

# 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

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

**Mr. Abhijit Rao** *Executive Director*

**Mr. Shyam Karmarkar** *Director (Independent)*

**Mr. Prakash Bhargava** *Director (Independent)*

#### 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**

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

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

### **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 Participants(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:**

1. Name	Mr. Mohan Rao Penugonda	Mr. Prakash Radhavalabh Bhargava	Mr. Shyam Raghunath Karmarkar
2. Age	65 Years	69 Years	68 Years
3. Date of appointment	05 <sup>th</sup> April, 1993	29 <sup>th</sup> June, 2001	29 <sup>th</sup> June, 2001
4. Relationship with other Directors inter-se	None	None	None
5. Qualification & Experience in specific functional area	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.
6. Directorships held in other Public limited Companies	Nil	Nil	Nil
7. Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit & Shareholders' / Investors' Grievance Committee)	Nil	Nil	Nil
8. Shareholding, if any, in the Company	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.

**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, 2014.

**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



## VENTURA TEXTILES LIMITED

### FORM - A

A. Power and Fuel Consumption	Current Year	Previous Year
<b>1. Electricity</b>		
(a) Purchased	<b>Nil</b>	Nil
Total Amount (Rs.)	<b>Nil</b>	Nil
Rate/ Unit (Rs.)	<b>Nil</b>	Nil
(b) Own Generation		
(i) Through LDO Generator		
Unit Produced	<b>Nil</b>	Nil
Units per liter. of LDO	<b>Nil</b>	Nil
Cost/ Unit (Rs.)	<b>Nil</b>	Nil
Amount	<b>Nil</b>	Nil
(ii) Through Steam turbine/ Generator Units		
Units per liter. of Fuel Oil/ Gas	<b>Nil</b>	Nil
Cost / Unit (Rs.)	<b>Nil</b>	Nil
<b>2. Fuel for Steam Generation (Boiler)</b>		
(a) Coal (Specify quality and Where used)	<b>Nil</b>	Nil
(b) Fire Wood		
Quantity (tonnes)	<b>Nil</b>	Nil
Total Amount (Rs.)	<b>Nil</b>	Nil
Average Rate (Rs.)	<b>Nil</b>	Nil
(c) Furnace Oil		
Quantity Consumed (Ltrs.)	<b>Nil</b>	Nil
Total Amount (Rs.)	<b>Nil</b>	Nil
Average Rate (Rs.)	<b>Nil</b>	Nil
(d) Low Density Oil (LDO)		
Quantity Consumed (Ltrs.)	<b>Nil</b>	Nil
Total Amount (Rs.)	<b>Nil</b>	Nil
Average Rate (Rs.)	<b>Nil</b>	Nil
<b>3. Steam Generation</b>		
Quantity Produced (tonnes)	<b>Nil</b>	Nil
Total Cost (Rs.)	<b>Nil</b>	Nil
Rate / Ton (Rs.)	<b>Nil</b>	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.	-	-	-	-

**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 31<sup>st</sup> March, 2014 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%
<b>Total</b>	<b>4</b>	<b>100 %</b>

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	6	6	Yes	-	-	-
Mr. Abhijit Rao	Executive Director	6	6	Yes	-	-	-
Mr. P. R. Bhargava	Independent & Non-Executive Director	6	4	No	-	-	-
Mr. Shyam R. Karmarkar	Independent & Non-Executive Director	6	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, six 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					
	16/05/2013	18/07/2013	14/08/2013	14/11/2013	20/12/2013	14/02/2014
Mr. P. M. Rao	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Abhijit Rao	Yes	Yes	Yes	Yes	Yes	Yes
Mr. P. R. Bhargava	Yes	No	Yes	Yes	No	Yes
Mr. Shyam R. Karmarkar	Yes	No	Yes	Yes	No	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



### Information supplied to the Board :

The Board is presented with all information under the following heads whenever applicable and materially significant:

- review of annual operating plans of business, capital budgets, updates,
- quarterly results of the Company and its operating divisions,
- minutes of meeting of audit committee and other committees,
- Information on recruitment and remuneration of senior officers just below the Board level,
- general notices of interest,
- materially important show cause, demand, prosecution and penalty notices, fatal or serious accidents or dangerous occurrences,
- any materially significant effluent or pollution problem,
- any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company,
- any issue which involves possible public or product liability claims of a substantial nature,
- details of any joint venture of collaboration agreement,
- transaction that involve substantial payment towards goodwill, brand equity or intellectual property,
- significant labour problems and their proposed solutions,
- significant development in the human resource and industrial relations fronts,
- sale of material nature, of investments, subsidiaries, assets which is not in the normal course of business,
- foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement and,
- non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

No Special Resolution was put through postal ballot at the last AGM.

### Remuneration Policy :

As not mandated under Clause 49 of the Listing Agreement and Companies Act, 1956, the Company has not constituted the remuneration Committee for the Year 2013-14. Matters relating to review and approval of remuneration payable to the executive and Non-executive directors are considered by the Board, within the overall limits approved by the members.

### Details of remuneration payable/paid to directors :

#### (a) Non - Executive Directors :

The Non-Executive Directors are paid Sitting fees for attending the meetings within the ceiling prescribed by the Central Government.

Name of the Director	Sitting Fees (Rs.)
Mr. Shyam R. Karmarkar	16,000
Mr. P. R. Bhargava	Nil
<b>Total</b>	<b>16,000</b>

#### b) Executive Directors:

The remuneration of the Chairman and Managing Director and the Executive Director, is within ceilings laid down by Schedule XIII of the Companies Act, 1956.

Name	Designation	Salary* (Rs.)	Perquisites (Rs.)	Commission (Rs.)
Mr. P M Rao	Chairman & Managing Director	9,00,000	NIL	NIL
Mr. Abhijit Rao	Executive Director	7,20,000	NIL	NIL

\* In view of the losses, the Executive Directors have foregone the salary in the current year.

**c) Period of Contract of Chairman and Managing Director:**

Mr. P. M. Rao, Chairman and Managing Director, of the Company had been re-appointed for tenure of 5 years starting from 01<sup>st</sup> July, 2010 to 30<sup>th</sup> June, 2015.

**Audit committee**

**Audit committee**

**1) Brief Description and Terms of Reference:**

In terms of Clause 49 of the listing agreement, the Audit Committee constituted by the Board consists of two Non-Executive Independent Directors namely Mr. Shyam R. Karmarkar as the Chairman and Mr. P. R. Bhargava, as Member and one Executive Director namely Mr. Abhijit Rao as Member of the Committee.

The terms of reference of Audit Committee include various matters in conformity with the statutory guidelines including the following:

- Overseeing and reviewing the Company’s financial reporting process and disclosures to ensure that the financial statements are transparent, correct, sufficient, timely and credible.
- Recommending Appointment / Removal of External Auditor, Fixation of audit fee and payment for other services.
- Reviewing Annual Financial statements before submission to the Board with focus on changes in accounting policies and practice, major accounting entries, qualifications in draft audit report, significant adjustments arising out of audit, Accounting Standards compliance and compliance with Stock Exchange and legal requirements. Any related party transactions of material nature with promoters, management/s, subsidiaries or relatives etc. that may have potential conflict with interest of the Company at large.
- Reviewing the financial statements and draft audit report, including quarterly/ half yearly financial information.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems and internal audit function.
- Discussion with Internal Auditors, any significant findings and follow-up thereon. Reviewing any suspected fraud, irregularity or failure of internal control system of material nature and reporting the matter to Board.
- Discussion with external Auditor in respect of pre and post audit matters.
- Disclosure of contingent liabilities
- Reviewing Company’s financial and risk management policies.
- Look into reasons for substantial defaults in payments to depositors, debenture holders, and creditors.

**2. Meetings and Attendance during the year :**

Name of Member	Audit Committee Meetings held and attendance			
	16/05/2013	14/08/2013	14/11/2013	14/02/2014
Mr. Shyam R. Karmarkar	Yes	Yes	Yes	Yes
Mr. P. R. Bhargava	Yes	Yes	Yes	Yes
Mr. Abhijit Rao	Yes	Yes	Yes	Yes

The Managing Director and the representative of Statutory Auditors and Cost Auditors were invited to present at the Audit Committee Meetings of the Company. The Compliance Officer of the Company co-ordinates with the requirement of the Committee.

In addition to above, the committee also reviews other matters as may be required under the Listing Agreement and other laws, rules and regulations.

**Shareholders’ & Investors’ Grievance Committee :**

The Shareholders’/ Investors’ Grievance Committee comprises three Directors of which two are Independent Directors.

- Mr. S. R. Karmarkar - Chairman
- Mr. P. M. Rao - Member
- Mr. P. R. Bhargava - Member



## VENTURA TEXTILES LIMITED

The Shareholders/Investors Grievance Committee reviews and redresses all the grievances periodically and meets as and when required.

- (i) The Company has Share Transfer Agent, which looks after the Shareholders correspondence, share transfers, transmissions, transpositions, issue of duplicate, split & consolidated share certificates, which are approved by the Committee. The Company has connectivity with NSDL & CDSL for Dematerialization of Shares.
- (ii) Mr. Pravin Bhaskar Shetty is the Compliance Officer in terms of the requirement of the stock exchange who liaisons and monitors the activities of the Share Transfer Agent.
- (iii) Details of Complaints received / resolved during the financial year 2013-14 :

Sr. No.	Nature of Complaints	Received	Resolved	Pending
1	Non Receipt of Certificate	Nil	Nil	Nil
2	Non receipt of dividend	Nil	Nil	Nil
3	Non receipt of Demat credit/ Remat	Nil	Nil	Nil
4	Short receipt of dividend	Nil	Nil	Nil
5	Non receipt of reject DRF	Nil	Nil	Nil
6	Non receipt of exchange certificates	Nil	Nil	Nil
	<b>Total</b>	Nil	Nil	Nil

### General Body Meetings :

#### (1) Details of last three Annual General Meetings :

Year	Location	Date	Time	Special resolution passed
2012-2013	313, Midas, Sahar Plaza, J.B.Nagar, Andheri (East), Mumbai-400 059.	30/09/2013	3.00 pm	There was no Special Resolution passed in the Meeting.
2011-2012	313, Midas, Sahar Plaza, J.B.Nagar, Andheri (East), Mumbai-400 059.	28/09/2012	3.00 pm	There was no Special Resolution passed in the Meeting.
2010-2011	313, Midas, Sahar Plaza, J.B.Nagar, Andheri (East), Mumbai-400 059.	30/09/2011	3.00 pm	There was no Special Resolution passed in the Meeting.

During the year, the Company has not passed any resolution by way of Postal Ballot.

### Disclosures :

During the year under review, the Company has not entered into any transaction of material nature with its Promoters, Directors, Management of their relatives etc., which may have potential conflict with the interests of the Company.

There have not been any occasion of non-compliance by the Company and therefore, no penalties or strictures have been imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital markets in the last three years.

A qualified Practicing Company Secretary carries out secretarial audit to reconcile the total issued and listed capital and the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and also confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.



## VENTURA TEXTILES LIMITED



The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements except AS-15 regarding provision for gratuity, which has not been provided.

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992, a comprehensive code for prevention of Insider Trading is in place.

### Means of Communication :

The quarterly, half yearly and annual financial results of the Company are communicated to the stock exchange immediately after the Board takes them on record and thereafter published in the Free Press Journal in English and Navshakti, a regional news paper in vernacular language. Official website of the Company is 'www.venturatextiles.com', which displays official news releases and presentations.

Disclosures pursuant to the Listing Agreement are promptly communicated to the stock exchange.

### General Shareholder Information :

- (i) **Annual General Meeting** :  
Date, Time & Venue : 30<sup>th</sup> September, 2014 at 03.00 pm at 211-212, Midas, Sahar Plaza, J B Nagar, Andheri (East), Mumbai – 400 059.
- (ii) **Book Closure** : 27<sup>th</sup> September, 2014 to 30<sup>th</sup> September, 2014
- (iii) **Dividend Payment Date** : Not applicable as no dividend is declared by the Company.
- (iv) **Shares Listed at** : The Equity Shares of the Company with **Scrip Code No. 516098** are listed at: **BSE Limited**  
P. J. Towers, Dalal Street, Mumbai – 400 001

The Company has paid the Annual custodial fees to both the depositories for the financial year 2013-14.

The Company has paid the Annual listing Fee for financial year 2013-14 to the Stock Exchange.

- (v) **Demat Segment** : (CDSL): OLD ISIN INE 810 C 01036 NEW ISIN INE 810 C 01044  
(NSDL): OLD ISIN INE 810 C 01036 NEW ISIN INE 810 C 01044
- (vi) **Market Price Data** : The price of the Company's Share - High, Low during each month in last financial year on the BSE Limited:

Month	High	Low	Total No. of Shares traded
APR – 2013	2.00	1.66	6,074
MAY – 2013	1.70	1.53	2,278
JUN – 2013	2.17	1.57	30,146
JUL – 2013	1.78	1.41	6,510

**Note:** As per the BIFR order received by the Company on 24<sup>th</sup> June, 2013, the Company had applied to the BSE Limited for temporary suspension of dealing in its scrip / shares, to carry out the procedure for Reduction of 75% of its Issue, Subscribed and Paid-up Share Capital and Consolidation of the face Value back to Rs.10/- per Equity Share. After completing the Reduction & Consolidation of Share capital and allotment of shares to Promoter / Promoter group and friends of the Promoter, as per the BIFR Order, the company made the Listing application for re-admission of its scrip / shares on the BSE.

The Company has received the In-principle Listing approval from BSE Limited on 22<sup>nd</sup> April, 2014, for the listing of 1,64,53,289 Equity Shares and is in the process of getting the ISIN credit confirmations from the National Securities Depositories Limited (NSDL) for commencing the Trading of Shares of the Company.



## VENTURA TEXTILES LIMITED

(vii) **Registrar and Transfer Agent :**

Name & Address : Link Intime (India) Pvt. Limited.,  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai-400 078  
Phone Number : 91 22 25946970  
Fax Number : 91 22 25946969

(viii) **Share Transfer System :**

Transfer of Demat shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged to Registrar & Share Transfer Agent at the above mentioned address. The Directors of the Company are severally empowered to approve the above transfers.

(ix) **Distribution of Shareholding as on 31<sup>st</sup> March, 2014 :**

Nominal Value of Shares	Shareholders	%	Amount (Rs.)	%
1 - 5000	9406	97.36	3794110	2.31
5001 - 10000	120	1.24	849090	0.52
10001- 20000	68	0.70	915950	0.56
20001- 30000	19	0.20	461550	0.28
30001- 40000	14	0.14	464990	0.28
40001- 50000	8	0.08	352810	0.216
50001- 100000	15	0.16	1127600	0.69
100001- above	11	0.11	156566790	95.16
<b>TOTAL</b>	<b>9661</b>	<b>100.00</b>	<b>164532890</b>	<b>100.00</b>

(x) **Shareholding as on 31<sup>st</sup> March, 2014 :**

Category of Members	No of Shares	%	No of Shares Pledged	%
Promoters	12103773	73.56	--	--
Clearing Members	13796	0.08	--	--
Mutual Funds/ UTI	43	0.00	--	--
Financial Institutions/ Banks/ others	1028706	6.25	--	--
Other bodies Corporate	388412	2.36	--	--
Foreign Company	125000	0.76	--	--
Non Resident Indians	89371	0.54	--	--
Public/ Others	2704188	16.45	--	--
<b>Total</b>	<b>16453289</b>	<b>100.00</b>	--	--

(xi) **Dematerialisation of Shares :**

The Company's shares are under compulsory dematerialized list and can be transferred through depository System. The Company has connectivity with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). The total number shares dematerialised before the Record Date (30<sup>th</sup> July, 2013) for Reduction of Share capital was 92,12,073 Equity shares, representing 93.39% of the then Paid-up Share Capital before Reduction of Capital.

## VENTURA TEXTILES LIMITED



(xii) **Corporate Identity Number (CIN) :**

CIN of the Company, allotted by the Ministry of Corporate Affairs, Government of India is **L21091MH1970PLC014865**.

(xiii) **Location of Factory :**

The Company's Plant is located at Gonde at the below mentioned address:

Factory Address :

Ventura Textiles Limited, GAT No. 201, 433, 435 & 436, Village Gonde, Taluka Igatpuri, Nashik 422 403

(xiv) **Address for Correspondence :**

The shareholders may address their queries and communications to:

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

Ph: (022) 2834 4453 & 75 • Fax : (022) 2835 1974

E-mail: mkt2@venturatextiles.com

**Registered Office:**

313-Midas, Sahar Plaza

J. B. Nagar, Andheri (East)

Mumbai – 400 059

**CIN: L21091MH1970PLC014865**

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

**For & on behalf of Board of Directors**

Sd/-

**P. M. Rao**

**Chairman & Managing Director**

**DIN: 00197973**

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the members of Ventura Textiles Limited**

We have examined the Compliance of conditions of Corporate Governance by Ventura Textiles Limited (the Company) situated at 313, Midas, Sahar Plaza Complex, J. B. Nagar, Andheri (East), Mumbai – 400 059, for the period ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreements of the Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements. We have been explained that no Investor Grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the Company on the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S. M. Kapoor & Co.**  
Chartered Accountants

Sd/-

**(Shekhar Gupta)**

Partner

**Membership No. 15622**

**Place:** Mumbai

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



## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE:

The Textiles Industry continue to face the impact of slow global recovery. Added to this the uncertain raw material pricing in India is affecting the competitiveness.

To promote the industry, the Government of Maharashtra has recently announced several incentives to spur the growth of Textile Industry in the State.

### OPPORTUNITIES & THREATS:

With the Promotional Incentive Schemes announced, the Manufacturing activity in the State of Maharashtra is bound to get a support and will augur well for the Textile industry.

On the Consumer side, the demand among the middle class will spur growth of the market.

On the Export front, with the Rupee ranging Rs.55 – Rs.57 a US \$ and the stabilizing US demand will improve the market conditions.

The Company is taking initiatives to end the stalemate of illegal strike by the workmen and re-start the production, so as to tap the opportunity both in export and domestic markets.

### INTERNAL CONTROL SYSTEMS AND ADEQUACY:

The Company has proper Internal Controls in place for safeguarding all its assets from unauthorized use or disposal. Adherence to Internal Control Systems is ensured by detailed Internal Audit program so that the assets are correctly accounted for and the business operations are conducted as per laid down policies and procedures. However, the continued illegal strike since December 2008, by the workmen is an impediment for carrying out such internal control effectively for the time being.

The Company has an Audit Committee of the Board of Directors, which meets regularly to review, *inter alia*, risk management policies, adequacies of internal controls and the audit findings on the various functions of different segments of the business.

### HUMAN RESOURCES:

The Company is optimistic to solve the current labour problems affecting the production. The Company is deliberating policies benefiting both workers as well as all the stakeholders of the Company at the earliest possible.

### HEALTH AND ENVIRONMENT:

Your Company recognizes environment protection and management as one of its highest priorities and every effort is made to conserve and protect the environment. The Company has been involved in ensuring green surroundings in its industrial location.

### CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

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

**For and on behalf of Board of Directors**  
**Chairman & Managing Director**

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

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER OF THE COMPANY**

I, P. M. Rao, Chairman & Managing Director and also the Chief Financial Officer of Ventura Textiles Limited, to the best of my knowledge and belief certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2014 and that to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) there are to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee:
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

I further confirm that all the Directors and senior management personnel of the Company have affirmed adherence to the Company's Code of Conduct for the year ending 31<sup>st</sup> March, 2014.

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

**Place:** Mumbai

**P M Rao**  
Chairman and Managing Director &  
Chief Financial Officer  
DIN: 00197973



AUDITORS' REPORT

To the Members of **Ventura Textiles Ltd.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Ventura Textiles Limited ('the Company') which comprise the Balance Sheet as on 31<sup>st</sup> March, 2014, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements given the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, :

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (ii) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors Report) Order, 2003 ('the Order') as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the *Annexure* a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :

## VENTURA TEXTILES LIMITED



- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. On the basis of written representation received from the Directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For S.M. Kapoor & Co.  
Chartered Accountants

Place: Mumbai  
Date : 30<sup>th</sup> May, 2014

**(Shekhar Gupta)**  
Partner  
Membership No. 15622



**Annexure to the Auditor's Report**

The Annexure referred to in our report to the members of Ventura Textiles Limited ('the Company') for the year ended 31<sup>st</sup> March, 2014. We report that:

- (i) The nature of the Company's business/activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) In our opinion, the procedures followed by the Management, were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not made substantial disposals during the year which has not affected the going concern.
- (iii) In respect of its Inventories:
  - (a) Stores, spare parts and raw materials and the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanation given to us, the procedure for verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act to three party covered in register under section 301 aggregating to Rs.30,09,276/-.
  - (a) In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956, according to of the information and explanations given to us, the Company has not taken any interest free loans from one party covered in register u/s 301.
  - (b) The terms and conditions of the loans are, in our opinion, prima facie not prejudicial to the interests of the company.
  - (c) The payment of principal amount to the parties from whom loans taken by the Company is regular as per the mutual understanding between the parties.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase and sale of inventory.
- (vi) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956;
  - (a) To the best of our knowledge and belief and according the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
  - (b) According to the information and explanations given to us, no transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



## VENTURA TEXTILES LIMITED



- (vii) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as per the provisions of Sections 58A and 58AA of Companies Act, 1956.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have internal audit system commensurate with the size and the nature of its business
- (ix) We are informed that during the year, there was no production activity due to labour strike and the company is applying to Central Government seeking exemption from Cost Audit under section 233 B of the Act.
- (x) In our opinion and according to the information and explanations given to us in respect of statutory and other dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues to the extent of applicability to the Company with the appropriate authorities during the year, except the dues detailed as under :

Name of the Statute	Nature of the dues	Amount (Rs.)
Profession Tax Office	Profession Tax	1,96,670
Grampanchayat Gonde Wadivarhe	Panchayat Tax	5,93,967

- (b) There is no disputed dues of Sale Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
- (xi) According to the information and explanation given to us, the company has accumulated losses at the end of the financial year, which is not more than 50% of its net worth. Further, the company has incurred cash losses in the current period as well as in the preceding financial year.
- (xii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (xiii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) According to the information and explanations given to us, the company has not taken any term loans during the year, except the debt restructuring from the Asset Reconstruction Company, as per note no.4.1.
- (xvi) According to the cash flow statement and other records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, prima facie, not been used during the period for long term investment and vice versa.
- (xvii) The Company has made preferential allotment of 1,39,87,325 Equity shares of Rs.10/- each during the year.
- (xviii) The Company has not issued any debentures during the year under review.
- (xix) The Company has not raised any money by public issue during the year.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For S.M. Kapoor & Co.  
Chartered Accountants

(Shekhar Gupta)  
Partner

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

Membership No. 15622



## VENTURA TEXTILES LIMITED

### BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	164,406,890	98,512,570
Share Application Money - Pending Allotment		-	50,358,000
Reserves and Surplus	3	(162,303,664)	(205,511,525)
		<b>2,103,226</b>	<b>(56,640,955)</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	141,000,000	120,582,000
<b>Current Liabilities</b>			
Short-term borrowings	5	-	-
Trade Payables	6	8,924,400	9,446,644
Other Current liabilities	7	5,099,798	90,260,097
		<b>14,024,198</b>	<b>99,706,741</b>
<b>TOTAL</b>		<b>157,127,424</b>	<b>163,647,786</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
<b>Fixed Assets</b>			
Tangible assets	8	1,08,125,924	153,913,152
Long Term loans and advances	9	30,266,750	4,403,639
		<b>138,392,674</b>	<b>158,316,791</b>
<b>Current Assets</b>			
Inventories	10	-	-
Trade receivables	11	1,253,887	525,793
Cash and cash equivalents	12	14,471,587	836,202
Short-term loans and advances	13	3,009,276	3,969,000
		<b>18,734,750</b>	<b>5,330,995</b>
<b>TOTAL</b>		<b>157,127,424</b>	<b>163,647,786</b>

#### Significant Accounting Policies

#### Notes on Financial Statements 1 to 34

The note no. referred to above form an integral part of the Balance Sheet

As per our Audit Report of even date

For **S. M. Kapoor & Co.**  
Chartered Accountants

**Shekhar Gupta**  
(Partner)  
M. No.15622

Place : Mumbai  
Date : 30th May, 2014

For and on behalf of the Board of Directors

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

**Shyam R. Karmarkar**  
Director

# VENTURA TEXTILES LIMITED



## PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>INCOME :</b>			
Revenue from operations	14	726,472	-
Other Income	15	39,649,114	3,288,194
<b>Total Revenue</b>		<b>40,375,586</b>	<b>3,288,194</b>
<b>EXPENDITURE :</b>			
Cost of materials consumed		701,350	-
Changes in inventories of Raw Materials, Finished Goods, Work-in-Progress and Stock-in-Trade		-	406,810,503
Employee benefits expense	16	1,739,910	23,525,546
Finance Cost	17	31,193,964	245,557
Depreciation and amortization expense		19,484,931	32,292,578
Other expenses	18	18,026,500	4,831,903
<b>Total Expenses</b>		<b>71,146,655</b>	<b>467,706,087</b>
Profit / (Loss) before tax and Exceptional Income		<b>(30,771,069)</b>	(464,417,893)
Exceptional Income		-	479,116,254
Tax expense :			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the Year		<b>(30,771,069)</b>	(14,698,361)
Earnings per equity share of face value of Rs.10/- each			
Basic & Diluted before Exceptional Income	32	(1.87)	(47.08)
Basic & Diluted after Exceptional Income		(1.87)	1.49

### Significant Accounting Policies

### Notes on Financial Statements

1 to 34

The Note No. referred to above form an integral part of the Profit & Loss Account

As per our Audit Report of even date

For **S. M. Kapoor & Co.**

Chartered Accountants

**Shekhar Gupta**

(Partner)

**M. No.15622**

Place : Mumbai

Date : 30th May, 2014

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

**P. M. Rao**

Chairman &

Managing Director

**Shyam R. Karmarkar**

Director



**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1**

**SIGNIFICANT ACCOUNTING POLICIES.**

**A. Basis of Accounting:**

- i) The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
- ii) The Company adopts the accrual concept in the preparation of accounts unless otherwise stated

**B. Use of Estimates:**

The presentation of financial statements in conformity with the Generally Accepted Accounting Principles require estimates and assumption to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between, the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. Fixed Assets and Depreciation:**

- i) Fixed assets are stated at historical cost less depreciation. Cost of fixed assets comprises of purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for its intended use. In respect of project involving construction, related pre-operational and trial run expenses including finance cost relating to deferred credits or borrowed funds attributable to the acquisition of fixed assets, up to completion are included in the gross book value of the assets.
- ii) Depreciation is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

**D. Impairment of Assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E. Borrowing Cost:**

Borrowing Cost incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing cost is charged as an expense in the year in which these are incurred.

**F. Inventories:**

- i) Raw materials, Consumable stores and Packing materials are valued at cost.
- ii) Finished goods are valued at sale price less gross margin or cost which ever is lower.
- iii) Stock-in-process is valued at lower of cost or net realizable value.

**G. Foreign Currency Transaction:**

Transactions in foreign currency are recorded at the original rate of exchange in force at the time the transactions are effected except export sales, which are recorded at a rate notified by the customs for invoice purposes. Such rate is notified in the last week of every month and is adopted for recording export sales of the next month. The exchange fluctuation arising as a result of negotiation of export bills is accounted for in the difference in exchange rate. Foreign Currency Assets and Liabilities other than for financing fixed assets are stated at the rate of exchange prevailing at the year end and resultant gains/losses are recognized in the Profit & Loss account except in cases covered by forward foreign exchange contracts in which case, these are translated at the contracted rates and the resultant gains/losses are recognized over the life of the contracts. Foreign Currency loans for financing fixed assets are stated at the contracted/prevaling rates of exchange at the yearend and the resultant gains/losses are adjusted to the cost of assets.

**H. Retirement Benefits Scheme:**

- i) Retirement benefits on-account of provident fund are provided for by payment to Provident Fund Authorities and periodic contributions are charged to revenue.
- ii) Gratuity Liability is provided on estimated basis and charged to Profit & Loss account.
- iii) Liability for leave encashment benefit is determined in accordance with the rules of the Company and charged to revenue.

**I. Recognition of Income and Expenditure:**

- i) Income and Expenditure are accounted on accrual basis. Income in respect of insurance/other claims, interest, commission etc. is recognized when it is reasonably certain that the ultimate collection will be made.
- ii) Local Sales are recognized on dispatch of goods to customers. Export sales are recognized on the basis of bill of lading. Sales exclude excise duty and sales tax and are net of trade discounts.
- iii) The revenue in respect of DEPB / Duty Drawback benefit is recognized on post export basis at the rate at which the entitlement accrues.
- iv) Purchases are net of sales tax set off and freight inward but include cenvat wherever applicable.

**J.** As per normal practice Excise duty/Custom duty on goods not cleared is neither provided for nor is the same considered for valuation of closing stock. This has no impact on the loss for the year. The amount of Excise Duty/Customs Duty on Finished Goods Stock as on 31<sup>st</sup> March 2014 is NIL.

**K. Provision for Taxation :**

In view of the losses the Company has not provided for taxation.

**L. Excise Duty:**

Liability of Excise duty on finished goods wherever applicable is accounted as and when they are cleared from the factory premises.

**M. Accounting of Cenvat Credit:**

Cenvat credit available is accounted on accrual basis on purchase of materials net of excise duty and appropriated against payment of excise duty on clearance of the finished goods wherever applicable.

**N. Tax on Income:**

Income taxes are accounted for in accordance with Accounting Standard on "Accounting for taxes on Income", (AS-22) issued by ICAI.

Taxes on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of Income Tax Act, 1961 and based on expected outcome of the assessment/appeals.

Deferred tax is recognized on timing difference between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**O. Provision for Contingent Liabilities and Contingent Assets :**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.



## VENTURA TEXTILES LIMITED

### NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

Note No.	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>2 SHARE CAPITAL</b>				
<b>Authorised</b>				
4,00,00,000 Equity Shares of Rs. 10/- each (Previous Year 40000000 Equity shares of Re.10/- each)	<b>400,000,000</b>		400,000,000	
10,00,000 Preference Shares of Rs.100/- each (Previous Year 1000000 Preference Shares of Rs.100/- each)	<u>100,000,000</u>		<u>100,000,000</u>	
		<u>500,000,000</u>		<u>500,000,000</u>
<b>Issued, Subscribed and Paid-up</b>				
<b>Subscribed but not fully paid up</b>				
98,63,857 Equity Shares of Rs. 10/- each (Previous Year 98,63,857 Equity shares of Re.10/- each)	<u>98,638,570</u>		<u>98,638,570</u>	
Less : Call Money Receivable (Receivable from Directors Nil)	<u>126,000</u>		<u>126,000</u>	
		<u>98,512,570</u>		<u>98,512,570</u>
Less: 75% Reduction against Share Capital		<u>73,978,930</u>		-
Add: Capital Issued during the period		<u>139,873,250</u>		-
<b>TOTAL</b>		<u><b>164,406,890</b></u>		<u><b>98,512,570</b></u>

**2.1** The issued, Subscribed and Paid-up capital of the Company has been reduced from Rs.98.638.570/- toRs.2,46,59,640/- pursuant to 75% reduction in Share Capital in terms of Hon'ble BIFR Order dated 26th June,2013

The Company during the period, issued 1,39,87,325 Equity shares of Rs.10/- each on Preferential basis in terms of Hon'ble BIFR Order dated 26th June, 2013

The reconciliation of the Number of Shares Outstanding and the amount of Share Capital:

Note No.	Name of the Shareholder	As At 31.03.2014		As At 31.03.2013	
		No. of Shares	% held	No. of Shares	% held
	Balance at the beginning	9,863,857	98,638,570	9,863,857	98,638,570
	Less: 75% Reduction against Share Capital	7,397,893	73,978,930	-	-
	Add: Shares issued during the period	13,987,325	139,873,250	-	-
	<b>Balance at the end of the Period / Year</b>	<b>16,453,289</b>	<b>164,532,890</b>	9,863,857	98,638,570

**2.2** The details of Shareholders holding more than 5% Shares :

Note No.	Name of the Shareholder	As At 31.03.2014		As At 31.03.2013	
		No. of Shares	% held	No. of Shares	% held
	Penny Securities & Investments Pvt Ltd	7,686,858	46.76	1,147,435	11.63
	Indo Gulf Financials Ltd	3,285,000	19.98	-	-
	Ventura Texports Pv Ltd	1,131,915	6.88	3,267,663	33.13
	JM Financials Asset Reconstruction Company Pvt Ltd	987,325	6.01	-	-
	Rita J Bhuta	2,000,000	12.16	-	-
	Reliance Capital Ltd	-	-	1,287,500	13.05
	Dome Investments Ltd	-	-	500,000	5.07

**NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014**

Note No.	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.
<b>3 RESERVES AND SURPLUS</b>				
<b>Securities Premium Reserves</b>				
As per last Balance Sheet		14,813,783		14,813,783
Less : Share Premium Receivable (Receivable from Directors Nil)		158,600		158,600
		<u>14,655,183</u>		<u>14,655,183</u>
<b>Subsidy</b>				
As per last Balance Sheet		2,000,000		2,000,000
<b>Surplus (Profit &amp; Loss Account)</b>				
As per last Balance Sheet		(222,166,708)		(236,865,069)
Add: Profit / (Loss) of the year		(30,771,069)		14,698,361
Add: Adjustment towards reduction in Equity		73,978,930		-
		<u>(178,958,847)</u>		<u>(222,166,708)</u>
<b>TOTAL</b>		<u>(162,303,664)</u>		<u>(205,511,525)</u>
<b>4 LONG TERM BORROWINGS</b>				
<b>Secured</b>				
Term Loan	141,000,000		91,000,000	
Working Capital Term Loan	-		-	
		141,000,000		91,000,000
<b>Unsecured</b>				
Other Loans and Advances				
From Promoters		-		29,582,000
<b>TOTAL</b>		<u>141,000,000</u>		<u>120,582,000</u>

**Term Loans:**

**4.1** During the Previous year, the Company's dues to SBI have been acquired by JM Financial Asset Reconstruction Company Pvt Ltd (JMFARC).

JMFARC re-structured the debt on a long term basis on the following terms and conditions :

- Re-structured debt at Rs.9,10,00,000/- .
- During the period JMFARC sanctioned additional loan of Rs.5,00,00,000/- .
- Repayment - Repayable in 34 equal monthly installments beginning from 30th June, 2014.
- Interest @ 24% p.a from cut-of date i.e, 28th March, 2013 for Rs.9,10,00,000/- and cut-of date i.e.17th May, 2013 for Rs.5,00,00,000/- .  
Payable on a monthly basis.
- Interest is accrued and compounded on monthly basis upto 30th September, 2013.



## VENTURA TEXTILES LIMITED

### NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

Note No.	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.

**4.2** Debt of the Asset Reconstruction Company is secured by way of equitable mortgage created or to be created on all the present and future immoveable properties of the Company and hypothecation of all the moveable properties including moveable machinery spares, tools and accessories etc., present and future, subject to prior charge created and / or to be created in favor of the Company's bankers on stock of raw materials, semi finished and finished goods, consumable stores and other moveables as may be required for working capital requirements in the ordinary course of business and personally guaranteed by the Promoter.

#### 5 SHORT TERM BORROWINGS

##### Secured

Working Capital Loans

From Bank

-

-

##### Current Maturities of Long Term

##### Debentures

11% OFCD -Series A

-

-

12% OFCD -Series B

-

-

Interest Accrued & due

-

-

-

-

##### TOTAL

-

-

**5.1** During the Previous year, the Company's dues to SBI have been acquired by JM Financial Asset Reconstruction Company Pvt Ltd (JMFARC).

JMFARC re-structured the debt on a long term basis as mentioned in Note No.4.1

**5.2** During the year, the Company entered into One Time Settlement of all its total liabilities of Secured Debentures.

#### 6 TRADE PAYABLES

Micro, Small and Medium Enterprises

-

-

Others

**8,924,400**

9,446,644

**8,924,400**

9,446,644

**6.1** The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the Company is Nil.

The same has been relied upon by auditor

#### 7 OTHER CURRENT LIABILITIES

Interest Accrued and Due

-

215,408

Other Liabilities in the Previous year

**611,887**

89756186

Duties & Taxes

**4,487,911**

288,503

**5,099,798**

90,260,097

**7.1** Other Liabilities in the Previous year include Rs.8,00,00,000/- payable towards One Time Settlement dues of debentures.



**NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014**

**Note No. 8**

**FIXED ASSETS**

(Amount in Rs.)

Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-4-2013	Additions/ Adjustments during the year	Sales / Transfer during the year	As at 31-3-2014	Up to 31-3-2013	For the Year	Sales / Adjustments	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2013
Freehold Land	3,936,082	-	1,160,516	<b>2,775,566</b>	-	-	-	-	<b>2,775,566</b>	3,936,082
Factory Building	110,424,084	-	-	<b>110,424,084</b>	49,696,247	3,170,708	-	<b>52,866,955</b>	<b>57,557,129</b>	60,727,837
Plant & Machinery	542,458,192	-	239,077,292	<b>303,380,900</b>	453,965,666	16,200,119	213,935,511	<b>25,623,0274</b>	<b>47,150,626</b>	88,492,526
Furniture & Fixtures	2,400,008	-	-	<b>2,400,008</b>	2,400,008	-	-	<b>2,400,008</b>	-	-
Office Equipments	1,680,665	-	-	<b>1,680,665</b>	958,012	80,050	-	<b>1,038,062</b>	<b>642,603</b>	722,653
Electrical Installation	20,587,676	-	-	<b>20,587,676</b>	20,587,676	-	-	<b>20,587,676</b>	-	-
Computers	3,582,621	-	-	<b>3,582,621</b>	3,548,567	34,054	-	<b>3,582,621</b>	-	34,054
<b>Current Year's Total</b>	<b>685,069,328</b>	-	<b>240,237,808</b>	<b>444,831,520</b>	<b>531,156,176</b>	<b>19,484,931</b>	<b>213,935,511</b>	<b>336,705,596</b>	<b>10,812,5924</b>	<b>153,913,152</b>
<b>Previous Year's Total</b>	<b>685,033,628</b>	<b>35,700</b>	-	<b>685,069,328</b>	<b>498,863,598</b>	<b>32,292,578</b>	-	<b>531,156,176</b>	<b>153,913,152</b>	<b>186,170,030</b>

Note No.	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.

**9 LONG TERM LOANS AND ADVANCES**

Others	<b>27,886,302</b>	2,623,191
Deposits	<b>2,380,448</b>	1,780,448
<b>TOTAL</b>	<b>30,266,750</b>	<b>4,403,639</b>

**9.1** Other loans and advances include amounts of Cenvat, TDS and Interest receivable.

**9.2** Deposits include amounts paid to Electricity board, Telephone department and others.

**10 INVENTORIES**

Raw Materials ( Incl. In Transit)	-	-
Work-in-Progress	-	-
Finished Goods (Incl. In Transit)	-	-
Stores & Spares	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**10.1** The Company's factory remained closed on account of illegal strike since 8th December,2008. During the Previous year the management settled all the dues of the workers and disposed off the entire inventories on as-is-where-is-basis, as a scrap.

**11 TRADE RECEIVABLES**

(Unsecured Considered Good)		
Over Six Months	<b>1,253,887</b>	5,25,793
Other Debts	-	-
<b>TOTAL</b>	<b>1,253,887</b>	<b>5,25,793</b>

**11.1** No provision has been made for doubtful debts, as in the opinion of the management the same is recoverable.

**12 CASH AND CASH EQUIVALENTS**

Balances with Schedule Banks in		
Current Account	<b>14,415,969</b>	691,857
Cash on Hand	<b>55,618</b>	144,345
Fixed Deposits	-	-
<b>TOTAL</b>	<b>14,471,587</b>	<b>836,202</b>



## VENTURA TEXTILES LIMITED

### NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

Note No.	As at 31st March, 2014 Rs.	As at 31st March, 2013 Rs.
<b>13 SHORT TERM LOANS AND ADVANCES</b> (Unsecured, Considered Good)		
Loans and Advances to Related Parties	3,009,276	3,969,000
	<u>3,009,276</u>	<u>3,969,000</u>
<b>14 REVENUE FROM OPERATION</b>		
Sales - Export	-	-
Sales - Local	726,472	-
<b>TOTAL</b>	<u>726,472</u>	<u>-</u>
<b>15 OTHER INCOME</b>		
Scrap Sale	598,540	3,246,632
Profit on Sale of Land	39,039,484	-
Interest Income	11,090	41,562
Miscellaneous Income	-	-
<b>TOTAL</b>	<u>39,649,114</u>	<u>3,288,194</u>
<b>16 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Compensation & Bonus	1,337,230	23,457,491
Contribution to Provident & Other Funds	-	-
Workmen and Staff Welfare	402,680	68,055
<b>TOTAL</b>	<u>1,739,910</u>	<u>23,525,546</u>
<b>16.1</b> Salaries & Wages of Previous year include Rs.2,27,94,505/- towards full and final settlement dues of workers and staff.		
<b>17 FINANCE COST</b>		
<b>Interest</b>		
Term Loan from Bank/Institutions	31,188,102	239,342
	<b>31,188,102</b>	<b>239,342</b>
<b>Finance Charges</b>		
Bank Charges	5,862	6,215
	<u>5,862</u>	<u>6,215</u>
<b>TOTAL</b>	<u>31,193,964</u>	<u>245,557</u>
<b>18 OTHER EXPENSES</b>		
<b>Manufacturing &amp; Operating Expenses</b>		
Chemicals	-	-
Packing Materials	-	-
Consumables, Stores & Spares	-	-
Power, Fuel and Water Charges	367,311	152884
Repairs & Maintenance	60,282	229665
Insurance	162,836	148146

**NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014**

Note No.	As at 31st March, 2014		As at 31st March, 2013	
	Rs.	Rs.	Rs.	Rs.
Other Expenses	13,500	603,929	5400	536,095
<b>Administrative Expenses</b>				
Travelling & Conveyance	49,615		93,467	
Motor Car Expenses	706,440		654,131	
Postage and Telephone	210,614		214,502	
Directors' Remuneration	-		-	
Legal & Professional Charges	1,797,987		909,738	
Printing & Stationery	50,892		89,196	
Rent, Rates & Taxes	1,372,870		1,679,620	
Loss on Sale of Machinery	11,842,227		-	
Payment to Auditors	112,360		112,360	
Miscellaneous Expenses	1,132,764		436,315	
Annual Fees	146,802	17,422,571	106,480	4,295,808
<b>TOTAL</b>		<b>18,026,500</b>		<b>4,831,903</b>

**18.1 Value of Stores, Chemical and Packing Material Consumed**

	% of Consumption	2013-2014		2012-2013	
		Amt in Rs.	% of Consumption	Amt in Rs.	% of Consumption
Imported	-	-	-	-	-
Indigenous	-	-	-	-	-



19. Contingent Liability: For the Current Period is Rs. 5225.19 Lakhs in the event of default to Asset Reconstruction Company (Previous Year Rs. 5225.19 lakhs).

**20. Financial Re-Structuring :**

- a. On 28<sup>th</sup> March, 2013, JM Financial Asset Reconstruction Company Private Limited (JMFARC) acquired the entire dues of the Company from State Bank of India. On 15<sup>th</sup> May, 2013, JMFARC, re-structured the acquired debt at Rs.910 lakhs with effective date of 28<sup>th</sup> March, 2013 on a long term basis and waived all the balances with the provision of re-instatement in the event of default.
  - b. During the period i.e., on 17<sup>th</sup> May, 2013 JMFARC sanctioned additional loan of Rs.500 Lakhs.
  - c. During the previous year, the Company entered into One Time Settlement of all its total liabilities of Secured Debentures with Reliance Capital Limited.
21. Estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs. NIL (Previous Year Rs. NIL).
22. Letters of confirmation of balances have been sent to suppliers and debtors. Adjustments, if any, shall be made on receipt of confirmation and reconciliation thereof.
23. Sundry Loans and Advances and other assets are, in the opinion of management, stated at the amount realizable in the ordinary course of business and provision for all known liabilities has been made.
24. In view of the losses, the Directors have foregone the salary and therefore, no provision has been made in the current year.

**25. Deferred Tax:**

The Company has not provided for Deferred Tax Asset / Liabilities as the Company's policy to recognize the asset is only when there is a reasonable certainty that sufficient future taxable income will be available.

**26. Provision for Tax:**

In view of the Losses, the Company has not made any provision for taxes.

**27. Segment Reporting :**

In terms of Accounting Standard (AS) – 17, the Company is engaged mainly in the business of manufacturing of Textiles consisting of Fabric and Yarn. Considering the nature of financial reporting the Company has only one reportable segment.

**28. Value of Imports on CIF Basis in Respect of :**

		Current Year		Previous Year	
		Rs. In Lacs	%	Rs. In Lacs	%
<b>a)</b>	<b>Value of Imports on CIF Basis: (excluding through agency)</b>				
	i. Capital Goods	<b>Nil</b>	-	Nil	-
	ii. Stores & Spares	<b>Nil</b>	-	Nil	-
<b>b)</b>	<b>Expenditure in Foreign Currency</b>				
	i. Travelling	<b>Nil</b>	-	Nil	-
	ii. Commission on Sales	<b>Nil</b>	-	Nil	-
<b>c)</b>	<b>Earnings in Foreign Currency</b> F.O.B Value of Exports	<b>Nil</b>	-	Nil	-
<b>d)</b>	<b>Exchange Difference Gain /(Loss) charged to P&amp;L A/c.</b>	<b>Nil</b>	-	Nil	-

**29. Auditors' Remuneration:**

		Current Year Rs.	Previous Year Rs.
a)	Audit Fees	<b>1,12,360</b>	1,12,360
b)	Tax Audit	-	-
c)	Certification, Taxation & Others	-	-
	<b>Total</b>	<b>1,12,360</b>	1,12,360

**30. Managerial Remuneration :**

		Current Year Rs.	Previous Year Rs.
a)	Salary	-	-
b)	Perquisites	-	-
c)	Contribution to P.F. and Other Funds	-	-
	<b>Total</b>	-	-

**31.** The disclosure of transactions with the related parties, as described in the Accounting Standard-18 issued by the Institute of Chartered Accountants of India, are given below :

<b>A. Name of the related parties</b>	<b>Relationship</b>
Ventura Texports Pvt. Ltd.	An Associate
Penny Securities & Investments Pvt. Ltd.	An Associate
Indo Gulf Financials Ltd.	An Associate
Mr. P. M. Rao	Key Management Personnel –1
Mr. Abhijit Rao	Key Management Personnel –2



## VENTURA TEXTILES LIMITED

(Rs. in lacs)

B. Transactions with related parties	Associate		Key Management Personnel -1		Key Management Personnel -2	
Loans	Nil	(Nil)	2.20	(2.38)	1.09	(0.59)
<b>Income :</b>						
Sale of Goods	Nil	(Nil)	Nil	(Nil)	Nil	(Nil)
<b>Expenses :</b>						
Purchase of Goods	Nil	(Nil)	Nil	(Nil)	Nil	(Nil)
Rent	Nil	(Nil)	Nil	(Nil)	1.90	(Nil)
Remuneration Paid	Nil	(Nil)	Nil	(Nil)	Nil	(Nil)
<b>Sundry Debtors :</b>						
Balance as on 31 <sup>st</sup> March	Nil	(Nil)	Nil	(Nil)	Nil	(Nil)
<b>Sundry Creditors</b>						
Balance as on 31 <sup>st</sup> March	Nil	(Nil)	Nil	(Nil)	Nil	(Nil)
<b>Loans and Advances</b>						
Balance as on 31 <sup>st</sup> March	26.79	(39.69)	Nil	(Nil)	Nil	(Nil)

- Notes :**
- 1) Related party relationship is as identified by the Company and relied upon by the auditors.
  - 2) Previous years figures are given in brackets.

### 32. Earning per Share (EPS) - Basic & Diluted:

The Earning per Share as per the requirement of Accounting Standard (AS)-20 issued by The Institute of Chartered Accountants of India is computed as follows:

	Current Year	Previous Year
Profit/(Loss) after tax before exceptional/extra-ordinary item	<b>(Rs.3,07,71,069)</b>	<b>Rs.46,44,59,455)</b>
Add: Extraordinary items	—	<b>Rs.47,91,57,816</b>
Profit / (Loss) after exceptional/extra-ordinary items	<b>(Rs.3,07,71,069)</b>	<b>Rs. 1,46,98,361</b>
<b>Weighted Average number of Equity Shares</b>	<b>1,64,40,689</b>	<b>98,63,857</b>
Nominal value of Equity Shares	<b>Re. 10/- each</b>	<b>Re. 10/- each</b>
Basic and Diluted Earning per Equity Share before Exceptional / Extra-ordinary item (Annualized)	<b>Rs. (-)1.87</b>	<b>Rs. (-)47.08</b>
Basic and Diluted Earning per Equity Share after Exceptional / extra-ordinary item (Annualized)	<b>Rs.(-) 1.87</b>	<b>Rs. 1.49</b>

**33.** Previous Years figures have been re-arranged and re-grouped wherever necessary.

**34.** Note 1 to 33 forms an integral part of the accounts and have been duly authenticated.

For **S. M. Kapoor & Co.**  
Chartered Accountants

**Shekhar Gupta**

(Partner)

**M. No.15622**

Place : Mumbai

Date : 30<sup>th</sup> May, 2014.

For and on behalf of the Board of Directors

**P. M. Rao**

Chairman &

Managing Director

**Shyam R. Karmarkar**

Director

# VENTURA TEXTILES LIMITED



## 'CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 (Amount in Rupees)

	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>a. Net Profit / (Loss) before Tax &amp; Extraordinary items</b>	<b>(30,771,069)</b>	<b>(464,417,893)</b>
Adjustments for :		
Depreciation	19,484,931	32,292,578
Interest Expense	31,193,964	245,557
Profit / (Loss) on sale of fixed assets	27,197,257	-
Interest Income	11,090	41,562
Exceptional Income	-	-
	<u>77,887,242</u>	<u>32,579,697</u>
<b>b. Operating profit before working capital changes</b>	<b>47,116,173</b>	<b>(431,838,196)</b>
Adjustments for :		
Increase/(Decrease)in trade and other receivables	(25,631,481)	(2,192,021)
Increase / (Decrease ) in Equity	139,873,250	-
Increase / (Decrease) in Inventories	-	(406,810,503)
Increase / (Decrease) in trade payables and other liabilities	(85,682,543)	28,559,226
	<u>28,559,226</u>	<u>499,481,822</u>
<b>c. Cash generated from operations</b>	<b>75,675,399</b>	<b>(522,317,494)</b>
Interest Income	(11,090)	(41,562)
Direct Taxes paid (provision)	-	-
	<u>(11,090)</u>	<u>(41,562)</u>
<b>d. Cash flow before Extraordinary items</b>	<b>75,664,309</b>	<b>(522,359,056)</b>
Extraordinary items - Prior period adjustments	-	479,116,254
<b>Net Cash from Operating Activities A</b>	<b>75,664,309</b>	<b>(43,242,802)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale / Adjustments of Fixed Assets	(894,960)	(35,700)
<b>Net Cash used in Investing Activities B</b>	<b>(894,960)</b>	<b>(35,700)</b>
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
Proceeds from long term borrowings	(29,940,000)	43,739,067
Interest Paid	(31,193,964)	(245,557)
<b>Net Cash used in Financing Activities C</b>	<b>61,133,964</b>	<b>43,493,510</b>
<b>D. Net Increase in Cash and Cash Equivalents A + B + C</b>	<b>13,635,385</b>	<b>215,008</b>
Cash and Cash Equivalents as at 1st April, 201	836,202	621,194
Cash and Cash Equivalents as at 31st March, 2014	<u>14,471,587</u>	<u>836,202</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>13,635,385</b>	<b>215,008</b>

As per our Audit Report of even date

For **S. M. Kapoor & Co.**  
Chartered Accountants

**Shekhar Gupta**  
(Partner)  
M. No.15622

Place : Mumbai  
Date : 30th May, 2014

For and on behalf of the Board of Directors

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

**Shyam R. Karmarkar**  
Director



# VENTURA TEXTILES LIMITED

## ATTENDANCE SLIP

### VENTURA TEXTILES LIMITED CIN: L21091MH1970PLC014865

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint Shareholders may obtain additional Slip at the venue of the meeting

DP Id\* \_\_\_\_\_

Folio No. \_\_\_\_\_

Client Id\* \_\_\_\_\_

No. of Shares \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 44<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 30, 2014 at 03.00 p.m. at 211-212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059

\*Applicable for investors holding shares in electronic form.

FORM NO.MGT-11  
**PROXY FORM**

### VENTURA TEXTILES LIMITED CIN: L21091MH1970PLC014865

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

**[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s)	E-mail id:
	Folio No./*Client ID
Registered Address	*DP ID

I/We, being the holder/s of \_\_\_\_\_ equity shares of Ventura Textiles Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, September 30, 2014 at 03.00 p.m. at 211-212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:



## VENTURA TEXTILES LIMITED



Particulars	For	Against
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2. Appointment of Mr. P. M. Rao as a Director, liable to retire by rotation		
3. Re-appointment of S. M. Kapoor & Company, Chartered Accountants, Mumbai (Firm Registration No. 104809W) as the Statutory Auditors for a period of three (3) consecutive years		
4. Appointment of Mr. Prakash Radhavalabh Bhargava (DIN: 00763819) as an Independent Director		
5. Approval of appointment of Mr. Shyam Raghunath Karmarkar (DIN: 01365616) as an Independent Director		

\*Applicable for investors holding shares in electronic form.

\*\* This is optional

Signed this \_\_\_\_ day of \_\_\_\_\_, 2014

Affix Re.1/-  
Revenue  
Stamp

Signature of the Proxy holder(s):

\_\_\_\_\_  
Signature of Shareholder

**Note: This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





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To,

If undelivered, please return to:

**VENTURA TEXTILES LIMITED**

Regd. Office :

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