

VENTURA TEXTILES LIMITED



ANNUAL REPORT
2 0 0 7 - 2 0 0 8

VENTURA TEXTILES LIMITED**38th Annual Report 2007-2008****BOARD OF DIRECTORS**

Mr. P. M. Rao	Chairman & Managing Director
Mr. Abhijit Rao	Executive Director
Mr. Shyam R. Karmarkar	Director
Mr. Prakash R. Bhargava	Director

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

PLANT Gonde, Nashik District, Maharashtra.

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

BANKERS **State Bank of India**

SOLICITORS **bharucha & partners**

REGISTRARS & TRANSFER AGENTS **Intime Spectrum Registry Ltd.**
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078.

CONTENTS

Notice	2	Balance Sheet	24
Directors' Report	4	Profit and Loss Account	25
Corporate Governance Report	9	Schedules	26
Management Discussion & Analysis	18	Notes to Accounts	31
Auditors Report	21	Cash Flow Statement	37

**NOTICE**

NOTICE is hereby given that the 38th Annual General Meeting of Ventura Textiles Limited will be held on Tuesday, the 30th day of September, 2008, at the Registered Office of the Company at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2008, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the schedules and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Mr. Prakash R. Bhargava, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. S. M. Kapoor & Company, Chartered Accountants, as the Auditors of the Company and to fix their remuneration.

Registered Office :
313-Midas, Sahar Plaza,
J. B. Nagar, Andheri (East),
Mumbai – 400 059.

For and on behalf of Board of Directors

Date : 16th August, 2008

P. M. Rao

Chairman & Managing Director

Report Junction.com

VENTURA TEXTILES LIMITED**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 OF THE COMPANY.**
- 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 Register of Members and Share Transfer Books of the Company will be closed from 26th September, 2008 to 30th September, 2008 (both days inclusive) in connection with the Annual General Meeting of the Company.
- 4) Members are requested to immediately intimate change of address, if any, to the Company's Register and Share Transfer Agent 'Intime Spectrum Registry Ltd', C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078 quoting reference to their Registered Folio number.
- 5) There is no amount outstanding or due for a period of more than 7 years, which the Company is required to transfer to the Investor Education and Protection Fund of the Central Government as required under Section 205 C of the Companies Act, 1956.
- 6) Members/ Proxies are requested to bring the copy of their Annual Report along with them and to produce the Attendance Slip at the entrance of the venue.
- 7) All the documents referred to in the Notice convening the Thirty-Eighth Annual General Meeting of the Company is available for inspection at the Registered Office of the Company between 11 a.m. to 1.00 p.m. on all working days, other than Saturdays, upto the date of the Annual General Meeting.

Information under Clause 49 of the Listing Agreement with respect of the Director seeking appointment/re-appointment in this Annual General Meeting.

Item No. 2 :

1.	Name	Mr. Prakash R. Bhargava
2.	Date of Birth	7th July, 1945
3.	Educational Qualifications	BE (MECH), M.E., DMS
4.	Profession	Business
5.	Expertise in Specific Functional Areas	In-depth knowledge of plastic processing
6.	Category of Director	Independent & Non Executive
7.	No. of Shares held	Nil
8.	Directorship held in other Public Limited Companies (excluding foreign companies)	Nil
9.	Chairman / Member of the Committee of other public Companies (including Audit and Shareholders / Investors Grievance Committee)	Member - Audit Committee Member - Remuneration Committee Member - Investor Grievance Committee Member - Preferential Issues Capital

Registered Office :

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

For and on behalf of Board of Directors

P. M. Rao

Chairman & Managing Director

Date : 16th August, 2008



DIRECTORS' REPORT

TO THE MEMBERS VENTURA TEXTILES LIMITED

Your Directors take pleasure in presenting the 38th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2008. The summarized performance during the year is as under:

FINANCIAL RESULTS: (Rs. In Lacs)

PARTICULARS	31/03/2008	31/03/2007
Sales	7,877.75	6413.55
Other Income	198.46	199.80
Total Income	8,076.21	6613.08
Total Expenditure	7,406.35	5839.16
Profit Before Interest, Depreciation & Tax	669.86	773.92
Interest	612.95	543.88
Depreciation	340.57	338.27
(Loss) Before Tax	(283.65)	(108.23)
Fringe Benefit Tax	2.95	4.50
(Loss) After Tax	(286.60)	(112.73)
Exceptional Income/ Prior Period Adjustment	-	579.46
Net Profit/(Loss)	(286.60)	466.73
Adjustment in Balance Brought Forward from previous year	45.62	-
Balance Carried to Balance Sheet	(240.98)	(3902.54)

PERFORMANCE REVIEW :

During the year under review, the steep appreciation of Rupee against US dollar affected the export sector and in the process, your Company also suffered both in terms of exports and profitability. The total sales (both export and domestic) for the year had increased to Rs.787.78 million as against Rs. 641.35 million in the previous year. The Company has posted a reduced Profit before Interest, Depreciation & Tax of Rs.66.99 million, whereas it was Rs. 77.39 million in the previous year.

Your Company incurred operational loss of Rs.28.66 million as compared to Rs.10.82 million in the previous year. This is mainly because of rupee appreciation, high operational costs, tightening liquidity and increase in interest cost.

Due to the ongoing recession in the Textile Industry, slow down in US Economy and delay in TUFs, the proposed fully integrated expansion of the Company is deferred.

DIVIDEND :

Your Directors have not recommended any Dividend for payment on the paid-up share capital for the Financial year ended 31st March, 2008, due to the loss incurred in the current year.

SCOPE OF GLOBAL OPPORTUNITY :

India has a significant market share in Textiles and is now the second largest producer of cotton the key ingredient in textiles. Textile Industry has set an export target of \$50 bn by 2010.

India with its abundant multi-fiber raw material base, well-established production bases, design capability and skilled labour force has the ability to emerge as a global textile and apparel-sourcing hub. The future of the Textiles industry seems to be bright in all aspects. In light of this the Government of India has extended the TUF Scheme by further five years to 2012 thereby opening an opportunity for further expansion and modernisation in the Textile Sector.

VENTURA TEXTILES LIMITED**SHARE CAPITAL :**

Pursuant to the Order of the Hon'ble BIFR dated 22nd June, 2007, the Company reduced the Share Capital by 75% and written-off the accumulated losses, viz. the Issued, Subscribed and Paid-up Capital of the Company has been reduced from Rs. 34,70,54,260/- consisting of 34,70,54,260 Equity Shares of Re.1/- each to Rs.8,67,63,570/- of Re.1/- each and consolidated into 8,67,63,57 Equity Shares of Rs.10/- each, further reduced and consolidated 4,75,00,000 Equity Shares of Re.1/- each allotted to the Promoters on conversion of the Optionally Fully Convertible Warrants, into 11,87,500 Equity Shares of Rs.10/- each of the Company, resulting in the paid-up equity share capital of the Company to 98,63,857 Equity Shares of Rs.10/- each.

MANAGEMENT DISCUSSION & ANALYSIS :

A detailed Management Discussion & Analysis is annexed and forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company continues to practice good governance. The Board is committed to achieving a high standard of corporate governance supported by broad principles. Your Company has complied with all the mandatory provisions prescribed by SEBI and Clause 49 of the Listing Agreement with Stock Exchanges. The detailed report on compliance of Corporate Governance and Management Discussion Analysis as stipulated in Clause 49 of the Listing Agreement is attached to the report.

In line with the said provisions, the Company has obtained certificates from Managing Director and Chief Financial Officer and Auditors of the Company, the same are annexed and form part of this report.

FIXED DEPOSITS :

The Company has not accepted any deposit within the meaning of the provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS :

Mr. S. C. Bhawe, who joined the Board of Directors of the Company on 21st April, 2005, as a Nominee of State Bank of India (SBI) ceased to be a Director of the Company with effect from 31st January, 2008. The Board places on record its deep sense of appreciation for the contributions made by him during the tenure of his office as a Nominee Director of the Company.

In accordance with the provisions of Companies Act, 1956, Mr. Prakash R. Bhargava, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment. Your Directors recommend his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to sub-section (2AA) Section 217 of the Companies Act, 1956 your Directors confirm that:

- i. in preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31st March, 2008;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and



- iv. the Directors have prepared the Annual Accounts for the period ended on 31st March, 2008 on a going concern basis.

AUDITORS :

M/s. S. M. Kapoor & Co., Chartered Accountants, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. The Company has received a certificate from the Auditors, under Section 224 (1B) of the Companies Act, 1956, intimating their willingness and eligibility for re-appointment. Your Directors recommend the said re-appointment.

COST AUDITORS :

M/s ABK & Associates, Cost Accountants, Mumbai, has been proposed to be appointed, subject to approval of the Central Government as the Cost Auditors of the Company for the Financial Year 2008-2009.

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

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given as Annexure to this report.

PARTICULARS OF EMPLOYEES :

None of the Employees were in receipt of the remuneration in excess of the ceiling as prescribed in the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies Amendment Act, 1988.

ACKNOWLEDGMENT :

Your Directors wish to place on record their appreciation to employees of all levels for their hard work, dedication and commitment. The Directors would also like to thank all the shareholders, bankers, customers, vendors, consultants, service providers and governmental & statutory authorities for their continued support.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 16th August, 2008

P. M. Rao

Chairman and Managing Director

VENTURA TEXTILES LIMITED**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, 2008.

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 equipment while keeping close liaison between energy generating centers and consuming points.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : NIL**(c) Impact of measures at (a) and (b) above for reduction of energy consumption impact on cost of production of goods :**

Because of the above measures, the Company has been able to curtail 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' attached.

B. TECHNOLOGY ABSORPTION

The Company has neither imported any Technology nor has incurred any expenditure on Research & Development during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO**(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for product services and export plans:****(b) Total Foreign Exchange used and earned :**

(Rs. in lacs)

Used	96.30
Earned	2214.87



FORM A

A. Power & Fuel Consumption		Current Year	Previous Year
1. Electricity			
a. Purchased Units		4417488	4816151
Total Amount (Rs.)		80,52,241	1,00,80,998
Rate / Unit (Rs.)		1.83	2.09
b. Own Generation			
i) Through LDO Generator			
Units Produced		2,92,293	2,22,107
Units per litre of LDO		3.30	2.81
Cost / Unit (Rs.)		9.28	11.10
Amount		27,11,792	24,65,025
ii) Through Steam Turbine / Generator Units			
Units per litre of Fuel Oil / Gas		NIL	NIL
Cost / Unit (Rs.)		NIL	NIL
2. Fuel for Steam Generation (Boiler)			
a. Coal (Specify quality and Where used)		NIL	NIL
b. Fire Wood			
Quantity (tonnes)		1718.25	1,790.52
Total Amount (Rs.)		25,25,828	26,34,193
Average Rate (Rs.)		1,470	1,471
c. Furnace Oil			
Quantity Consumed (Ltrs.)		NIL	NIL
Total Amount (Rs.)		NIL	NIL
Average Rate (Rs.)		NIL	NIL
d. Low Density Oil (LDO)			
Quantity Consumed (Ltrs.)		NIL	NIL
Total Amount (Rs.)		NIL	NIL
Average Rate (Rs.)		NIL	NIL
3. Steam Generation			
Quantity Produced (tonnes)		4,197.04	4,220.08
Total Cost (Rs.)		25,27,729	26,09,655
Rate / Ton (Rs.)		602.26	618.39

B. Consumption per unit of Production (Rs.)

Product	Unit	Current Year		Previous Year	
		Electricity	Steam	Electricity	Steam
Yarn	Per Kg.	4.38	-	4.18	-
Cloth	Per Sq.Mtr.	0.53	0.07	0.57	0.14

VENTURA TEXTILES LIMITED**CORPORATE GOVERNANCE REPORT**

Corporate Governance is about management and conduct of an organization based on ethical business principles of integrity, fairness, equity, transparency, accountability and commitment to values.

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Ventura's philosophy on Corporate Governance is aimed at attainment of highest levels of transparency, accountability and equity in all facets of its operations; to enhance the value of stakeholders viz. customers, shareholders, employees, lenders, vendors including the society of which the Company is a part. Your Company practices sound corporate governance in line with Ventura's Code of Conduct and believes that good corporate governance is an ongoing process.

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, the details in connection with Corporate Governance practiced by the Company are furnished herewith:

II. BOARD OF DIRECTORS :**A. Composition of Board**

The composition of Board of Directors is in compliance with provisions of Listing Agreement with the Stock Exchanges and the Companies Act, 1956. The present strength of the Board is of four Directors comprising an optimum combination of Executive and Non-Executive Directors.

None of the Directors on the Board is a member of more than ten committees and chairman of more than five committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them.

The composition and categories of the Directors on the Board, number of Board meeting along with their attendance thereat, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Category	No of Directors	% of Total No. of Directors
Executive Directors	2	50%
Independent Directors	2	50%
Total	4	100%

Name of Directors	Category	Attendance		Number of other Directorship and Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. P. M. Rao	Promoter, Chairman & Managing Director	-	Yes	-	1	1
Mr. Abhijit Rao	Executive Director	-	Yes	1	2	-
Mr. Prakash R. Bhargava	Independent & Non-Executive Director	-	-	-	4	2
Mr. Shyam R. Karmarkar	Independent & Non-Executive Director	-	Yes	1	5	3
Mr. S. C. Bhawe	Nominee-SBI	-	-	-	-	-