

# VENTURA TEXTILES LIMITED



---

ANNUAL REPORT  
2008 - 2009

---



## 39th Annual Report 2008-2009

### 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** M/s. Bharucha & Partners

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

### CONTENTS

Notice .....	3	Balance Sheet .....	24
Directors' Report .....	5	Profit and Loss Account .....	25
Corporate Governance Report .....	10	Schedules .....	26
Management Discussion & Analysis .....	18	Notes to Accounts .....	31
Auditors Report .....	20	Cash Flow Statement .....	36

**VENTURA TEXTILES LIMITED****NOTICE**

NOTICE is hereby given that the 39<sup>th</sup> Annual General Meeting of Ventura Textiles Limited will be held on Tuesday, the 29<sup>th</sup> day of September, 2009, at the Registered Office of the Company at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 at 04.00 p.m. to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009, 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 a Director in place of Mr. Shyam Karmarkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-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 : 30th July, 2009

P. M. Rao  
Chairman & Managing Director



## 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 28<sup>th</sup> September, 2009 to 29<sup>th</sup> September, 2009 (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 Registrar and Share Transfer Agent 'Link Intime India Pvt. 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 205C 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-Ninth 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. Shyam Karmarkar
2.	Date of Birth	26th March, 1946
3.	Profession	Practising Chartered Accountant
4.	Educational Qualifications	B. Com., FCA and Associate Member of Institute of Internal Auditors
5.	Expertise in Specific Functional Areas	In the field of Finance and Taxation for more than 3 decades
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	NIL

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

For and on behalf of Board of Directors

Date : 30th July, 2009

P. M. Rao  
Chairman & Managing Director

**VENTURA TEXTILES LIMITED****DIRECTORS' REPORT**

To  
The Members  
VENTURA TEXTILES LIMITED

Your Directors take pleasure in presenting the 39<sup>th</sup> Annual Report together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2009. The summarized performance during the year is as under:

**FINANCIAL RESULTS:****(Rs. In Lacs)**

PARTICULARS	31st March, 2009	31st March, 2008
Sales	1,704.13	7,877.75
Other Income	97.50	198.46
Total Income	1,801.63	8,076.21
Total Expenditure	1,960.82	7,406.35
Profit / (Loss) Before Interest, Depreciation & Tax	(159.19)	669.86
Interest	575.88	612.95
Depreciation	338.92	340.57
(Loss) Before Tax	(1,073.99)	(283.65)
Fringe Benefit Tax	1.80	2.95
(Loss) After Tax	(1,075.79)	(286.60)
Net Profit/(Loss)	(1,075.79)	(286.60)
Adjustment in Balance Brought Forward from previous year	(240.98)	45.62
Balance Carried to Balance Sheet	(1,316.77)	(240.98)

**PERFORMANCE REVIEW:**

During the year under review, the performance of the Company was severely affected on account of global recessionary conditions and economic meltdown resulting in low demand for the Company's main product viz.. bed sheets. Further, the increased raw material cost due to the Minimum Support Price Policy of Government of India on cotton has turned the margins negative.

Consequently the operations suffered to a large extent affecting the financials and liquidity. As a result, the Company's account with its bankers became an NPA in July, 2008. Despite repeated requests, the bank has not yet sanctioned the financial aid sought for. The stoppage of operations on account of continued illegal strike by workmen since December, 2008 further worsened the performance of the Company.

Due to these setbacks, the Company achieved sales of Rs.1,704.13 lacs as compared to Rs.7,877.76 lacs in the previous year and incurred a loss of Rs.1,075.79 lacs, as against a loss of Rs.286.60 lacs in the previous year.

**DIVIDEND:**

Your Directors have not recommended any dividend for payment on the paid-up share capital for the financial year ended 31<sup>st</sup> March, 2009, due to the loss incurred in the current year.

**FUTURE PROSPECTS:**

As expected earlier, Union Budget has announced measures for the relief of the Textile Industry. The measures such as increased allocation for Technology Up-gradation Fund scheme (TUFS), increased allocation of Integrated Textile Parks, reduction in the custom duties and setting up of Five Mega Clusters which could generate employment opportunities etc. are viewed as a road map to the success for the Textile Industry. However, it has left a mixed bag of impression among the industry players, particularly in view of the global competing countries competitiveness.

There is an increasing demand for Indian textile products in International Markets. With abundant multi-fiber raw material base, well-established production bases and design capability, India has the ability to emerge as a global textile and apparel-sourcing hub.



Looking forward to the escalating demand, your Directors will take all necessary steps to resolve the ongoing illegal strike by the workmen and stabilize the operations soon. The management will also pursue the bankers to extend the much needed financial support to take the Company forward.

#### MANAGEMENT DISCUSSION & ANALYSIS:

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

#### CORPORATE GOVERNANCE:

Report on Corporate Governance forms an integral part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of Corporate Governance under clause 49 of the listing agreement is also annexed to 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:

In accordance with the provisions of Companies Act, 1956, Mr. Shyam Karmarkar, 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 the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company and subject to disclosures in the annual accounts and also on the basis of discussion with the Statutory Auditors' of the Company from time to time, 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 31<sup>st</sup> March, 2009;
- 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 31<sup>st</sup> March, 2009 on a going concern basis.

#### AUDITORS' REPORT :

The observations/qualification made in the Auditors' Report are suitably replied and explained in the addendum to the Directors' Report.

#### AUDITORS :

M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai, the Statutory Auditors' of the Company will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors', under Section 224 (1B) of the Companies Act, 1956, to the effect that their re-appointment, if made, will be within the statutory limits.

#### COST AUDITORS :

M/s. ABK & Associates, Cost Accountants, Mumbai, have been re-appointed as Cost Auditor of the Company for the Financial Year 2008-2009, as per the directions issued by the Central Government vide letter no. 52/777/CAB-2000

**VENTURA TEXTILES LIMITED**

dated 10<sup>th</sup> August, 2000, with respect to the eligibility/ consent received from them pursuant to section 224 (1) (b) of the Companies Act, 1956.

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

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, information on conservation of energy, technology absorption, foreign exchange earnings and out-go 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 would like to express their sincere appreciation to the Company's valued investors, Banks, Central and State Governments and all other statutory authorities for their continued Co-operation and support.

Your Directors also take this opportunity to acknowledge the dedicated efforts made by workers, staff, and officers at all level for their hard work, dedication and commitment.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : 30th July, 2009

P. M. Rao  
Chairman and Managing Director

Report  Junction.com

**ADDENDUM TO THE DIRECTORS' REPORT**

The Auditors' observations/qualifications in para 4(d) and 5 of the Auditors' Report has been suitably explained/clarified in Note 8 of Schedule No. 21 (Notes to the Accounts) and therefore do not call for any further comments.

Apropos to the Auditors' observation in para 5 of the Auditors' Report the Company hitherto paid annual premiums under group gratuity scheme to LIC of India. However, during the year, due to financial constraints the premium was not paid and hence, the Company made an estimated provision, being not in a position to obtain Actuarial Valuation.

The Auditors' observations/qualifications in para ii (a), (b) and (c) of the Annexure to the Auditors' Report has been suitably explained/clarified in Note 7 of Schedule No. 21 (Notes to the Accounts) and therefore do not call for any further comments.

Apropos to the Auditors' observation in para vii of the Annexure to the Auditors' Report with regard to internal audit system, the Company due to financial constraints could not appoint an Internal Auditor. However, in the management perspective, the procedures and methods followed and the inspections carried out by the management at regular intervals were reasonable, adequate and commensurate with the size of the Company and the nature of its business.

In respect of the Auditors' observation in para ix (a) and xi of the Annexure to the Auditors' Report with regard to non-payment of statutory dues, defaulted repayments to the bank and the debenture holder, the Company was unable to pay the same due to financial constraints and efforts are on to regularize the same at the earliest possible.



## 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 31<sup>st</sup> March, 2009.

**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:

The Company is mainly Exporting to USA and would explore the possibilities in African and Middle-east countries.

- (b) Total Foreign Exchange used and earned :

(Rs. in lacs)

Used	3.14
Earned	502.57



## VENTURA TEXTILES LIMITED



## FORM A

A. Power & Fuel Consumption		Current Year	Previous Year		
1. Electricity					
a. Purchased Units		5,21,625	44,17,488		
Total Amount (Rs.)		15,18,235	80,52,241		
Rate / Unit (Rs.)		2.91	1.83		
b. Own Generation					
i) Through LDO Generator					
Units Produced		Nil	2,92,293		
Units per litre of LDO		Nil	3.30		
Cost / Unit (Rs.)		Nil	9.28		
Amount		Nil	27,11,792		
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)		161.94	1,718.25		
Total Amount (Rs.)		2,52,575	25,25,828		
Average Rate (Rs.)		1,560	1,470		
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)		1,399.01	4,197.04		
Total Cost (Rs.)		8,67,576	25,27,729		
Rate / Ton (Rs.)		620.13	602.26		
B. Consumption per unit of Production (Rs.)					
		Current Year		Previous Year	
Product	Unit	Electricity	Steam	Electricity	Steam
Yarn	Per Kg.	4.10	–	4.38	–
Cloth	Per Sq.Mtr.	0.62	0.15	0.53	0.07



## CORPORATE GOVERNANCE REPORT

## Company's Philosophy on Code of Governance:

Your Company believes that Corporate Governance forms part of its commitment to values and ethical business conduct. It is committed to high standards of Corporate Governance and believes in and practices for optimizing shareholder value and protecting the interests of its stakeholders. The Company believes that good Governance is an essential ingredient of business and is a continuous journey.

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:

## Board of Directors:

The strength of the Board as on 31<sup>st</sup> March, 2009 was four, of which two are Executive Promoter Directors and two are Independent Directors. The Board believes that the current size is appropriate, based on the Company's present circumstances. The Board periodically evaluates the need for increasing or decreasing its size.

The requisite particulars 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
		Held	Attended				
Mr. P. M. Rao	Promoter, Chairman & Managing Director	5	5	Yes	—	—	—
Mr. Abhijit Rao	Executive Director	5	3	Yes	—	—	—
Mr. Prakash R. Bhargava	Independent & Non-Executive Director	5	4	Yes	2	—	—
Mr. Shyam R. Karmarkar	Independent & Non-Executive Director	5	5	Yes	—	—	—

## Details of Board Meetings:

The Board meets at least once every quarter and the time gap between two meetings is not more than four months. During the year, five Board Meetings were held and all the meetings were held at Registered Office of the Company. The details of such Board Meeting are as under:

Name of Directors	Board Meetings held on and attendance details				
	30/04/08	31/07/08	16/08/08	31/10/08	31/01/08
Mr. P. M. Rao	Yes	Yes	Yes	Yes	Yes
Mr. Abhijit Rao	Yes	No	Yes	Yes	No
Mr. Prakash R. Bhargava	Yes	Yes	Yes	No	Yes
Mr. Shyam R. Karmarkar	Yes	Yes	Yes	Yes	Yes

## Directors' Particulars:

Name of Directors	Qualifications
Mr. P. M. Rao	B.Com.
Mr. Abhijit Rao	Graduate from London University
Mr. Prakash R. Bhargava	BE (MECH), M.E., DMS
Mr. Shyam R. Karmarkar	B.Com., FCA