

# VENTURA TEXTILES LIMITED

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ANNUAL REPORT  
2013 - 2014

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## VENTURA TEXTILES LIMITED

### 44<sup>th</sup> Annual Report 2013-2014

#### BOARD OF DIRECTORS

<b>Mr. P. M. Rao</b>	<i>Chairman &amp; Managing Director</i>
<b>Mr. Abhijit Rao</b>	<i>Executive Director</i>
<b>Mr. Shyam Karmarkar</b>	<i>Director (Independent)</i>
<b>Mr. Prakash Bhargava</b>	<i>Director (Independent)</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 **Forty-Fourth (44<sup>th</sup>) Annual General Meeting of Ventura Textiles Limited** will be held on **Tuesday, the 30<sup>th</sup> day of September, 2014**, at the at 211-212, 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 Financial Statements of the Company including the Balance Sheet as at March 31, 2014, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date along with the notes to the financial statements and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. M. Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the AGM to be held for the Financial Year 2016-17 and to fix their remuneration and for that purpose to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. S. M. Kapoor & Company, Chartered Accountants, Mumbai (Firm Registration No. 104809W), the retiring Statutory Auditors of the company, be and are hereby re-appointed as the Statutory Auditors of the Company for a period of there (3) years to hold office from the conclusion of this Annual General Meeting until the conclusion of the AGM to be held for the financial year 2016-17 (subject to ratification of the appointment by the Members at every AGM held after this AGM) and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Prakash Radhavalabh Bhargava (DIN: 00763819), who was appointed as a Director liable to retire by rotation and holding the office as an Independent Director and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013, alongwith the required deposit, be and is hereby appointed as an Independent Director of the Company for Five (5) consecutive years, effective from April 1, 2014 upto March 31, 2019, with the period of office not liable to determination by retirement by rotation.”

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Shyam Raghunath Karmarkar (DIN: 01365616), who was appointed as a Director liable to retire by rotation and holding the office as an Independent Director and in respect of whom the Company has received a notice in writing from a Member



## VENTURA TEXTILES LIMITED

under Section 160 of the Companies Act, 2013, alongwith the required deposit, be and is hereby appointed as an Independent Director of the Company for Five (5) consecutive years, effective from April 1, 2014 upto March 31, 2019, with the period of office not liable to determination by retirement by rotation."

**Registered Office:**

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

**For and on behalf of Board of Directors**

Sd/-

**P. M. Rao**

**Chairman & Managing Director**

**DIN: 00197973**

**Date: 14<sup>th</sup> August, 2014**

**Place: Mumbai**

**Explanatory Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013:****Item No. 4 & 5:**

The Company had appointed Mr. Prakash Radhavalabh Bhargava and Mr. Shyam Raghunath Karmarkar as Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, it is proposed to appoint the above named Independent Directors for a consecutive period of 5 years for a term upto March 31, 2019. Notices proposing their candidature for the office of Director have been received by the Company.

In the opinion of the Board, all the above named Independent Directors fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as an Independent Director of the Company. The terms and conditions of appointment of the Independent Directors shall be open for inspection by the Members at the Registered Office of the Company during all working days from 11.00 a.m. to 1.00 p.m. upto the date of the Meeting.

The Board considers that their continued association would be of immense benefit to the Company and therefore recommends the resolutions as set out at Item No. 4 & 5, for the approval by the Members of the Company.

Except the concerned Independent Director being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in their respective resolution as set out at Item No. 4 & 5.

In terms of Clause 49 of the Listing Agreement, brief profile of all the Directors proposed to be appointed / re-appointed at the Meeting is provided in the Annexure to this Notice.

**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/herself and the proxy need not be a member of the Company.**
- Pursuant to Section 105(1) of the Companies Act, 2013, read with Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding 50 (fifty) in number and holding in aggregate not more than 10 (Ten) per cent of the total share capital of the Company carrying voting rights. In the case of a Member holding more than 10 (ten) per cent of the total share capital of the Company carrying voting rights, such a Member may appoint a single person as proxy, who however shall not act as proxy for any other person or shareholder.
- Proxy form duly stamped and executed in order to be effective, must reach the registered office of the company not less than 48 hours before the time of commencement of the Annual General Meeting. Proxy form is enclosed.

4. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
5. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, with respect to the Special Business set out in the Notice is attached and forms part of this Notice.
6. Brief resume of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships (excluding Directorships in Private Limited Companies, Foreign Companies and Government bodies) and memberships / chairmanships of Board Committees (including Audit and Shareholders / Investors Grievance Committee) shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in the "Annexure A" to the Notice.
7. The Registers required to be maintained under the Companies Act, 2013 will be available for inspection by the Members at the AGM.
8. The Register of Members and Share Transfer Books shall remain closed from Saturday, 27<sup>th</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive).
9. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, permits Nomination by the members of the Company in the prescribed Form SH-13. Members are requested to avail this facility.
10. Members/Proxy holders are requested to bring their attendance slip duly signed and copy of the Annual Report to attend the 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 to enable the Company to provide the required information.
12. 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 124 of the Companies Act, 2013.
13. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
14. Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrars and Share Transfer Agent of the Company, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400 078.
15. Members are requested to quote their Ledger Folio Number / Client ID Number in all their future correspondence.
16. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. Electronic copy of the Notice along with the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent in the permitted mode.



## VENTURA TEXTILES LIMITED

### Annexure-A

**Information under Clause 49 of the Listing Agreement with respect of the Director seeking appointment/re-appointment in 44th Annual General Meeting:**

<b>1. Name</b>	<b>Mr. Mohan Rao Penugonda</b>	<b>Mr. Prakash Radhavalabh Bhargava</b>	<b>Mr. Shyam Raghunath Karmarkar</b>
<b>2. Age</b>	65 Years	69 Years	68 Years
<b>3. Date of appointment</b>	05 <sup>th</sup> April, 1993	29 <sup>th</sup> June, 2001	29 <sup>th</sup> June, 2001
<b>4. Relationship with other Directors inter-se</b>	None	None	None
<b>5. Qualification &amp; Experience in specific functional area</b>	B.Com & more than 40 years experience in the Textile Industry, with expertise in Finance and Marketing	BE (MECH), M.E., DMS & In-depth knowledge of plastic processing.	B.Com., FCA and Associate Member of Institute of Internal Auditors & Experience in the field of Finance and Taxation for more than 3 decades.
<b>6. Directorships held in other Public limited Companies</b>	Nil	Nil	Nil
<b>7. Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit &amp; Shareholders'/ Investors' Grievance Committee)</b>	Nil	Nil	Nil
<b>8. Shareholding, if any, in the Company</b>	Nil	Nil	Nil

**Registered Office:**

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

**Date: 14<sup>th</sup> August, 2014**  
**Place: Mumbai**

**For and on behalf of Board of Directors**

Sd/-  
**P. M. Rao**  
**Chairman & Managing Director**  
**DIN: 00197973**

**DIRECTORS' REPORT**

To  
The Members  
**VENTURA TEXTILES LIMITED**

Your Directors present herewith the 44<sup>th</sup> Annual Report together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March, 2014. The summarized performance during the year is as under:

**FINANCIAL RESULTS:**

**(Rs. In Lacs)**

<b>PARTICULARS</b>	<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013</b>
Sales	7.26	-
Other Income	396.49	32.88
Total Income	403.75	32.88
Profit / (Loss) Before Interest, Depreciation & Tax	(587.11)	(4,321.25)
Interest	311.94	2.45
Depreciation	194.85	322.92
Profit / (Loss) Before Tax	(307.71)	(4,644.17)
Exceptional Income/Prior Period Adjustment	-	4,791.16
Profit / (Loss) After Tax	(307.71)	146.98

**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, the Company incurred a loss of Rs. 307.71 lacs as compared to the profit of Rs. 146.98 in the previous year, which was due to exceptional income.

**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, 2014, 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 re-start 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 24<sup>th</sup> 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.

**RE-ORGANIZATION OF SHARE CAPITAL STRUCTURE:**

Based on the Order issued by the Hon'ble BIFR dated 24<sup>th</sup> June, 2013, the Board of Directors at their meeting held on 14<sup>th</sup> August, 2013, reduced the Share capital by 75% and consolidated the Face Value to Rs.10/-. The share capital post reduction and consolidation stood at Rs.2,46,59,640/-. Further the Board of Directors at their meeting held on 20<sup>th</sup> December, 2013 allotted 1,39,87,325 Equity Shares on Preferential basis in terms of the BIFR Order. The Issued, Subscribed and Paid-up share Capital of the Company stood at Rs.16,45,32,890/-.



### 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, as amended.

### DIRECTORS:

In accordance with the provisions of Companies Act, 2013, Mr. P. M. 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.

Further, your Board of Directors is seeking the appointment of all the existing Independent Directors, viz. Mr. Prakash Radahalabh Bhargava and Mr. Shyam Raghunath Karmarkar, as Independent Directors of the Company in terms of Section 149 of the Companies Act, 2013, for a period of (5) Five years with effect from 01<sup>st</sup> April, 2014 up to 31<sup>st</sup> March, 2019, with their period of office not liable to be determined by retirement of Directors by rotation.

The Company has received notices from members under Section 160 of the Companies Act, 2013 along with required deposits proposing the appointment of Mr. Prakash Radahalabh Bhargava and Mr. Shyam Raghunath Karmarkar, as Independent Directors of the Company at this Annual General Meeting.

The Company has also received the requisite disclosures/declarations from said directors as required under Section 149 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

Appropriate resolution seeking your approval for the appointment of Mr. Prakash Radahalabh Bhargava and Mr. Shyam Raghunath Karmarkar as Independent Directors of the Company, has already been included in the notice of the Annual General Meeting. None of the Directors are related to each other per se.

### 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, 2014;



- 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, 2014 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, who are the Statutory Auditors of the Company are liable to retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Board of Directors at their Meeting held on May 30, 2014, on the recommendation of the Audit Committee, proposed to re-appoint M/s. S. M. Kapoor & Co., as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 47<sup>th</sup> Annual General Meeting (i.e., for a term of 3 years) of the Company. As required under provisions of Section 139 of the Companies Act, 2013, the Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in conformity with the limits specified under the provisions of the Act.

**WHOLE-TIME KEY MANAGERIAL PERSONNEL (KMP)**

In accordance with the provision of Section 203 of the Companies Act, 2013 every Listed Company is required to have certain officers of the Company as Whole-time Key Managerial Personnel. Your Board of Directors has taken note of the existing office of Mr. P. M. Rao, Managing Director, as a Whole-time KMP of the Company. The Company is in the process of appointing a whole-time Company Secretary and Chef-Financial Officer and identifying their offices as Whole-time KMPs of the Company.

**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.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Your Company re-aligned its existing 'shareholders/Investors Grievances Committee' as 'Stakeholders' Relationship Committee', with an enhanced scope and functioning. The Stakeholders Relationship Committee comprises of Mr. S.R. Karmarkar as Chairman of the Committee and Mr. P.M. Rao and Mr. P.R. Bhargava as Members of the Committee.

**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.



## VENTURA TEXTILES LIMITED

### 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: 14<sup>th</sup> August, 2014**

**P. M. Rao**  
**Chairman and Managing Director**  
**DIN: 00197973**

### 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.