWAL & ASSOCIATES**  
Chartered Accountants

**Sanjay Dixit**  
Partner  
Membership No. 401703

Place : Kolkata  
Date : 29th day of June, 2007

For and on behalf of the Board

**Sri B. L. Rathi**  
Director

**Sri V. K. Mohatta**  
Managing Director

**Sri Saugata De**  
Company Secretary

**Sri Rajiv Agarwal**  
Chief Financial Officer

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

	Schedule	Amount (Rs.) For the year ended 31.03.2007	Amount (Rs.) For the year ended 31.03.2006
<b>INCOME</b>			
Interest & Other Income	11	1,576,148	1,644,380
Increase/(Decrease) in Stock		969	(1,450)
	<b>TOTAL</b>	<b>1,577,117</b>	<b>1,642,930</b>
<b>EXPENDITURE</b>			
Administrative & Other Expenses	12	890,142	690,997
Depreciation		124,955	160,538
Loss on Sale of Investments		3,282	—
Loss on Sale/Discard of Fixed Assets		—	186,736
	<b>TOTAL</b>	<b>1,018,379</b>	<b>1,038,271</b>
<b>Profit for the Year Before Tax</b>		<b>558,738</b>	<b>604,659</b>
<b>Provision for Income Tax</b>			
- Current Tax		190,000	212,000
- Fringe Benefit Tax		18,000	—
- Less/ (Add): Deferred Tax		(9,431)	(84,315)
<b>Profit for the Year After Tax</b>		<b>360,169</b>	<b>476,974</b>
Add/(Less) : Income Tax Adjustment for earlier years		(21,913)	—
Add : Profit Brought Forward		2,891,538	2,509,959
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>		<b>3,229,794</b>	<b>2,986,933</b>
<b>APPROPRIATIONS :</b>			
Transfer to RBI Reserve Fund		68,000	95,395
<b>BALANCE CARRIED FORWARD</b>		<b>3,161,794</b>	<b>2,891,538</b>
		<b>3,229,794</b>	<b>2,986,933</b>
Basic & Diluted Earning Per Share		0.09	0.13

Notes on Accounts 13

The Schedules referred to above form an integral part of the Accounts.

As per our report of even date attached  
For **B. P. AGARWAL & ASSOCIATES**  
Chartered Accountants

**Sanjay Dixit**  
Partner  
Membership No. 401703

Place : Kolkata  
Date : 29th day of June, 2007

For and on behalf of the Board

**Sri B. L. Rathi**  
Director

**Sri V. K. Mohatta**  
Managing Director

**Sri Saugata De**  
Company Secretary

**Sri Rajiv Agarwal**  
Chief Financial Officer

## Schedules Annexed to & forming part of Balance Sheet

	Amount (Rs) As At <u>31.03.2007</u>	Amount (Rs) As At <u>31.03.2006</u>
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
4,500,000 Equity Shares of Rs 10/- each	<u>45,000,000</u>	<u>45,000,000</u>
<b>Issued Capital</b>		
4,005,900 Equity Shares of Rs 10/- each	<u>40,059,000</u>	<u>40,059,000</u>
<b>Subscribed &amp; Paid up Capital</b>		
36,66,800 Equity Shares of Rs. 10/- each (Previous year 40,05,900 equity shares)	<u>36,668,000</u>	<u>4,00,59,000</u>
Less : Calls in Arrear	—	<u>2,349,000</u>
	<u>36,668,000</u>	<u>37,710,000</u>
Add : Shares Forfeited (Shares 3,39,100)	<u>1,086,500</u>	—
	<u><u>37,754,500</u></u>	<u><u>3,77,10,000</u></u>
<b>2 RESERVES &amp; SURPLUS</b>		
<b>RBI Reserve Fund</b>		
Balance Brought Forward	<u>869,395</u>	<u>774,000</u>
Add : Provided during the year	<u>68,000</u>	<u>95,395</u>
	<u>937,395</u>	<u>869,395</u>
<b>Profit &amp; Loss Account</b>		
Balance Carried Forward	<u>3,161,794</u>	<u>2,891,538</u>
	<u><u>4,099,189</u></u>	<u><u>3,760,933</u></u>
<b>3 SECURED LOAN</b>		
Car Loan Account (Loan from ICICI Bank Ltd. secured by hypothecation of the Vehicle purchased out of the said loan )	<u>173,682</u>	<u>252,995</u>
	<u><u>173,682</u></u>	<u><u>252,995</u></u>
<b>4 FIXED ASSETS</b>		<b>Amount (Rs)</b>

Particulars	Gross Block				Depreciation				Net Block	
	As at 31.03.2006	Addition	Sale/ Discard/ Adj.	As at 31.03.2007	As at 31.03.2006	For the Year	Sale/ Adjust- ment	As at 31.03.2007	As at 31.03.2007	As at 31.03.2006
Land & Buildings	383,730	—	—	383,730	—	—	—	—	383,730	383,730
Furniture & Fixture	583,467	—	—	583,467	367,086	36,933	—	404,019	179,448	216,381
Office Equipments	274,550	35,413	—	309,963	75,012	13,161	—	88,173	221,790	199,538
Vehicles	788,006	—	—	788,006	310,166	74,861	—	385,027	402,979	477,840
	2,029,753	35,413	—	2,065,166	752,264	1,24,955	—	8,77,219	1,187,947	1,277,489
Previous Year	2,559,120	112,000	641,367	2,029,753	997,358	160,538	405,632	752,264	1,277,489	

**Schedules Annexed to & forming part of Balance Sheet (Contd.)**

5 INVESTMENTS (Long Term, At cost)	Paid up Value Rs.	No. of Shares		Amount (Rs.)	
		As At		As At	
		31.03.2007	31.03.2007	31.03.2006	31.03.2006
<b>Quoted</b>					
Century Extrusions Ltd.	1	5,104,588	5,104,588	5,104,588	5,104,588
Jeco Exports & Finance Ltd.	10	47,400	592,500	47,400	592,500
Franklin Infotech Fund (Mutual Fund Unit)	10	—	—	298	10,000
<b>Unquoted</b>					
Century Aluminium Mfg.Co.Ltd.	10	743,700	12,338,210	534,000	8,567,150
Vintage Capital Markets Ltd.	10	502,000	5,020,000	502,000	5,020,000
Atash Properties & Fin. Pvt. Ltd.	10	67,500	678,375	67,500	678,375
Kutir Udyog Kendra Pvt. Ltd.	10	21,500	114,825	21,500	114,825
Paramsukh Properties Pvt. Ltd.	10	144,000	512,550	144,000	512,550
		<b>6,630,688</b>	<b>24,361,048</b>	<b>6,421,286</b>	<b>20,599,988</b>
Aggregate Market Value of Quoted Investments			<b>15,534,356</b>		<b>13,907,116</b>

6 INVENTORIES	Paid up Value Rs.	No. of Shares		Amount (Rs.)	
		As At		As At	
		31.03.2007	31.03.2007	31.03.2006	31.03.2006
<b>Quoted</b>					
<b>Name of the Scrip</b>					
Automobile Corporation of Goa Ltd.	10	300	50,001	300	50,001
Dolphin Laboratories Ltd.	10	200	1,150	200	200
Pasari Spining Mills Ltd.	10	8,100	1	8,100	1
Sangam Aluminium Ltd.	10	—	—	50,700	1
SOL Pharma Ltd.	10	900	1	900	1
Century Extrusions Ltd.	1	100	290	100	270
		<b>9,600</b>	<b>51,443</b>	<b>60,300</b>	<b>50,474</b>

**Schedules Annexed to & forming part of Balance Sheet (Contd.)**

	Amount (Rs.) As at <u>31.03.2007</u>	Amount (Rs.) As at <u>31.03.2006</u>
<b>7 CASH &amp; BANK BALANCES</b>		
Cash in hand (incl. share transfer stamp)	215,370	65,120
Balances with scheduled banks in Current Accounts	707,514	204,848
	<u>922,884</u>	<u>269,968</u>
<b>8 LOANS &amp; ADVANCES</b> (Unsecured, considered good)		
Loans	15,299,906	19,334,123
Advances recoverable in cash or in kind or for value to be received	745,695	782,994
Advance Income Tax	44,526	57,891
	<u>16,090,127</u>	<u>20,175,008</u>
<b>9 CURRENT LIABILITIES</b>		
Other Liabilities	131,734	117,224
	<u>131,734</u>	<u>117,224</u>
<b>10 PROVISIONS</b>		
Provision for Taxation	420,000	488,000
	<u>420,000</u>	<u>488,000</u>
	<b>For the Year ended 31.03.2007</b>	<b>For the year ended 31.03.2006</b>
<b>11 OTHER INCOME</b>		
Dividend	2,400	3,293
Interest & Other Income (TDS Rs.3,05,766 /-, previous year Rs. 3,46,718/-)	1,452,813	1,545,087
Misc. Income (TDS Rs. Nil, previous year Rs. Nil)	24,935	—
Rent	96,000	96,000
	<u>1,576,148</u>	<u>1,644,380</u>
<b>12 ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Salaries & Wages	418,608	167,861
Rent	12,000	10,470
Rates & Taxes	10,470	24,979
Electricity Charges	9,372	11,646
Auditor's Remuneration	16,854	11,224
Repairs & Maintenance	6,338	7,036
Postage & Telephone Charges	9,056	10,306
Secretarial Expenses	14,537	15,104
Director Fees	33,000	31,500
Director Fees (Audit & Other Committee)	12,500	12,000
Interest Paid	13,087	17,717
Expenses Written Off	4,500	—
Vehicle Expenses	146,130	218,853
Subscription and Donation	32,980	34,965
Insurance expenses	10,298	36,006
Other Expenses	140,412	81,330
	<u>890,142</u>	<u>690,997</u>



## Schedules (Contd.)

### 13. NOTES ON ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### A. Accounting Convention

Financial Statements have been prepared as per Historical Cost Convention and in accordance with the normally accepted accounting principles.

##### B. Revenue & Expenditure Recognition

The Company has followed accrual basis of accounting, except for dividend income which is accounted on cash basis.

##### C. Fixed Assets

Fixed assets are accounted at cost less depreciation.

##### D. Depreciation

Depreciation on assets has been provided for on Straight Line Method in terms of Section 350 of the Companies Act, 1956 as per the rates prescribed under Schedule XIV to said Act.

##### E. Investments

Investments are capitalized at cost including brokerage and stamp duty. In terms of the Reserve Bank of India guidelines to Non-Banking Financial Companies, all investments in securities are bifurcated into current investments and long-term investments. The investments acquired with the intention of short-term holding are considered as stock-in-trade and classified as current assets and others are considered as long-term investments. Decline in value of long-term investments is not provided for unless it is considered other than temporary in nature.

##### F. Inventories

Inventories are valued at cost or net realizable value, whichever is lower.

##### G. Deferred Tax

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, including assets arising from loss carried forward, are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Particulars	Deferred Tax	
	31-03-2007	31-03-2006
Opening Balance of Deferred Tax Liability	43,775	128,090
Add : Deferred Tax reversed on account of timing difference in value of Book Depreciation and depreciation under Income Tax Act, 1961	(9,431)	(84,315)
Closing Balance of Deferred Tax Liability	34,344	43,775

## Schedules Annexed to & forming part of Balance Sheet (Contd.)

### 2. Related party disclosures in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount 2006-07 (Rs.)
Vintage Capital Markets Limited	Associate	Administrative expenses reimbursed to others	1,79,151
		Interest Received	1,26,536

### 3. PARTICULARS IN RESPECT OF OPENING STOCK, PURCHASE, SALES AND CLOSING STOCK OF SHARES:

	2006-07		2005-06	
	Qty. No.	Amount (Rs.)	Qty. No.	Amount (Rs.)
Opening Stock	60,300	50,474	60,300	51,924
Purchases	—	—	—	—
Sales	—	—	—	—
Closing Stock	9,600	51,443	60,300	50,474

### 4. PAYMENTS TO AUDITORS

	2006-07 (Rs.)	2005-06 (Rs.)
Statutory Audit Fees	13,483	8,979
Tax Audit Fees	3,371	2,245
	<u>16,854</u>	<u>11,224</u>

### 5. Earnings per shares - The numerators and denominators used to calculate Basic/Diluted Earning per share:

Earning per share :	(Amount in Rs.)	
	2006-07	2005-06
(A) Profit after tax as per Profit & Loss Account (Rs.)	3,38,256	4,76,974
(B) Number of Equity Shares of Rs. 10/- each outstanding during the year.	36,66,800	40,05,900
(C) Basic/Diluted Earnings per share (A/B)	0.09	0.13

6. An amount of Rs. 68,000/- comprising 20% of the net profits for the year ended 31<sup>st</sup> March, 2007, has been transferred to RBI Reserve Fund in accordance with section 45-IC of the RBI Act, 1984.

7. During the previous year, 3,39,100 shares were forfeited by the Board of Directors due to non-payment of call money after passing a Resolution in the Board meeting held on 4<sup>th</sup> December, 2006 at its registered office. The amount unpaid on above shares was Rs. 23,04,500/-.

8. Salary paid includes a sum of Rs. 1,17,000/- paid to Director.

9. Previous year figures have been re-grouped and re-arranged, wherever considered necessary.

**Schedules Annexed to & forming part of Balance Sheet (Contd.)**
**10. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE FOR THE YEAR ENDED 31ST MARCH, 2006**
**I. REGISTRATION DETAILS**

Registration No.	63991	State Code	21
Balance Sheet Date	31.03.2007		

**II. CAPITAL RAISED DURING THE YEAR (Rs. ' 000)**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

**III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Rs. ' 000)**

Total Liabilities	42062	Total Assets	42062
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**Source of Fund**

Paid - up Capital	37755	Reserve & Surplus	4099
Secured Loans	174	Unsecured Loans	Nil
Deferred Tax	34		

**Application of Funds**

Net Fixed Assets	1188	Investment	24361
Net Current Assets	16513	Misc. Expenditure	Nil
Accumulated Loss	Nil		

**IV. PERFORMANCE OF COMPANY (Rs. '000)**

Turnover/Income	1577	Total Expenditure	1018
Profit Before Tax	559	Profit After Tax	338
EPS in Rs.	0.09	Dividend Rate %	Nil

**V. GENERIC NAMES OF THREE PRODUCTS/SERVICES OF COMPANY (as per monetary terms)**

Product/Service Description	Item Code No.
Dealing in Shares & Securities	Not Applicable
Inter Corporate Deposit	Not Applicable

I. Previous year figures have been re-grouped and re-arranged, wherever considered necessary.

Signature to the Schedule 1 to 13

*As per our report of even date attached*

For **B. P. AGARWAL & ASSOCIATES**  
Chartered Accountants

**Sanjay Dixit**  
Partner  
Membership No. 401703

Place : Kolkata  
Date : 29th day of June, 2007

**For and on behalf of the Board**

**Sri B. L. Rathi**  
Director

**Sri V. K. Mohatta**  
Managing Director

**Sri Saugata De**  
Company Secretary

**Sri Rajiv Agarwal**  
Chief Financial Officer

## CASH FLOW STATEMENT

Description	Year ended 31st March, 2007 (Rs.)	Year ended 31st March, 2006 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit after Taxes	360,169	476,974
<b>Adjustment for :</b>		
Depreciation	124,955	160,538
Provision for Taxation	(77,431)	127,685
Income Tax for earlier years	(21,913)	—
Loss on discard of Fixed Assets	—	186,736
Operating Profit before Working Capital Changes	385,780	951,933
<b>Changes in :-</b>		
Inventories	(969)	1,450
Loans & Advances	4,084,881	4,329,511
Trade & Other Payable	14,510	33,295
<b>Net Cash Flow from Operating Activities (A)</b>	<b>4,484,202</b>	<b>5,316,189</b>
<b>B. Cash Flow from Investing Activities</b>		
Sale/ (Purchase) of Fixed Assets	(35,413)	(63,000)
Sale/ (Purchase) of Investments	(3,761,060)	(5,104,588)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(3,796,473)</b>	<b>(5,167,588)</b>
<b>C. Cash Flow from Financing Activities (C)</b>		
Proceeds from Issue of Share Capital/Calls in Arrear	44,500	—
Proceeds from long term borrowings	(79,313)	(74,683)
<b>Net Cash Flow from Financing Activities (C)</b>	<b>(34,813)</b>	<b>(74,683)</b>
<b>Net Increase/(Decrease) in Cash and Equivalents</b>	<b>652,916</b>	<b>73,918</b>
<b>Cash &amp; Cash Equivalents (Opening Balance)</b>	<b>269,968</b>	<b>196,050</b>
<b>Cash &amp; Cash Equivalents (Closing Balance)</b>	<b>922,884</b>	<b>269,968</b>

Place : Kolkata  
Date : 29th day of June, 2007

**Sri Saugata De**  
Company Secretary

**Sri B. L. Rathi**  
Director

**Sri V. K. Mohatta**  
Managing Director

### AUDITORS' CERTIFICATE

We have checked the attached cash flow statement of **Vintage Securities Limited** for the year ended 31st March, 2007 from the books and records maintained by the Company in the ordinary course of business and found it in accordance therewith.

For **B. P. AGARWAL & ASSOCIATES**  
Chartered Accountants

**Sanjay Dixit**  
Partner

Place : Kolkata  
Date : 29th day of June, 2007

Membership No. : 401703

**Schedule as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998**

Particulars	Amount outstanding (Rs.)	Amount overdue (Rs.)
<b>Liabilities side :</b>	<b>(in thousand)</b>	<b>(in thousand)</b>
(1) <b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	NIL	NIL
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	NIL	NIL
(e) Commercial Paper	NIL	NIL
(f) Public Deposits*	NIL	NIL
(g) Other Loans (Car term loan)	174	NIL
* As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.		
(2) <b>Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
(a) In the form of Unsecured debentures	NIL	NIL
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	NIL	NIL
(c) Other public deposits	NIL	NIL
<b>Assets side :</b>	<b>Amount outstanding (Rs.)</b>	
(3) <b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below :</b>	<b>(in thousand)</b>	
(a) Secured	NIL	
(b) Unsecured	15,316	
(4) <b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	NIL	
(b) Operating Lease	NIL	
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire	NIL	
(b) Repossessed Assets	NIL	
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	NIL	
(b) Loans other than (a) above	NIL	
(5) <b>Break-up of Investments :</b>		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others (please specify)	NIL	
2. Unquoted :		
(i) Shares : (a) Equity	NIL	
(b) Preference	NIL	
(ii) Debentures and Bonds	NIL	
(iii) Units of mutual funds	NIL	
(iv) Government Securities	NIL	
(v) Others (please specify)	NIL	

Long Term investments :

1. Quoted :	
(i) Shares : (a) Equity	5,697 (refer Schedule 5 of the Balance Sheet)
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted :	
(i) Shares : (a) Equity	18,664 (refer Schedule 5 of the Balance Sheet)
(b) Preference	NIL
(ii) Debentures and Bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

6. **Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :**  
(Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank Directions, 1998)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties **	Nil	Nil	Nil
(a) Subsidiaries	Nil	Nil	Nil
(b) Companies in the same group	Nil	2,000	2,000
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	13,316	13,316
Total	Nil	15,316	15,316

(7) **Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):**

(Please see note 1 below)

Category	Market Value / Break up or fair value or NAV (Rs.)	Book Value (Net of Provisions) (Rs.)
1. Related Parties **	(in thousands)	(in thousands)
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	5,020	5,020
(c) Related parties	NIL	NIL
2. Other than related parties	29,178	19,341
Total	34,198	24,361

\*\* As per Accounting Standard of ICAI (Please see Note 1)

(8) **Other information**

Particulars	Amount (Rs.)
1. <b>Gross Non-Performing Assets</b>	
(a) Related Parties	NIL
(b) Other than related parties	NIL
2. <b>Net Non-Performing Assets</b>	
(a) Related parties	NIL
(b) Other than related parties	NIL
3. <b>Assets acquired in satisfaction of debt</b>	NIL
<b>Total:</b>	

**Notes:**

- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.



'ANANDLOK', 4TH FLOOR, 227, A J C BOSE ROAD, KOLKATA - 700 020

**PROXY FORM**

I/We.....of.....in the District of.....being member(s) of the above-named Company, hereby appoint .....of.....in the district of.....or failing him/her.....of .....in the district of.....as my/our proxy to attend and vote for me/us and on my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at the registered office at 'Anandlok', 227, A J C Bose Road, 4th Floor, Kolkata - 700 020 on 14th September, 2007 at 10.30 a.m. and at any adjournment thereof.

Signed this.....day of.....2007

Full name .....

No. of Shares : .....

Regd. Folio No./Client ID No. and DP ID No. : .....

Affix  
One Rupee  
Revenue  
Stamp

Note:

The proxy to be valid should be deposited at the Regd. Office at 'Anandlok', 227, A J C Bose Road, 4th Floor, Kolkata - 700 020 at least 48 hours before the meeting.

Signature



'ANANDLOK', 4TH FLOOR, 227, A J C BOSE ROAD, KOLKATA - 700 020

**ATTENDANCE SLIP**

**(Please present this slip at the Entrance of the Meeting Venue)**

I hereby record my presence at the Thirteenth Annual General Meeting of the Company held at the Regd. Office at 'Anandlok', 227 A J C Bose Road, 4th Floor, Kolkata - 700 020 on 14th September, 2007 at 10.30 a.m.

To be signed at the time of handing over the slip at the Meeting Venue.

No. of Shares .....

Regd. Folio No./Client ID No. and DP ID No. ....

\_\_\_\_\_  
(Signature of Member/Proxy)

Name.....