

**29TH  
ANNUAL REPORT  
1998-99**



**VENTURA TEXTILES CORPORATION LTD**

**VENTURA TEXTILES CORPORATION LTD**  
(Formerly known as VTC Industries Ltd.)**BOARD OF DIRECTORS**

Mr. R. S. Mehra	: Chairman
Mr. D. S. Alva	: Vice-Chairman
Dr. Surinder Kapur	: Managing Director
Mr. Shantanu Choudhury	: Nominee Director - IDBI
Mr. R. P. Kapur	: Director
Mr. Kewal Kapur	: Director
Mr. M. P. Bharucha	: Director
Mr. P. M. Rao	: Director

**SOLICITORS AND ADVOCATES**

M/s. Amarchand & Mangaldas &  
Suresh A. Shroff & Co

**AUDITORS**

M/s. S. M. Kapoor & Co  
Chartered Accountants

**BANKER**

State Bank of India

**REGISTERED OFFICE**

313, MIDAS, Sahar Plaza  
J. B. Nagar  
Andheri (East)  
Mumbai - 400 059

**MILLS**

Satpur & Gonde, Nashik

**REGISTRAR & SHARE TRANSFER AGENT**

Intime Spectrum Registry Pvt. Ltd  
260-A, Shanti Industrial Estate  
Sarojini Naidu Road  
Mulund (West), Mumbai - 400 080



## VENTURA TEXTILES CORPORATION LTD

### NOTICE

**NOTICE** is hereby given that the **TWENTY-NINTH ANNUAL GENERAL MEETING** of the members of **Ventura Textiles Corporation Limited** will be held on Friday, the 24th September, 1999 at 5th Floor, B-Wing, ACME Plaza, Andheri-Kurla Road, Mumbai - 400 059 at 4.00 p.m. to transact the following business :

#### AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999, the Profit and Loss Account for the year ended on that date together with the schedules and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Surinder Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Kewal Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors and fix their remuneration.

**Registered Office :** For and on behalf of the Board of Directors  
313, MIDAS, Sahar Plaza  
J. B. Nagar  
Andheri (East)  
Mumbai - 400 059

**Dr. Surinder Kapur**  
*Managing Director*

Date : 30th July, 1999

#### NOTES :

1. 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.
2. The Instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. The Share Transfer Book and the Register of Members of the Company will remain closed from 21st September, 1999 to 24th September, 1999 (both days inclusive) to comply with listing Agreement of the Stock Exchanges.
4. Members are requested to immediately intimate change of address, if any, to the Company's Registrar and Share Transfer Agents 'Intime Spectrum' Registry Pvt. Ltd., 260-A, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080, quoting reference to their Registered Folio Number.
5. Members/Proxies are requested to bring the copy of their Annual Report alongwith them and to produce the Attendance Slip at the Entrance of the Meeting Hall.
6. The Shares of the Company are listed with the following Stock Exchanges :
  - a) The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 1.
  - b) The Coimbatore Stock Exchange Ltd., CSX Towers, 683 - 686 Trichy Road, Singanallur, Coimbatore 641005.
  - c) The Delhi Stock Exchange Association Ltd., West Plaza, I.G. Stadium, Indraprastha Estate, New Delhi - 110 002.
  - d) The Stock Exchange Ahmedabad, Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad - 380 015.

## DIRECTORS' REPORT

To  
The Members

Your Directors take pleasure in presenting the Twenty-Ninth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 1999.

### FINANCIAL RESULTS :

(Rs. in lacs)

	1998-99	1997-98
<b>Gross Income</b>	<b>3446.93</b>	2618.47
Profit/(Loss) before depreciation	(589.99)	(142.71)
Less : Depreciation	<b>310.03</b>	218.44
Profit/(Loss) for the year	<b>(900.02)</b>	(361.15)
Add : Balance brought forward from the previous year.	<b>147.81</b>	508.96
Balance carried to Balance Sheet	<b>(752.20)</b>	147.81

### DIVIDEND :

Due to loss incurred by the Company for the financial year 1998-99, the Directors regret their inability to recommend any dividend.

### OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK :

During the year under review, the operations of the Company continued to suffer due to lack of demand for fabrics, despite lower prices. The sluggish International market conditions depressed the export growth of the Company's products. The internationally lower cotton prices, compared to the higher Indian cotton prices, have also reduced the demand for Indian fabrics worldwide.

With these set backs, the Company's production was only at 60.61 lacs linear mtrs. as against the installed capacity of 94.64 lacs linear mtrs. The exports stood at Rs. 2944.47 lacs marginally higher than the previous year's exports of Rs. 2186.07 lacs. The drop in the prices by over 20% not only decreased the export revenue but also eroded the margins, and the operations could not generate enough cash profits to meet the interest costs. As a result, the Company suffered a cash loss of Rs. 589.99 lacs after incurring an interest burden of Rs. 846.54 lacs.

During the current year, the Company commenced its direct exports. The Company also initiated its marketing efforts with a diversified product-line and also into other markets viz. Sri Lanka, Bangladesh, etc. The Company expects to achieve an export turnover of Rs.40 crores during the current financial year. The Company has undertaken several measures in its operations to reduce the cost of production to avoid cash losses.

### DISCLOSURE UNDER THE LISTING AGREEMENT :

Clause 32: Cash flow statement pursuant to clause 32 of the listing agreement is furnished along with audited accounts of the Company.

The Company has complied to Y2K compliances without any additional expenditure.

### DIRECTORS :

Your Directors regret about the sudden demise of Dr. Vinod Kapur and the Board of Directors records its appreciation for his contribution to the business during his tenure as a Director of the Company.

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Dr. Surinder Kapur and Mr. Kewal Kapur, Directors retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Sushil K. Sain resigned as a Director with effect from 29th January, 1999. Further Mr. V. Prasad Rao, resigned as a Director with effect from 28th May, 1999. Your Directors record their appreciation for their contributions to the business of the Company during their tenure as Directors of the Company.

### AUDITORS :

Messrs S. M. Kapoor & Co., Chartered Accountants, Mumbai, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### FIXED DEPOSITS :

The Company has accepted deposit within the meaning of Section 58 A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. The Provisions and Rules thereof are being adhered to.

The Unsecured Loan (from others) of Rs.130 lacs outstanding on 31st March, 1999 have been received from two persons and the same is for a period of 3 years.

### INFORMATION UNDER SECTION 217 OF THE COMPANIES ACT, 1956 :

#### a) Particulars of employees :

The information required under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, as amended by the Companies Amendment Act, 1988 and forming part of the Directors' Report for the year ended 31st March, 1999 is NIL.

#### b) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings And Outgo :

Required details are annexed to this report.

### ACKNOWLEDGEMENT :

The Directors wish to thank State Bank of India, IDBI, SICOM and shareholders for their continued support and co-operation. The Directors also record their appreciation for the sincere and dedicated efforts of the employees at all levels.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30-07-99

**D. S. Alva**  
Vice-Chairman

**Dr. Surinder Kapur**  
Managing Director



## VENTURA TEXTILES CORPORATION LTD.

### ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 1999.

#### A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures taken :  
The Company regularly reviews all aspects of generation and usage by close monitoring of energy consuming equipments while keeping close liaison between energy generating centres and consuming points.
- b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy : NIL
- c) Impact of the measures at a) & b) above for reduction of energy consumption & consequent impact on the cost of production of goods :

As a result of measures on above, the Company has been able to contain its power consumption. Further this has also generated awareness of energy saving in technical and production staff.

- d) Total energy consumption and energy consumption per unit of production.

As per Form 'A' furnished below.

#### B & C TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The Company has neither imported any technology nor has incurred any expenditure on Research and Development, during the year.

#### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports, initiatives taken to increase export, development of new export markets for product services and export plans :

The Company has been exporting its produce through JCT Limited to Hongkong & USA. However lately the Company has started direct exports to the same markets and are exploring the South Asian and European Markets.

- b) Total Foreign Exchange used and earned :

	(Rs. in Lacs)
Used	34.13
Earned	2,944.47

#### FORM A

#### A. Power & Fuel Consumption

##### 1. Electricity

	Current Year	Previous Year
a. Purchased Units	4,088,850.00	3,425,258.00
Total Amount (Rs.)	16,588,561.00	13,265,818.00
Rate / Unit (Rs.)	4.06	3.87
b. Own Generation		
i) Through Diesel Generator		
Units	1,541,097.00	229,019.00
Units per Ltr. of Diesel Oil		
Cost / Unit (Rs.)	3.17	3.21
ii) Through Steam Turbine / Generators	NIL	NIL
	NIL	NIL

##### 2. Coal (specify quantity & where used)

##### 3. Furnace Oil

Light Diesel Oil (LDO)		
Quantity Consumed (Ltrs)	479,620.00	431,870.00
Total Amount (Rs.)	3,490,866.00	3,549,110.00
Average Rate (Rs.)	7.28	8.22

##### 4. Other / Internal Generation - Steam

Quantity Produced (tonnes)	7,382.39	6,379.79
Total Cost (Rs.)	4,201,085.00	3,549,110.00
Rate / Tonne (Rs.)	569.07	556.30

#### B. Consumption per unit of production (Rs.)

Product	Unit	Current Year				Previous Year			
		Elect	Coal	Furn Oil	Steam	Elect	Coal	Furn Oil	Steam
Cloth	Per Mtr.	4.89	-	1.21	-	2.78	-	0.71	-