

VENTURA TEXTILES LIMITED

ANNUAL REPORT
2 0 1 4 - 2 0 1 5



VENTURA TEXTILES LIMITED

VENTURA TEXTILES LIMITED
CIN: L21091MH1970PLC014865

45th Annual Report 2014-2015

BOARD OF DIRECTORS

Mr. P. M. Rao	<i>Chairman & Managing Director</i>
Mr. Abhijit Rao	<i>Whole-Time Director & CFO</i>
Mr. Shyam Karmarkar	<i>Director (Independent)</i>
Mr. Prakash Bhargava	<i>Director (Independent)</i>

REGISTERED OFFICE

211 / 212, 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

REGISTRAR & SHARE TRANSFER AGENT

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	54
Boards' Report	18	Statement of Profit and Loss	55
Corporate Governance Report	25	Cash Flow Statement	56
Management Discussion & Analysis	49	Notes to Financial Statements	57
Auditors' Report	50	Attendance Slip & Proxy Form	67

NOTICE

NOTICE is hereby given that the **45th Annual General Meeting** of **Ventura Textiles Limited** will be held on **Wednesday, the 30th day of September, 2015**, at the Registered Office of the Company at 211 / 212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abhijit Rao Penugonda (DIN: 00189126), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit to pass the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Abhijit Rao Penugonda (DIN: 00189126), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as a Director, liable to retire by rotation.

“RESOLVED FURTHER THAT the above-mentioned re-appointment of Mr. Abhijit Rao Penugonda as a Director liable to retirement by rotation shall not in any way constitute a break in his existing office as the Whole-Time Director of the Company.”

3. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and in this regard to consider and pass the following resolution, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the resolution passed by the Members at the Annual General Meeting held on 30th September, 2014, in accordance with Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, approving the appointment of M/s. S.M. Kapoor & Co., Chartered Accountants (Firm Registration No. 104809W), as the Statutory Auditors of the Company for a period of 3 Financial Years i.e., Financial Year 2014-15 to 2016-17, the holding of office by M/s. S.M. Kapoor & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company upto the conclusion of Annual General Meeting for the Financial Year 2016-17, be and is hereby ratified at such remuneration to be fixed by the Board of Directors of the Company in consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereof and circulars, notifications, clarifications, rules passed thereunder from time to time), consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to mortgage, pledge and/or create, modify charge on all or anyone or more of the movable/and/or immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of the National / International Financial Institutions /Banks /multilateral institutions or such persons /institutions /Companies, etc. hereinafter referred as ‘the Lenders’ and Trustees to the Lenders & Bondholders to secure any Term Loans /Cash Credit Facilities / Debentures /Bonds or the like, obtained/or to be obtained for the Company and / or any other

person, from any of the aforesaid Lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such Lenders under the respective loan /other agreement(s) entered/to be entered into between the Company and the Lender(s) in respect of the said borrowing(s) for the Company and / or any other person, such security to rank in such manner as may be agreed to between the concerned Lenders /parties and as may be thought expedient by the Board or Committee thereof;

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and are hereby authorised to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable to create charges/mortgages/pledges on assets of the Company, including power to sub-delegate to any Director or Committee of the Board of Directors and to modify / amend the existing charges/mortgages/pledges, if any, created on the assets of the Company, as may be required by the Lenders, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interests of the Company, as it may deem fit;

RESOLVED FURTHER THAT the Board of Directors or Committee thereof be and is hereby authorized and it shall always be deemed to have been so authorized to finalize and execute with the Lenders/Trustees the requisite agreements, documents, deeds and writings for creating the aforesaid mortgage(s) and /or charge(s) / pledge on such terms and conditions as the Board of Directors or Committee thereof may consider necessary and expedient in their absolute discretion and to do all such other acts, deeds and things as may be necessary to give effect to the above resolution."

5. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Foreign Exchange Management Act, 1999 including Rules and Regulations framed thereunder, (including any statutory modification thereof and circulars, notifications, clarifications, rules passed thereunder from time to time) and subject to any other approval, if required, consent of the Members of the Company be and is hereby accorded to the Board of Directors or Committee thereof to borrow by way of loans / debentures/bonds/deposits or such securities/instruments (whether secured or unsecured) for the purpose of the business of the Company not exceeding Rs.100 Crores either in Indian Rupees or in Foreign Currency from time to time from any bank(s) or any financial institution(s) or any other institution(s), firm(s), body corporate(s) or other person(s) or from any other source in India or outside India for the purpose of working capital and other requirements of the Company, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes."

"RESOLVED FURTHER THAT the Board of Directors of the Company or Committee thereof be and are hereby authorized to do all such acts, deeds, as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered by the Board to be in the best interests of the Company, as it may deem fit."

6. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197, 198, 203 of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the

applicable provisions, if any, of Section 198, 269, 309 read with Schedule XIII to the Companies Act, 1956 and subject to approval of the Central Government or such other approvals, if any, required, the Members do hereby ratify the re-appointment and the remuneration (as detailed in the Explanatory Statement) paid for the Financial Year 2014-15 / payable for the remaining period of the tenure to Mr. Abhijit Rao Penugonda, Whole-Time Director (DIN:00189126), during the tenure of his appointment from 01st November, 2011 to 31st October, 2016, within the maximum ceiling and in accordance with the provisions of the Act and the rules made thereunder."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the appointment in accordance with the provisions of the Act, and as may be agreed to between the Board of Directors and Mr. Abhijit Rao."

7. To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, and subject to approval of the Central Government or such other approvals, if any, required, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Mohan Rao Penugonda (DIN: 00197973) as the Chairman and Managing Director (CMD) of the Company for a period of five years with effect from July 01, 2015 at such remuneration (The remuneration will be paid for maximum for a period of first three years, in case of loss or inadequacy of profit during the tenure) and on the terms and conditions, as per the Explanatory Statement attached to this notice, with liberty to the Board of Directors to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the re-appointment in accordance with the provisions of the Act, and as may be agreed to between the Board of Directors and Mr. Mohan Rao Penugonda."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, amend or revise the remuneration within the maximum ceiling and the terms and conditions of the appointment in accordance with the provisions of the Act, and as may be agreed to between the Board of Directors and Mr. Mohan Rao Penugonda."

Registered Office:

211 / 212, Midas, Sahar Plaza
J. B. Nagar, Andheri (East)
Mumbai – 400 059

For and on behalf of Board of Directors

Date: 27th August, 2015
CIN: L21091MH1970PLC014865
Tel No: 022- 2834 4453 **Fax No.:** 022-2835 1974
email-id: mkt2@venturatextiles.com
Website: www.venturatextiles.com

P. M. Rao
Chairman & Managing Director
DIN: 00197973



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.**
2. 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.
3. 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 Foreign Companies and Government bodies) and memberships / chairmanships of Board Committees (including Audit and Stakeholders' Relationship Committee) shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement and Secretarial Standards, are provided in the "Annexure B" to the Notice.
7. The Registers required to be maintained under the Companies Act, 2013 including the Register of Directors' Shareholding, and the Register of Directors and Key Managerial Personnel and their Shareholding in the Company under Section 170 of the Companies Act, 2013 and under Section 189 of 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 Thursday, 24th September, 2015 to Wednesday, 30th September, 2015 (both days inclusive).
9. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 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.
18. Non-Resident Indian Members are requested to inform M/s. Link Intime India Private Limited immediately of:
 - (a) Change in their residential status on return to India for permanent settlement.
 - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the Bank with PIN Code No, if not furnished earlier.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice. The facility for voting, through Ballot Paper, will be also made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Sunday, September 27, 2015, (9.00 a.m.) and ends on Tuesday, September 29, 2015 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Any person, who acquires shares of the Company and become member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. September 23, 2015 may obtain login id and password by sending a request to the Compliance Officer.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID



VENTURA TEXTILES LIMITED

- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	<ul style="list-style-type: none">Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen.
- However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "Ventura Textiles Limited".
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non – Individual Shareholders and Custodians
 - (xx) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - (xxi) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - (xxii) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - (xxiii) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - (xxiv) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xxv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
1.
 - a) Mr. S Anantha Rama Subramanian, FCS, Practicing Company Secretary (CP No.1925) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
 - b) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 - c) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.venturatextiles.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

**IMPORTANT COMMUNICATION TO MEMBERS:**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, **M/s. Link Intime India Private Limited** Email: jiny.elizabeth@linkintime.co.in

STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.4 & 5**

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the members obtained by an ordinary resolution, create /pledge/charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

With the coming into force of the Companies Act, 2013, in particular, the provisions of section 180 (1) (a) of the Companies Act, 2013, approval of the members is required to be obtained by means of a special resolution to enable the Board of Directors of the Company to create charge/mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Accordingly, it is proposed to pass an enabling special resolution authorizing the Board of Directors to pledge/ create/modify charge on the movable and immovable properties of the Company against the credit facilities/ loans availed from time to time to the amount not exceeding Rs. 100 Crores (Rupees One Hundred Crores) only. and/or other Business purposes.

The Board of Directors of your Company, hence recommends the resolution as set out under Item No. 4 & 5, for the approval of members of the Company to be passed as Special Resolutions.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution, except to the extent of their shareholding in the Company.

Copy of all the documents mentioned herein above, would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 01.00 p.m. on all working days from the date hereof up to the date of the AGM.

ITEM NO. 6 & 7**RE-APPOINTMENT & REMUNERATION TO MR. ABHIJIT RAO, WHOLE-TIME DIRECTOR & MR. PENUGONDA MOHAN RAO, CHAIRMAN AND MANAGING DIRECTOR:****A) MR. ABHIJIT RAO PENUGONDA:**

Mr. Abhijit Rao Penugonda was appointed as a Whole-Time Director (designated as Executive Director) for a period of Five (5) years commencing from 01st November, 2011 to 31st October, 2016 by the Board of Directors of the Company at their meeting held on 31st October, 2011, with remuneration payable upto 5% of the net profit of the Company in accordance with Part I of Section II of Schedule XIII. He was looking after the operations at the mills located at Nashik, in addition to the marketing of Bed Sheets for USA.