

VENTURA TEXTILES LIMITED

ANNUAL REPORT
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VENTURA TEXTILES LIMITED

40th Annual Report 2009-2010

BOARD OF DIRECTORS

Mr. P. M. Rao *Chairman & Managing Director*

Mr. Abhijit Rao *Executive Director*

Mr. Shyam Karmarkar *Director*

Mr. Prakash 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.

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NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of Ventura Textiles Limited will be held on Thursday, the 30th day of September, 2010, 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, 2010, the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhijit Rao, who retires by rotation and being eligible, offers him self for re-appointment.
3. To re-appoint M/s. S. M. Kapoor & Company, Chartered Accountants, (Firm Regn. No. 104809 W) Mumbai as the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, (Act) and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-appointment of Mr. P. M. Rao, as the Chairman & Managing Director of the Company for a period of five years with effect from 1st July, 2010 at such remuneration within the maximum limits provided under Section I of Part II of Schedule XIII to the Act, and upon the terms and conditions set out in the Explanatory Statement annexed to this notice, placed before this meeting and initialed by the Chairman for the purpose of identification, which is hereby specifically sanctioned with liberty to the Directors to alter and vary the remuneration, terms and conditions of the said appointment and/or agreement, subject to the limits and the terms specified under Section I of Part II of Schedule XIII to the Companies Act, 1956, or any amendment thereto or any statutory modification or re-enactment thereof from time to time, as may be agreed to between the Directors and Mr. P. M. Rao.”

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

For and on behalf of Board of Directors

Date: 14th August, 2010

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 Explanatory Statement under Section 173 (2) of the Companies Act, 1956, for item No. 4 is annexed and forms part of this notice.
4. The Register of Members and Share Transfer Books of the Company will be closed from 29th September, 2010 to 30th September, 2010 (both days inclusive) in connection with the Annual General Meeting of the Company.
5. 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.
6. 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.
7. 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.
8. All the documents referred to in the Notice convening the Fortieth 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.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956 :

Mr. P.M. Rao was re-appointed as the Managing Director of the Company for a period of Five years from 1st July, 2005 to 30th June, 2010. Considering the nature and size of the Company, the Board of Directors, subject to necessary approvals, has once again re-appointed Mr. P. M. Rao, as the Chairman & Managing Director of the Company with effect from 1st July, 2010 for a period of five years, on the following terms and conditions:

With effect from 1st July, 2010, the Managing Director shall be entitled to the following remuneration, perquisites and benefits :

- I. **Tenure of Appointment** : 5 Years (1st July, 2010 to 30th June, 2015)
- II. **Salary** : The remuneration shall be within the overall limits as set out under Schedule Section I of Part II of XIII to the Companies Act, 1956 and any amendment thereto, viz. five percent of the net profits of the Company., in a financial year, during the tenure of his re-appointment.
- III. **Commission, Incentive Bonus, Perquisites etc and other terms of Appointment** : The appointee will be paid such amount by way of commission in addition to the salary and perquisites payable, calculated with reference to the net profits / performance of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceilings stipulated under Sections 198 and 309 of the Act and Section I of Part II of Schedule XIII, as may be applicable from time to time.

The specific amount payable as commission / performance / incentive Bonus to the appointee will be based on certain performance criteria to be laid down by the Board and will be payable annually at the time of the Annual Accounts are approved by the Board of Directors.

SITTING FEES : The appointee shall not be entitled to receive sitting fees for attendance at meetings of the Board or Committees thereof.

VENTURA TEXTILES LIMITED



PERQUISITES :

No other perquisites, until and unless otherwise decided by the Board of Directors of the Company within the ceilings of the remuneration under Section I of Part II of Schedule XIII to the Act.

OTHER TERMS AND CONDITIONS :

- i) The Chairman & Managing Director will be entitled to one month's leave for every eleven months' of service. Such leave may be accumulated in accordance with the Company's rules and practices in force from time to time.
- ii) The remuneration, terms and conditions of the said appointment of the Chairman & Managing Director may be varied from time to time subject to the conditions of Section I of Part II of Schedule XIII to the Companies Act, 1956, or any amendments made hereafter, as may be agreed to, between the Directors and Managing Director.

None of the Directors other than Mr. P. M. Rao and Mr. Abhijit Rao, is concerned or interested in the above resolution. Your Directors recommend this resolution be passed as an Ordinary Resolution.

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 & 4 :

	Name	Mr. Abhijit Rao	Mr. P. M. Rao
	Date of Birth	2 nd July, 1980	10 th June, 1949
	Profession	Business Executive	Business Executive
	Educational Qualifications	BBA from American International University, London	B.Com
	Expertise in Specific Functional Areas	Marketing	More than 35 years in the Textile Industry, with expertise in Finance and Marketing.
	Category of Director	Executive Director (Promoter Director)	Executive Director (Promoter Director)
	No. of Shares held	Nil	Nil
	Directorship held in other Public Limited	Nil	Nil
	Chairman / Member of the Committee of other public Companies (including Audit and Shareholders / Investors Grievance Committee	Nil	Nil

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

For and on behalf of Board of Directors

Date: 14th August, 2010

P. M. Rao
Chairman & Managing Director

**DIRECTORS' REPORT**

To
The Members
VENTURA TEXTILES LIMITED

Your Directors take pleasure in presenting the 40th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2010. The summarized performance during the year is as under:

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

PARTIULARS	31 st March, 2010	31 st March, 2009
Sales	58.43	1704.13
Other Income	22.74	97.50
Total Income	81.17	1801.63
Total Expenditure	173.93	1960.82
Profit / (Loss) Before Interest, Depreciation & Tax	(92.76)	(159.19)
Interest	1.39	575.88
Depreciation	337.80	338.92
Profit / (Loss) Before Tax	(431.95)	(1073.99)
Fringe Benefit Tax	–	1.80
Profit / (Loss) After Tax	(431.95)	(1075.79)
Exceptional Income/Prior Period Adjustment	153.22	–
Net Profit / (Loss)	(278.73)	(1075.79)
Adjustment in Balance Brought Forward from previous year	(1316.77)	(240.98)
Balance Carried to Balance Sheet	(1595.50)	(1316.77)

PERFORMANCE REVIEW :

During the year under review, the performance of the Company was badly affected on-account of continued illegal strike by workmen since December, 2008.

Due to this setback, the Company achieved sales of Rs.58.43 lacs as compared to Rs.1704.13 lacs in the previous year and incurred a loss of Rs.278.73 lacs, as against a loss of Rs. 1,075.79 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 31st March, 2010, due to the loss incurred in the current year.

FUTURE PROSPECTS :

The revival of major economies like US & European Union play a significant role for the future of Indian Textile Industry, accounting for a major export market for Bed Linen and Home Textiles. Your company is making all attempts to explore the domestic market including hotels and hospitals.

Looking forward to the growing opportunity, your Directors will take all necessary steps to resolve the ongoing illegal strike by the workmen and stabilize the operations soon. The management is also pursuing an action plan to implement and strengthen the 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. Abhijit Rao, 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 31st March, 2010;
- 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, 2010 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 :

In view of stoppage of manufacturing operations due to labour strike during the year, the company is seeking exemption from the applicability of maintenance of cost records and cost audit from the Ministry of Corporate Affairs, Government of India, New Delhi.



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 was 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.

ACKNOWLEDGEMENT :

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 : 14th August, 2010

P. M. Rao
Chairman and Managing Director

ADDENDUM TO THE DIRECTORS' REPORT

The Auditors' observations/qualifications in para 4(d) and 5 of the Auditors' Report have been suitably explained/clarified in Note nos. 6, 9, 10 & 11 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 due to financial constraints was unable to pay premium under Group Gratuity Scheme to LIC of India and also no provision has been made, 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 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 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 31st March, 2010.

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 neither has 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	0.23
Earned	47.81



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FORM - A

A. Power and Fuel Consumption		Current Year	Previous Year
1. Electricity			
(a)	Purchased	65,127	521,625
	Total Amount (Rs.)	711,262	15,18,235
	Rate / Unit (Rs.)	10.92	2.91
(b)	Own Generation		
(i)	Through LDO Generator		
	Unit Produced	Nil	Nil
	Units per liter. of LDO	Nil	Nil
	Cost / Unit (Rs.)	Nil	Nil
	Amount	Nil	Nil
(ii)	Through Steam turbine/ Generator Units		
	Units per liter. 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 (tones)	Nil	161.94
	Total Amount (Rs.)	Nil	2,52,575
	Average Rate (Rs.)	Nil	1,560
(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)	Nil	1,399.01
	Total Cost (Rs.)	Nil	8,67,576
	Rate / Ton (Rs.)	Nil	620.13

B. Consumption per unit of Production (Rs.)

Product	Unit	Current Year		Previous Year	
		Electricity	Steam	Electricity	Steam
Yarn	Per Kg.	–	–	4.10	–
Cloth	Per Sq. Mtr.	–	–	0.62	0.15