

VENTURA TEXTILES LIMITED

ANNUAL REPORT
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VENTURA TEXTILES LIMITED

43rd Annual Report 2012-2013

BOARD OF DIRECTORS

Mr. P. M. Rao	<i>Chairman & Managing Director</i>
Mr. Abhijit Rao	<i>Executive Director</i>
Mr. Shyam Karmarkar	<i>Director</i>
Mr. Prakash Bhargava	<i>Director</i>

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
Corporation Bank

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 **43rd Annual General Meeting of Ventura Textiles Limited** will be held on **Monday, the 30th day of September, 2013**, 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 receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the statement of Profit and Loss for the year ended on that date including notes to financial statements and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Abhijit Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution** thereof:

“RESOLVED THAT M/s. S. M. Kapoor & Company, Chartered Accountants, Mumbai (Firm Registration No. 104809W) be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors.”

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, 2013

P. M. Rao
Chairman & Managing Director

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING 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. Members / proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will be closed from 27th September, 2013 to 30th September, 2013 (both days inclusive) in connection with the Annual General Meeting of the Company.
6. Brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the “Annexure A” to the Notice.
7. 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.



VENTURA TEXTILES LIMITED

8. There is no amount outstanding or due for a period of more than Seven 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.
9. 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.
10. All the documents referred to in the Notice convening the Forty-Third Annual General Meeting of the Company is available for inspection at the Registered Office of the Company between 11.00 a.m. to 01.00 p.m. on all working days, other than Saturdays, upto the date of the Annual General Meeting.
11. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least 10 days before the meeting so that the same could be suitably answered at the meeting.
12. VENTURA is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in Corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

Annexure-A

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. Abhijit Rao
2.	Date of Birth	2 nd July, 1980
3.	Profession	Business Executive
4.	Educational Qualifications	BBA from American International University, London
5.	Expertise in Specific Functional Areas	He has around 10 years experience in the field of Marketing and business administration.
6.	Category of Director	Executive Director
7.	No. of Shares held	Nil
8.	Directorship held in other Public Limited	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

P. M. Rao
Chairman & Managing Director

Date: 14th August, 2013

DIRECTORS' REPORT

To
The Members
VENTURA TEXTILES LIMITED

Your Directors present herewith the 43rd Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2013. The summarized performance during the year is as under:

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

PARTICULARS	31st March, 2013	31st March, 2012
Sales	-	-
Other Income	32.88	1.18
Total Income	32.88	1.18
Profit / (Loss) Before Interest, Depreciation & Tax	(4,321.25)	(29.75)
Interest	2.45	0.03
Depreciation	322.92	335.89
Profit / (Loss) Before Tax	(4,644.17)	(365.67)
Exceptional Income/Prior Period Adjustment	4,791.16	-
Profit / (Loss) After Tax	146.98	(365.67)
Adjustment in Balance Brought Forward from previous year	(2368.65)	(2002.98)
Balance Carried to Balance Sheet	(2221.67)	(2368.65)

PERFORMANCE REVIEW:

During the year under review, the performance of the Company was totally affected on-account of continued illegal strike by workmen since December, 2008. However, during the year, due to exceptional income, the Profit After Tax is Rs. 146.98 Lacs.

DIVIDEND:

Your Directors have not recommended any dividend for payment on the paid-up share capital for the financial year ended 31st March, 2013, due to the loss incurred in the current year.

FUTURE PROSPECTS:

During the year under review the Company entered into a settlement with all the workmen and paid the entire dues. The management is taking all necessary steps to restart the production and also pursuing an action plan to implement and strengthen the financial support to take the Company forward.

The Hon'ble Board for Industrial Financing and Reconstruction (BIFR) vide its Order dated 24th June, 2013, for reviving the Company, has approved the de-rating of the Equity Share Capital of the Company by 75% and has permitted preferential allotment of Equity Shares of the Company to the extent of Rs.14.00 Crores.

MANAGEMENT DISCUSSION & ANALYSIS:

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



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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, as amended.

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 Profit of the Company for the year ended 31st March, 2013;
- 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 financial year ended on 31st March, 2013 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.

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.

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: 14th August, 2013

P. M. Rao
Chairman and Managing Director

ADDENDUM TO THE DIRECTORS' REPORT

In respect of the Auditors' observation in para viii 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 x (a) of the Annexure to the Auditors' Report with regard to non-payment of statutory dues, 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, 2013.

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 however, there have been no exports during the year under review due to continued illegal strike by the workmen.

- (b) Total Foreign Exchange used and earned :

(Rs. in Lacs)

Used	Nil
Earned	Nil

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FORM - A

A. Power and Fuel Consumption		Current Year	Previous Year
1. Electricity			
(a)	Purchased	Nil	Nil
	Total Amount (Rs.)	Nil	Nil
	Rate/ Unit (Rs.)	Nil	Nil
(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	Nil
	Total Amount (Rs.)	Nil	Nil
	Average Rate (Rs.)	Nil	Nil
(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	Nil
	Total Cost (Rs.)	Nil	Nil
	Rate / Ton (Rs.)	Nil	Nil

B. Consumption per unit of Production (Rs.)

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



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CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance is to ensure that its obligations are discharged in a fair and transparent manner and to enhance the value of all its stakeholders and meet the aspiration of various sections of the society closely associated with.

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

Board of Directors:

The strength of the Board as on 31st March, 2013 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 the Director	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	4	4	Yes	–	–	–
Mr. Abhijit Rao	Executive Director	4	4	Yes	–	–	–
Mr. P. R. Bhargava	Independent & Non-Executive Director	4	4	No	–	–	–
Mr. Shyam R. Karmarkar	Independent & Non-Executive Director	4	4	Yes	–	–	–

Includes directorships of only Indian Public companies

@ This includes memberships of only Audit Committee and Shareholders/Investors' Grievances Committee

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, four 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 the Director	Board Meetings held on and attendance details			
	30/05/2012	01/08/2012	12/11/2012	08/02/2013
Mr. P. M. Rao	Yes	Yes	Yes	Yes
Mr. Abhijit Rao	Yes	Yes	Yes	Yes
Mr. P. R. Bhargava	Yes	Yes	Yes	Yes
Mr. Shyam R. Karmarkar	Yes	Yes	Yes	Yes

Directors' Particulars :

Name of the Director	Qualifications
Mr. P. M. Rao	B.Com
Mr. Abhijit Rao	BBA - Graduate from American International University, London
Mr. P. R. Bhargava	BE (MECH), M.E., DMS
Mr. Shyam R. Karmarkar	B.Com., FCA