

VENTURA TEXTILES LIMITED

ANNUAL REPORT
2008 - 2009



39th Annual Report 2008-2009

BOARD OF DIRECTORS

Mr. P. M. Rao	Chairman & Managing Director
Mr. Abhijit Rao	Executive Director
Mr. Shyam R. Karmarkar	Director
Mr. Prakash R. Bhargava	Director

REGISTERED OFFICE

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

PLANT

Gonde, Nashik District, Maharashtra.

AUDITORS

M/s. S. M. Kapoor & Co.
Chartered Accountants

BANKERS

State Bank of India

SOLICITORS

M/s. Bharucha & Partners

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai - 400 078.

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NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of Ventura Textiles Limited will be held on Tuesday, the 29th day of September, 2009, at the Registered Office of the Company at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 at 04.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the schedules and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shyam Karmarkar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. S. M. Kapoor & Company, Chartered Accountants, as the Auditors of the Company and to fix their remuneration.

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

For and on behalf of Board of Directors

Date : 30th July, 2009

P. M. Rao
Chairman & Managing Director

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
- 3) The Register of Members and Share Transfer Books of the Company will be closed from 28th September, 2009 to 29th September, 2009 (both days inclusive) in connection with the Annual General Meeting of the Company.
- 4) Members are requested to immediately intimate change of address, if any, to the Company's Registrar and Share Transfer Agent 'Link Intime India Pvt. Ltd.', C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai – 400 078 quoting reference to their Registered Folio number.
- 5) There is no amount outstanding or due for a period of more than 7 years, which the Company is required to transfer to the Investor Education and Protection Fund of the Central Government as required under Section 205C of the Companies Act, 1956.
- 6) Members/Proxies are requested to bring the copy of their Annual Report along with them and to produce the Attendance Slip at the entrance of the venue.
- 7) All the documents referred to in the Notice convening the Thirty-Ninth Annual General Meeting of the Company is available for inspection at the Registered Office of the Company between 11 a.m. to 1.00 p.m. on all working days, other than Saturdays, upto the date of the Annual General Meeting.

Information under Clause 49 of the Listing Agreement with respect of the Director seeking appointment/re-appointment in this Annual General Meeting.

Item No. 2 :

1.	Name	Mr. Shyam Karmarkar
2.	Date of Birth	26th March, 1946
3.	Profession	Practising Chartered Accountant
4.	Educational Qualifications	B. Com., FCA and Associate Member of Institute of Internal Auditors
5.	Expertise in Specific Functional Areas	In the field of Finance and Taxation for more than 3 decades
6.	Category of Director	Independent & Non Executive
7.	No. of Shares held	Nil
8.	Directorship held in other Public Limited Companies (excluding foreign companies)	Nil
9.	Chairman / Member of the Committee of other public Companies (including Audit and Shareholders / Investors Grievance Committee	NIL

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

For and on behalf of Board of Directors

Date : 30th July, 2009

P. M. Rao
Chairman & Managing Director

DIRECTORS' REPORT

To
The Members
VENTURA TEXTILES LIMITED

Your Directors take pleasure in presenting the 39th Annual Report together with the Audited Accounts for the Financial Year ended 31st March, 2009. The summarized performance during the year is as under:

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

PARTICULARS	31st March, 2009	31st March, 2008
Sales	1,704.13	7,877.75
Other Income	97.50	198.46
Total Income	1,801.63	8,076.21
Total Expenditure	1,960.82	7,406.35
Profit / (Loss) Before Interest, Depreciation & Tax	(159.19)	669.86
Interest	575.88	612.95
Depreciation	338.92	340.57
(Loss) Before Tax	(1,073.99)	(283.65)
Fringe Benefit Tax	1.80	2.95
(Loss) After Tax	(1,075.79)	(286.60)
Net Profit/(Loss)	(1,075.79)	(286.60)
Adjustment in Balance Brought Forward from previous year	(240.98)	45.62
Balance Carried to Balance Sheet	(1,316.77)	(240.98)

PERFORMANCE REVIEW:

During the year under review, the performance of the Company was severely affected on account of global recessionary conditions and economic meltdown resulting in low demand for the Company's main product viz.. bed sheets. Further, the increased raw material cost due to the Minimum Support Price Policy of Government of India on cotton has turned the margins negative.

Consequently the operations suffered to a large extent affecting the financials and liquidity. As a result, the Company's account with its bankers became an NPA in July, 2008. Despite repeated requests, the bank has not yet sanctioned the financial aid sought for. The stoppage of operations on account of continued illegal strike by workmen since December, 2008 further worsened the performance of the Company.

Due to these setbacks, the Company achieved sales of Rs.1,704.13 lacs as compared to Rs.7,877.76 lacs in the previous year and incurred a loss of Rs.1,075.79 lacs, as against a loss of Rs.286.60 lacs in the previous year.

DIVIDEND:

Your Directors have not recommended any dividend for payment on the paid-up share capital for the financial year ended 31st March, 2009, due to the loss incurred in the current year.

FUTURE PROSPECTS:

As expected earlier, Union Budget has announced measures for the relief of the Textile Industry. The measures such as increased allocation for Technology Up-gradation Fund scheme (TUFS), increased allocation of Integrated Textile Parks, reduction in the custom duties and setting up of Five Mega Clusters which could generate employment opportunities etc. are viewed as a road map to the success for the Textile Industry. However, it has left a mixed bag of impression among the industry players, particularly in view of the global competing countries competitiveness.

There is an increasing demand for Indian textile products in International Markets. With abundant multi-fiber raw material base, well-established production bases and design capability, India has the ability to emerge as a global textile and apparel-sourcing hub.

Looking forward to the escalating demand, your Directors will take all necessary steps to resolve the ongoing illegal strike by the workmen and stabilize the operations soon. The management will also pursue the bankers to extend the much needed financial support to take the Company forward.

MANAGEMENT DISCUSSION & ANALYSIS:

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

CORPORATE GOVERNANCE:

Report on Corporate Governance forms an integral part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of Corporate Governance under clause 49 of the listing agreement is also annexed to this report.

FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of the provisions of Section 58A of Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS:

In accordance with the provisions of Companies Act, 1956, Mr. Shyam Karmarkar, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and has offered himself for re-appointment. Your Directors recommend his re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956 and on the basis of explanation and compliance certificate given by the executives of the Company and subject to disclosures in the annual accounts and also on the basis of discussion with the Statutory Auditors' of the Company from time to time, your Directors confirm that:

- i. in preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31st March, 2009;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. the Directors have prepared the Annual Accounts for the period ended on 31st March, 2009 on a going concern basis.

AUDITORS' REPORT :

The observations/qualification made in the Auditors' Report are suitably replied and explained in the addendum to the Directors' Report.

AUDITORS :

M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai, the Statutory Auditors' of the Company will retire at ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from the Auditors', under Section 224 (1B) of the Companies Act, 1956, to the effect that their re-appointment, if made, will be within the statutory limits.

COST AUDITORS :

M/s. ABK & Associates, Cost Accountants, Mumbai, have been re-appointed as Cost Auditor of the Company for the Financial Year 2008-2009, as per the directions issued by the Central Government vide letter no. 52/777/CAB-2000

dated 10th August, 2000, with respect to the eligibility/ consent received from them pursuant to section 224 (1) (b) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, information on conservation of energy, technology absorption, foreign exchange earnings and out-go is given as Annexure to this report.

PARTICULARS OF EMPLOYEES:

None of the Employees were in receipt of the remuneration in excess of the ceiling as prescribed in the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies Amendment Act, 1988.

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 : 30th July, 2009

P. M. Rao
Chairman and Managing Director

ADDENDUM TO THE DIRECTORS' REPORT

The Auditors' observations/qualifications in para 4(d) and 5 of the Auditors' Report has been suitably explained/clarified in Note 8 of Schedule No. 21 (Notes to the Accounts) and therefore do not call for any further comments.

Apropos to the Auditors' observation in para 5 of the Auditors' Report the Company hither-to paid annual premiums under group gratuity scheme to LIC of India. However, during the year, due to financial constraints the premium was not paid and hence, the Company made an estimated provision, being not in a position to obtain Actuarial Valuation.

The Auditors' observations/qualifications in para ii (a), (b) and (c) of the Annexure to the Auditors' Report has been suitably explained/clarified in Note 7 of Schedule No. 21 (Notes to the Accounts) and therefore do not call for any further comments.

Apropos to the Auditors' observation in para vii of the Annexure to the Auditors' Report with regard to internal audit system, the Company due to financial constraints could not appoint an Internal Auditor. However, in the management perspective, the procedures and methods followed and the inspections carried out by the management at regular intervals were reasonable, adequate and commensurate with the size of the Company and the nature of its business.

In respect of the Auditors' observation in para ix (a) and xi of the Annexure to the Auditors' Report with regard to non-payment of statutory dues, defaulted repayments to the bank and the debenture holder, the Company was unable to pay the same due to financial constraints and efforts are on to regularize the same at the earliest possible.

ANNEXURE TO DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2009.

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 has neither imported any Technology nor has incurred any expenditure on Research & Development during the year.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for product services and export plans:

The Company is mainly Exporting to USA and would explore the possibilities in African and Middle-east countries.

- (b) Total Foreign Exchange used and earned :

(Rs. in lacs)

Used	3.14
Earned	502.57

FORM A

A. Power & Fuel Consumption	Current Year	Previous Year
1. Electricity		
a. Purchased Units	5,21,625	44,17,488
Total Amount (Rs.)	15,18,235	80,52,241
Rate / Unit (Rs.)	2.91	1.83
b. Own Generation		
i) Through LDO Generator		
Units Produced	Nil	2,92,293
Units per litre of LDO	Nil	3.30
Cost / Unit (Rs.)	Nil	9.28
Amount	Nil	27,11,792
ii) Through Steam Turbine / Generator Units		
Units per litre of Fuel Oil / Gas	Nil	Nil
Cost / Unit (Rs.)	Nil	Nil
2. Fuel for Steam Generation (Boiler)		
a. Coal (Specify quality and Where used)	Nil	Nil
b. Fire Wood		
Quantity (tonnes)	161.94	1,718.25
Total Amount (Rs.)	2,52,575	25,25,828
Average Rate (Rs.)	1,560	1,470
c. Furnace Oil		
Quantity Consumed (Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
d. Low Density Oil (LDO)		
Quantity Consumed (Ltrs.)	Nil	Nil
Total Amount (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
3. Steam Generation		
Quantity Produced (tonnes)	1,399.01	4,197.04
Total Cost (Rs.)	8,67,576	25,27,729
Rate / Ton (Rs.)	620.13	602.26

B. Consumption per unit of Production (Rs.)

Product	Unit	Current Year		Previous Year	
		Electricity	Steam	Electricity	Steam
Yarn	Per Kg.	4.10	-	4.38	-
Cloth	Per Sq.Mtr.	0.62	0.15	0.53	0.07

CORPORATE GOVERNANCE REPORT
Company's Philosophy on Code of Governance:

Your Company believes that Corporate Governance forms part of its commitment to values and ethical business conduct. It is committed to high standards of Corporate Governance and believes in and practices for optimizing shareholder value and protecting the interests of its stakeholders. The Company believes that good Governance is an essential ingredient of business and is a continuous journey.

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

Board of Directors:

The strength of the Board as on 31st March, 2009 was four, of which two are Executive Promoter Directors and two are Independent Directors. The Board believes that the current size is appropriate, based on the Company's present circumstances. The Board periodically evaluates the need for increasing or decreasing its size.

The requisite particulars are given below :

Category	No of Directors	% of Total No. of Directors
Executive Directors	2	50%
Independent Directors	2	50%
Total	4	100%

Name of Directors	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	5	5	Yes	—	—	—
Mr. Abhijit Rao	Executive Director	5	3	Yes	—	—	—
Mr. Prakash R. Bhargava	Independent & Non-Executive Director	5	4	Yes	2	—	—
Mr. Shyam R. Karmarkar	Independent & Non-Executive Director	5	5	Yes	—	—	—

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, five 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 Directors	Board Meetings held on and attendance details				
	30/04/08	31/07/08	16/08/08	31/10/08	31/01/08
Mr. P. M. Rao	Yes	Yes	Yes	Yes	Yes
Mr. Abhijit Rao	Yes	No	Yes	Yes	No
Mr. Prakash R. Bhargava	Yes	Yes	Yes	No	Yes
Mr. Shyam R. Karmarkar	Yes	Yes	Yes	Yes	Yes

Directors' Particulars:

Name of Directors	Qualifications
Mr. P. M. Rao	B.Com.
Mr. Abhijit Rao	Graduate from London University
Mr. Prakash 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 or 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 paid to Directors as on 31st March, 2009:

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 2008-09. 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.

(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 Directors	Sitting Fees (Rs.)
Mr. Shyam R. Karmarkar	20,000
Mr. Prakash R. Bhargava	16,000
Total	36,000

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 & Perquisites (Rs.)		Commission (Rs.)
		Payable	Paid	
Mr. P. M. Rao	Chairman & Managing Director	10,08,000	2,55,000	Nil
Mr. Abhijit Rao	Executive Director	11,01,000	3,38,400	Nil

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

Mr. P. M. Rao, Chairman and Managing Director, of the Company had been appointed for tenure of 5 years starting from 1st July, 2005 to 30th June, 2010.

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 a Chairman and Mr. P. R. Bhargava as Member and one Executive Director namely Mr. Abhijit Rao as a 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 members	Audit Committee Meetings held and attendance				
	30/04/08	31/07/08	16/08/08	31/10/08	31/01/09
Mr. Shyam R. Karmarkar	Yes	Yes	Yes	Yes	Yes
Mr. Prakash R. Bhargava	Yes	Yes	Yes	No	Yes
Mr. Abhijit Rao	Yes	No	Yes	Yes	No

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 Company Secretary of the Company acts as Secretary 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. Shyam R. Karmarkar - Chairman
- Mr. P. M. Rao - Member
- Mr. P. R. Bhargava - Member

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 2008-09:

Sr. No	Nature of Complaints	Received	Resolved	Pending
1	Non Receipt of Certificate	4	4	0
2	Non receipt of dividend	0	0	0
3	Non receipt of Demat credit/ Remat	2	2	0
4	Short receipt of dividend	0	0	0
5	Non receipt of reject DRF	0	0	0
6	Non receipt of Exchange Certificates	2	2	0
	Total	8	8	0

General Body Meetings:

1. Details of last three Annual General Meetings:

Year	Location	Date	Time	Special Resolution passed
2007-2008	313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059	30/09/2008	3.00 pm	There was no Special Resolution passed in the Meeting.
2006-2007	Vishal Hall, M V Road, Andheri (East), Mumbai - 400 069	24/09/2007	4.30 pm	1) Appointment of Mr. Abhijit Rao as Executive Director of the Company. 2) Implementation of BIFR Order dated 22nd June, 2007 of the Company. 3) Consolidation of Shares to F.V. of Rs.10/- each pursuant to BIFR Order dated 22nd June, 2007. 4) Preferential Allotment of Shares to promoters.
2005-2006	Vishal Hall, M V Road, Andheri (East), Mumbai - 400 069	30/09/2006	4.00 pm	As directed by Stock Exchange, complete disclosure of Shareholding pattern consequent to the conversion option of Securities/ Debentures of the Company for members approval & ratification.

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.

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.

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 exchanges immediately after the Board takes them on record and thereafter is 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 exchanges

General Shareholder Information:

(i) **Annual General Meeting :**

Date, Time & Venue : 29th September, 2009 at 04.00 pm at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059

(ii) **Book Closure** : 25th September, 2009 to 29th September, 2009

(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:

Bombay Stock Exchange Limited

P. J. Towers, Dalal Street, Mumbai – 400 001

Annual Listing fees for financial year 2009-10 have been paid to Stock Exchange.

The Company has also paid the annual custodial fees to both the depositories.

(v) **Demat Segment** : (CDSL) : ISIN INE 810 C 01036

(NSDL) : ISIN INE 810 C 01036

(vi) **Market Price Data** : The price of the Company's Share - High, Low during each month in last financial year on the Bombay Stock Exchange Limited :

Month	High	Low	Total Nos of Shares traded
APR – 2008	30.75	21.05	92875
MAY – 2008	27.00	20.40	77636
JUN – 2008	24.55	15.50	120344
JUL – 2008	23.50	13.75	57380
AUG – 2008	21.75	15.00	58380
SEP – 2008	19.80	8.70	40849
OCT – 2008	12.08	5.27	90189
NOV – 2008	9.38	4.97	51894
DEC – 2008	8.49	4.51	39260
JAN – 2009	8.36	4.90	26628
FEB – 2009	6.37	4.90	35172
MAR – 2009	6.31	4.00	39199

(vii) Registrar and Transfer Agent :

Name & Address : Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.

Phone Number : 91 22 25963838

Fax Number : 91 22 25946969

(viii) Share Transfer System:

93.34 % of the shares of the Company are in electronic mode. Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents are to be lodged to Registrar & Share Transfer Agent at the above mentioned address. The Directors, Company Secretary are severally empowered to approve the above transfers.

(ix) Distribution of Shareholding as on 31st March, 2009:

No. of Shares	Shareholders	%	Shares	%
Upto - 2,500	11463	98.8872	16,53,692	16.7652
2,501 - 5,000	56	0.4831	2,07,069	2.0993
5,001 - 10,000	42	0.3623	2,95,638	2.9972
10,001 - 20,000	16	0.1380	2,03,297	2.0610
20,001 - 30,000	3	0.0259	71,660	0.7265
30,001 - 40,000	2	0.0173	72,432	0.7343
40,001 - 50,000	—	—	—	—
50,001 - 1,00,000	1	0.0086	77,500	0.7857
1,00,000 & above	9	0.0776	72,82,569	73.8308
TOTAL	11592	100.00	98,63,857	100.00

(x) Shareholding as on 31st March, 2009:

Category of Members	No. of Shares	%	No. of Shares Pledged	%
Promoters	44,15,098	44.76	20,07,550	45.47
Mutual Funds/ UTI	175	0.00	—	—
Financial Institutions/ Banks/ others	6,45,040	6.54	—	—
Other bodies Corporate	17,01,531	17.25	—	—
Foreign Company	5,00,000	5.07	—	—
Non Resident Indians	3,53,708	3.59	—	—
Public/ Others	22,48,305	22.79	—	—
Total	98,63,857	100.00	—	—

(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).

(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) 2821 4225 & 39, 2834 4453 & 75 • Fax : (022) 28351974

E-mail : cs1@venturatextiles.com

Registered Office :

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

For and on behalf of the Board of Directors

Date : 30th July, 2009

P. M. Rao
Chairman & Managing Director

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 31st March, 2009 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
(Shekhar Gupta)
Partner
Membership No. 15622

Place: Mumbai
Date: 30th July, 2009

MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE:

Indian Textile Industry has gone through the metamorphosis from being a 'cottage industry' to the state of supremacy. On the Way of deeper integration with world economy and expansion in domestic economy, the industry picked up the momentum. Most of the existing and new units commenced process of expansion and modernization to cater to the increasing market demands. However, due to the global slow down, the industry suffered heavily with reduced exports and domestic demand.

The Government of India, recognizing the potential of the Indian Textile Industry has taken several measures over the years to improve the industry's cost competitiveness. Continuing the same trend the government in the last Union Budget has introduced certain fiscal and monetary relief measures in the wake of the global economic slowdown to provide relief to the domestic industry including textiles industry.

OPPORTUNITIES & THREATS :

Global Home Textile Market size is estimated to be USD 70 Billion growing at the rate of 4-5% annually. US and EU markets dominate 70% of the world's home textile imports.

Domestically, India is now a fast emerging market inching to reach half a billion middle-income population by 2030. The Indian Economy is at present witnessing an organized retail boom. There are a large number of Malls coming up in almost all strata of towns. The large format stores are also opening up retail outlets at breakneck speed. This coupled with the increased spending power of the middle class and need for self gratification over just making a fashion statement is creating a huge opportunity to enter.

In order to tap this opportunity, the Company has initiated steps to expand the product base and also increase the volumes.

Liquidity crisis is deepening at an alarming rate for big retailers and suppliers. Small and medium sized retailers witness their cash flows drying up. As a result, most of the textile companies are currently incurring huge losses due to low demand, incremental raw material cost, inadequate working capital and high interest rate, which have deformed the balance sheets. This will daunt the Companies for many quarters ahead and also during their revival.

In addition, the industry is facing severe competition from China, Pakistan and Bangladesh and the Company is targeting cost reduction as a measure to face such competition.

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 programme 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

Date: 30th July, 2009

P. M. Rao
Chairman & Managing Director

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 31st March, 2009 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 31st March, 2009.

Date : 30th July, 2009
Place : Mumbai

P. M. Rao
Chairman & Managing Director
&
Chief Financial Officer

AUDITORS' REPORT

To
The Members of
VENTURA TEXTILES LIMITED

1. We have audited the attached Balance Sheet of Ventura Textiles Limited as at 31st March, 2009 and the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended by the Companies (Auditors' Report) (Amendment) Order, 2004) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the enclosure a statement on the matters specified in paragraph 4 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement for the year ended on that date dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except AS 15 regarding provision for gratuity, which has been provided on estimate basis.
 - (e) on the basis of the written representation received from the Directors as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies and other notes thereon subject to note No. 8 regarding provision for interest to the banks on estimate basis and note No. 9 regarding provision for gratuity on estimate basis, give the information required by the Companies Act, 1956, 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 31st March, 2009;
 - (ii) in the case of Profit & Loss Account of the Loss of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For S. M. Kapoor & Co.
Chartered Accountants
(Shekhar Gupta)
Partner
Membership No. 15622

Place : Mumbai
Date : 30th June, 2009

ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) In respect of its Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The Company has physically verified certain assets during the period in accordance with a program of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the period under review.
- (ii) In respect of its Inventories:
 - a) As explained to us, inventories were physically verified during the period by the management at reasonable intervals, subject to note no. 7 to the notes to the accounts regarding non-verification of the stock as of March 31st due to strike.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business, subject to note no. 7 to the notes to the accounts regarding non-verification of the stock as of March 31st due to strike.
 - 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, subject to note no. 7 to the notes to the accounts regarding non-verification of the stock as of March 31st due to strike.
- (iii) a) In respect of loans, secured or unsecured, granted by the Company to 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 granted interest free loan to one party covered in register u/s 301 aggregating to Rs.17,50,000/-
 - b) The terms and conditions of the loan is, in our opinion, prima facie not prejudicial to the interests of the Company.
 - c) The payment of principal amount by the party to whom loan was given by the Company is regular as per the mutual understanding between the parties.
 - d) There is no overdue amount of such loan given to the aforesaid party.
 - e) 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 the information and explanations given to us, the Company has taken interest free loan from one party covered in register u/s 301 aggregating to Rs.3,54,25,000.
 - f) The terms and conditions of the loan is, in our opinion, prima facie not prejudicial to the interests of the Company.
 - g) The payment of principal amount to the party from whom loan was taken by the Company is regular as per the mutual understanding between the parties.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) 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 to the information and explanations given to us, particulars of contracts and arrangements that needed to be entered into the register have been so entered.
- b) According to the information and explanations given to us, the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public as per section 58A and 58AA of the Act.
- (vii) According to information and explanation given to us, the Company does not have internal audit system.
- (viii) According to information and explanation given to us, the maintenance of cost records has been prescribed by the Central Government under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 and the same has been maintained properly.
- (ix) According to the information and explanations given to us in respect of statutory and other dues:

- (a) The Company has been generally regular in depositing undisputed statutory dues, including Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other Statutory Dues except PF with the appropriate authorities during the period. The Company does not have any outstanding for more than six months as at the last day of the financial year, except PF, details as under:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due date
Public Provident Fund Office	Provident Fund	135,508.00	June'08	15-07-08
-do-	-do-	135,878.00	July'08	15-08-08
-do-	-do-	129,313.00	August'08	15-09-08
-do-	-do-	253,436.00	September 08	15-10-08

- (b) The Company does not have any disputed amount in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, and Cess for a period of more than six months from the date they became payable.
- (x) According to the information and explanation given to us, the Company has accumulated losses at the end of the financial year, which is more than 50% of its net worth. Further, the Company has incurred cash losses in the current financial year. However, the Company has not incurred any cash losses in the preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to Financial Institution and Banks, detailed as below:

	Nature of dues	Amount Rs.	Period from which default occurred	Nature of default
1.	Term loan from SBI	27,99,999	Jul 08 to Mar 09	Installments not paid
2.	Term loan from SBI	11,97,552	Jul 08 to Mar 09	Interest not paid
3.	Working capital term loan from SBI	79,99,992	Jul 08 to Mar 09	Installments not paid
4.	Working capital term loan from SBI capital term loan not paid	27,40,196	Jul 08 to Mar 09	Interest on working
5.	Export packing credit from SBI.	1,67,15,732	Jul 08 to Mar 09	Interest not paid
6.	Debenture holders	2,43,91,781	Jan 08 to Mar 09	Interest not paid

- (xii) According to information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4(xii) of the above said order are not applicable to the Company.

- (xiii) The Company is not a Chit fund or a nidhi mutual benefit fund/ society. Accordingly, the provisions of clause 4 (xiii) of the above said order are not applicable to the Company.
- (xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv)of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company
- (xv) 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.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the period for the purposes for which the loans were obtained.
- (xvii) 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.
- (xviii) According to the information and explanation given to us, the Company during the year has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued debentures during the year ended March 31, 2009 and hence clause xix is not applicable.
- (xx) According to the information and explanations given to us, the Company has not raised money by way of public issue during year ended March 31, 2009. Accordingly, the provisions of clause 4(xx) of the above said order are not applicable to the Company.
- (xxi) 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 has been noticed or reported during the year.

Place : Mumbai
Date : 30th June, 2009

For S. M. Kapoor & Co.
Chartered Accountants
(Shekhar Gupta)
Partner
Membership No. 15622

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	As at 31st March, 2009		As at 31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS:					
Shareholders' Funds					
Share Capital	1	98,512,570		98,512,570	
Reserves & Surplus	2	16,655,183		16,655,184	
			115,167,753		115,167,754
Share Warrant Money					
			—		—
Loan Funds					
Secured	3	609,409,632		571,477,782	
Unsecured	4	36,143,668		58,873,785	
			645,553,300		630,351,567
TOTAL			760,721,053		745,519,321
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	5	686,766,110		702,448,267	
Less: Depreciation		398,320,958		364,428,581	
Capital Work in Progress		70,391		70,391	
Net Block			288,515,543		338,090,077
Current Assets, Loans & Advances					
Inventories	6	410,478,540		386,436,012	
Sundry Debtors	7	6,631,260		55,607,620	
Cash and Bank Balances	8	881,284		5,628,352	
Loans & Advances	9	14,193,348		35,605,942	
		432,184,432		483,277,926	
Less: Current Liabilities & Provisions					
Current Liabilities	10	94,164,537		102,455,407	
Net Current Assets			338,019,895		380,822,519
Pre-Operative Expenses	11		2,508,520		2,508,520
Profit & Loss Account			131,677,095		24,098,205
TOTAL			760,721,053		745,519,321
Significant Accounting Policies & Notes to the Accounts					
	21				

The schedules 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
Membership No. : 15622

For and on behalf of the Board of Directors

P. M. Rao
Chairman & Managing Director

Shyam R. Karmarkar
Director

Place : Mumbai
Date : 30th June, 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Sch. No.	Year Ended 31st March, 2009 (12 Months) Rs.	Year Ended 31st March, 2008 (12 Months) Rs.
INCOME:			
Sales	12	170,413,317	787,775,459
Other Income	13	9,749,489	19,846,024
Increase / (Decrease) in Stock	14	19,750,148	68,994,897
TOTAL		199,912,954	876,616,380
EXPENDITURE:			
Raw Materials Consumed	15	168,501,916	688,241,390
Manufacturing & Operating Expenses	16	9,752,610	59,571,260
Personnel Expenses	17	19,922,599	34,707,246
Administrative Expenses	18	12,387,749	12,972,862
Selling Expenses	19	5,266,821	13,677,227
Miscellaneous Expenditure W/off		—	460,096
		215,831,695	809,630,081
Profit before Interest & Depreciation		(15,918,740)	66,986,298
Interest and Finance Charges	20	57,587,772	61,294,836
Profit before Depreciation		(73,506,512)	5,691,462
Depreciation		33,892,378	34,056,549
(Loss) before Tax and Extraordinary Item		(107,398,890)	(28,365,087)
Exceptional Income / Prior period Item (Net)		—	—
(Loss) Profit before Taxes		(107,398,890)	(28,365,087)
Provision for Taxation - Current Tax		—	—
Deferred Tax		—	—
Fringe Benefit Tax		180,000	295,000
(Loss) Profit after Tax		(107,578,890)	(28,660,087)
Balance (Loss) Brought Forward (Refer Note No. 7 & 8 of (II) of Schedule 21)		(24,098,205)	4,561,882
Balance (Loss) Carried to Balance Sheet		(131,677,095)	(24,098,205)
Basic Earnings per Share		(10.91)	(3.03)
Diluted Earnings per Share		(10.91)	(2.91)
No of Equity Shares (see note 19 further to notes to accounts)		9,863,857	9,863,857

**Significant Accounting Policies
& Notes to the Accounts**

21

The schedules 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

For and on behalf of the Board of Directors

 Shekhar Gupta
Partner
Membership No. : 15622

 P. M. Rao
Chairman & Managing Director
Shyam R. Karmarkar
Director

 Place : Mumbai
Date : 30th June, 2009

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009		As at 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 1 : SHARE CAPITAL				
Authorised:				
4000000 Equity Shares of Re.10/- each	400,000,000		400,000,000	
(Previous Year 400000000 Equity Shares of Re.1/- each)				
1000000 Preference Shares of Rs.100/- each	100,000,000		100,000,000	
(Previous Year 1000000 Equity shares of Rs.100/- each)		<u>500,000,000</u>		<u>500,000,000</u>
Issued, Subscribed and Paid-up				
98,63,857 Equity Shares of Re. 10/- each	98,638,570		98,638,570	
(Previous Year 9863857 Equity shares of Re.10/- each)				
Less : Call Money Receivable (Receivable from Directors NIL)	126,000		126,000	
TOTAL		<u>98,512,570</u>		<u>98,512,570</u>
SCHEDULE 2 : RESERVES AND SURPLUS				
a) Share Premium				
As per last Balance Sheet		14,813,783		110,534,686
Add : Share Premium Received		—		7,125,000
		<u>14,813,783</u>		<u>117,659,686</u>
Less : Share Premium Receivable (Receivable from Directors NIL)		158,600		158,600
Less : Adjusted against Profit & Loss A/c		—		98,901,086
Less : Share issue Expenses		—		3,944,816
		<u>14,655,183</u>		<u>14,655,184</u>
b) Subsidy				
As per last Balance Sheet		2,000,000		2,000,000
		<u>16,655,183</u>		<u>16,655,184</u>
SCHEDULE 3 : SECURED LOANS				
a) Term Loans				
From State Bank of India				
Term Loan	19,756,351		20,677,642	
Working Capital Term Loan	57,128,098		59,078,889	
		<u>76,884,449</u>		<u>79,756,531</u>
b) Funded Interest - SBI				
		20,734,484		20,734,484
b) Working Capital				
Export Packing Credit	249,999,327		239,311,907	
Export Packing Credit in Foreign Currency	—		—	
Post Shipment Collection Credit	—		9,928,585	
		<u>249,999,327</u>		<u>249,240,492</u>
c) Debentures				
11% OFCD - Series A	106,635,263		106,635,263	
12% OFCD - Series B	110,000,000		110,000,000	
Interest Accrued & due	24,391,781		5,111,013	
		<u>241,027,044</u>		<u>221,746,276</u>
d) Interest Payable to Bank				
On Term Loan	1,197,552		—	
On Working Capital	19,566,776		—	
		<u>20,764,328</u>		<u>—</u>
TOTAL		<u>20,764,328</u>		<u>571,477,782</u>

Term Loans : Term Loans from banks and Debentures from Reliance Capital Ltd. are 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 (save and except book debts) including moveable machinery spares, tools and accessories etc., present and future, subject to prior charge created and / or to be created in favour 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. The mortgages and charges referred to above rank pari-passu. The Term Loans from the bank are further guaranteed by the Managing Director of the Company.

Amount Repayable within a Year is Rs. 144 Lacs (Previous Year Rs. 144 Lacs)

Working Capital Limits : Working Capital facilities are secured by hypothecation of raw materials, semi finished and finished goods, stock-in process, consumable stores, book debts present and future, of the Company. The limits are further secured by way of second pari passu charge on the fixed assets of the Company and guaranteed by the Managing Director.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 4 : UNSECURED LOANS		
a) Vehicle/Asset Loan (Secured by way of vehicle purchase there against)	718,668	1,008,574
b) Short Term From Promoters	35,425,000	57,865,211
TOTAL	36,143,668	58,873,785

SCHEDULE 5 : FIXED ASSETS

Particulars of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.2008	Additions/ Adjustments during the year	Sales/ Transfer during the year	As at 31.03.2009	Upto 31.03.2008	For the Year	Sales / Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Freehold Land	19,556,771	-	15,691,080	3,865,691	-	-	-	-	3,865,691	19,556,771
Factory Building	110,424,084	-	-	110,424,084	33,875,117	3,172,948	-	37,048,064	73,376,020	76,548,967
Plant & Machinery	542,428,384	-	-	542,428,384	309,954,099	28,804,307	-	338,758,406	203,669,978	232,474,285
Furnitures & Fixtures	2,400,008	-	-	2,400,008	1,870,583	151,920	-	2,022,503	377,504	529,425
Office Equipments	1,671,742	8923	-	1,680,665	504,043	93,534	-	597,577	1,083,088	1,167,699
Motor Car	1,832,681	-	-	1,832,681	193,708	174,105	-	367,812	1,464,869	1,638,973
Electrical Installation	20,587,676	-	-	20,587,676	14,542,779	1,455,549	-	15,998,327	4,589,349	6,044,897
Computers	3,546,922	-	-	3,546,922	3,488,253	40,016	-	3,528,269	18,653	58,669
Current Year's Total	702,448,267	8,923	15,691,080	686,766,110	364,428,581	33,892,378	-	398,320,958	288,445,152	338,019,686
Previous Year's Total	685,026,020	17,985,876	563,629	702,448,267	330,578,142	34,056,549	206,111	364,428,581	338,019,686	354,447,879
Capital Work in Progress	70,391								70,391	

SCHEDULE 6 : INVENTORIES

(As per inventory taken, valued & certified by a Director)

a) Raw Materials (Incl. in Transit)	11,168,895	6,734,711
b) Stock In Process	318,181,318	352,819,863
c) Finished Goods (Incl. in Transit)	73,794,357	19,405,664
d) Stores & Spares	7,333,970	7,475,774
TOTAL	410,478,540	386,436,012

SCHEDULE 7 : SUNDRY DEBTORS

(Unsecured Considered Good)

Outstanding for a period exceeding six months	513,775	779,514
Other Debts	6,117,485	54,828,106
TOTAL	6,631,260	55,607,620

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE 8 : CASH AND BANK BALANCES		
Cash on Hand	269,296	108,956
Balances with Schedule Banks in Current Account	112,488	1,017,932
Fixed Deposits (held as margin in respect of Letters of Credit issued by Bank)	499,500	4,501,464
TOTAL	<u>881,284</u>	<u>5,628,352</u>
SCHEDULE 9 : LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances receivable in Cash or in kind or for value to be received	12,251,741	33,828,465
Deposits	1,941,607	1,777,477
TOTAL	<u>14,193,348</u>	<u>35,605,942</u>
SCHEDULE 10 : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities		
Sundry Creditors	23,257,782	90,679,335
Other Liabilities	63,214,563	8,169,420
Advances received from Customers	106,122	1,638,458
Duties & Taxes	7,586,070	1,968,194
	<u>94,164,537</u>	<u>102,455,407</u>
SCHEDULE 11 : MISCELLANEOUS EXPENDITURE		
(To the extent not written-off or adjusted)		
Preliminary and Public Issue Expenses		
Opening Balance	—	4,404,912
Add : Preferential Issue Expenses	—	—
Less : Written-Off during the year	—	460,096
Less : Adjusted in Share Premium Account	—	3,944,816
Pre-operative Expenses (Expansion Project)		
Opening Balance	2,508,520	1,507,920
Add : Additions During the year	—	2,508,600
	<u>2,508,520</u>	<u>2,508,520</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

		Year Ended 31st March, 2009		Year Ended 31st March, 2008
	Rs.	Rs.		Rs.
SCHEDULE 12 : SALES				
Sales - Export		53,316,281		233,264,950
Sales - Local (Including Deemed Exports)	144,176,836			554,510,509
Less: Sales Return	27,079,800	117,097,036	—	—
TOTAL		<u>170,413,317</u>		<u>787,775,459</u>
SCHEDULE 13 : OTHER INCOME				
Export Incentive (Duty Drawback)		3,668,699		19,047,239
Fluctuation in Foreign Exchange (Gain)		1,260,916		54,931
Interest Income		248,335		611,687
Miscellaneous Income		4,571,539		132,167
TOTAL		<u>9,749,489</u>		<u>19,846,024</u>
SCHEDULE 14 : INCREASE / (DECREASE) IN STOCK				
Closing Stock				
Finished Goods (Incl. in Transit)	73,794,357		19,405,664	
Stock-in-Process	318,181,318		352,819,863	
		391,975,675		372,225,527
Less : Opening Stock				
Finished Goods (Incl. in Transit)	19,405,664		56,548,879	
Stock-in-Process	352,819,863		246,681,751	
		372,225,527		303,230,630
TOTAL		<u>19,750,148</u>		<u>68,994,897</u>
SCHEDULE 15 : RAW MATERIALS CONSUMED				
a. COTTON				
Opening Stock	2,992,409		3,074,378	
Add : Purchases	3,826,502		83,741,996	
Less : Closing Stock	805,150		2,992,409	
Cotton Consumed		<u>6,013,761</u>		<u>83,823,965</u>
b. YARN				
Opening Stock	2,273,388		654,542	
Add : Purchases	13,453,600		111,409,865	
Less : Closing Stock	2,421,671		2,273,388	
Yarn Consumed		<u>13,305,317</u>		<u>109,791,019</u>
c. FABRIC				
Opening Stock	—		3,038,225	
Add : Purchases	156,094,148		491,588,181	
Less : Closing Stock	6,911,310		—	
Fabric Consumed		<u>149,182,838</u>		<u>494,626,406</u>
TOTAL (a+b+c)		<u>168,501,916</u>		<u>688,241,390</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

	Rs.	Year Ended 31st March, 2009 Rs.	Rs.	Year Ended 31st March, 2008 Rs.
SCHEDULE 16 : MANUFACTURING AND OPERATING EXPENSES				
Chemicals		666,172		6,170,479
Packing Materials		866,476		5,651,745
Consumables, Stores & Spares		360,637		5,164,013
Power, Fuel and Water Charges		2,159,793		13,626,823
Conversion Charges		2,621,861		19,273,649
Repairs & Maintenance		256,632		2,139,015
Freight & Cartage		1,028,984		3,863,194
Insurance		646,788		1,043,539
Other Manufacturing Expenses		1,145,267		2,638,804
TOTAL		9,752,610		59,571,260
SCHEDULE 17 : PERSONNEL EXPENSES				
Salaries, Wages & Bonus		17,049,063		28,653,375
Contribution to Provident & Other Funds		1,319,413		2,100,006
Workmen and Staff Welfare		1,554,123		3,953,865
TOTAL		19,922,599		34,707,246
SCHEDULE 18 : ADMINISTRATIVE EXPENSES				
Travelling & Conveyance		786,794		1,117,123
Motor Car Expenses		911,654		1,141,685
Postage and Telephone		563,562		816,752
Directors' Remuneration		1,620,000		1,620,000
Legal & Professional Charges		1,350,863		2,424,639
Printing & Stationery		207,138		447,334
Rent, Rates & Taxes		1,594,016		3,079,791
Auditors Remuneration		200,000		200,000
Miscellaneous Expenses		4,462,642		1,868,020
Loss on Sale of Fixed Assets		691,080		257,518
TOTAL		12,387,749		12,972,862
SCHEDULE 19 : SELLING EXPENSES				
Freight, Carriage & Clearing Charges		4,162,724		11,777,639
Commission, Discount and Other Sales Expenses		1,104,097		1,899,588
TOTAL		5,266,821		13,677,227
SCHEDULE 20 : INTEREST AND FINANCE CHARGES				
Interest				
Term Loans from Bank / Institutions	6,295,094		7,005,184	
Working Capital	22,392,802		18,042,951	
Debentures	24,929,879		25,611,895	
Deposits & Others	—		1,188	
		53,617,775		50,661,218
Finance Charges				
Bank Charges	825,793		3,069,238	
Bill Discounting Charges	—		4,208,126	
ECGC Premium	1,865,268		2,987,254	
Other Finance Charges	1,278,936		369,000	
		3,969,997		10,633,618
TOTAL		57,587,772		61,294,836

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**SCHEDULE NO. 21 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****(I) Significant Accounting Policies:****1. Basis of Accounting :**

- a. 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.
- b. The Company adopts the accrual concept in the preparation of accounts unless otherwise stated.

2. 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.

3. Fixed Assets and Depreciation:

- a. 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.
- b. Depreciation is provided on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

4. 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.

5. 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.

6. Inventories:

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

7. 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/prevailing rates of exchange at the year end and the resultant gains/losses are adjusted to the cost of assets.

8. 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.

9. 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.

10. 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 31st March 2009 is NIL.

11. Provision for Taxation :

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

12. Excise Duty:

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

13. 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.

14. 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.

(II) Notes to the Accounts:

- 1) Contingent Liability: Letter of Credit of Rs.49.95Lacs (Previous Period Rs.391.37 Lacs).
- 2) Estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs. NIL (Previous Period Rs. NIL).
- 3) 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.
- 4) The Company is in the process of identifying Small & Medium Enterprises registered under SME Development Act, 2005, and hence the amount payable to them as on 31st March is unascertained).
- 5) 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.
- 6) No wages have been provided for the workers at the factory for the period 8th December, 2008 to 31st March, 2009, in view of the illegal strike by the workers.
- 7) As the Company's factory remains closed on account of an illegal strike since 8th December, 2008, the management is not in a position to assess the realizable value of the inventories. Hence, the loss of the Company might be higher than as stated in the Financial Statements. The management will recognize the realizable value of the inventories as and when the illegal strike is called off.
- 8) Effective 1st July, 2008 the Account has become NPA with SBI and the bank has not debited any interest thereafter. However, the Company provided the interest at the agreed rate at the time of sanction. Accordingly the closing balances of the loan accounts in the books do not tally with bank's confirmation as on 31st March, 2009.
- 9) The Company has provided gratuity liability on estimate basis. However, as per AS-15 the said liability would have to be provided on the basis of actuarial valuation.

10) 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.

11) Provision for Tax:

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

12) 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.

13) Additional information required under Schedule VI, Part II of the Companies Act, 1956.

Details of products Manufactured, Opening Stock, Closing Stock, Raw Materials Consumed, Purchase for Trading and Sales

Sr. No.	Particulars	Units	Quantity	31.03.2009 Value (Rs.)	Quantity	31.03.2008 Value (Rs.)
I. Capacity & Production						
a)	Production Capacity		Licensed	Installed	Licensed	Installed
	- Fabric Manufacturing	Nos.	56 Looms	56 Looms	56 Looms	56 Loom
	- Yarn Manufacturing	Nos.	1176 Rotors	960 Rotors	1176 Rotors	960 Rotors
b)	Production					
	- Fabric	Lac L. Mtrs	5.36		46.69	
	- Yarn	MT	94.96		1,451	
II. Opening Stock of Finished Goods						
	- Fabric	Mtrs.	290,147	19,405,664	368,951	16,874,879
	- Made-Ups	Pcs.	1,971	1,882,485	4,047	4,374,000
III. Closing Stock of Finished Goods						
	- Fabric	Mtrs.	308,605	31,492,283	290,147	19,405,664
	- Made-Ups	Pcs.	19,268	26,078,224	1,971	1,882,485
IV. Raw Materials Consumed						
	- Cotton	Kgs.	101,179	6,013,761	1,686,863	83,823,965
	- Yarn	Kgs.	197,732	13,305,317	795,327	109,791,019
	- Fabric	Mtrs.	1,413,150	149,182,838	912,072	494,626,406
V. Sales (Net)						
	- Fabric	Mtrs.	935,237	17,177,024	4,773,290	243,133,522
	- Yarn	Kgs.	—	—	27,995	1,143,301
	- Made-Ups	Pcs.	69,090	19,670,845	214,441	130,245,717
	- Others			199,535	—	755,926
VI. Trading						
	Opening Stock - Fabric	Mtrs.	120,935	21,624,699	200,000	35,300,000
	Purchases	Mtrs.	1,080,251	127,965,064	3,561,084	398,821,692
	Sales	Mtrs.	1,055,610	133,365,913	3,640,149	412,496,993
	Closing Stock	Mtrs.	145,576	16,223,850	120,935	21,624,699
VII. a) Raw Material Consumed						
	- Imported		—	—	—	—
	- Indigenous		1,685.01	100.00	6,882.41	100.00
	Total		1,685.01	100.00	6882.41	100.00
b) Store Consumed						
	- Imported		0.88	—	12.20	23.63
	- Indigenous		2.72	100.00	39.44	76.37
	Total		3.60	100.00	51.64	100.00

13) Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of the part of Schedule VI of the Companies Act, 1956. (Contd.)

	Current Year		Previous Year	
	Rs. in lacs	%	Rs. in lacs	%
VIII. a) Value of Imports on CIF Basis : (excluding through agency)				
i. Capital Goods	Nil	—	Nil	—
ii. Stores & Spares	Nil	—	26.28	—
b) Expenditure in Foreign Currency				
i. Traveling	3.14	—	66.94	—
ii. Commission on Sales	—	—	3.08	—
c) Earnings in Foreign Currency F.O.B Value of Exports	502.57	—	2,214.87	—
d) Exchange Difference Gain/ (Loss) charged to P&L Account	1,260,916	—	54,931	—

	Rs.	Rs.
14) Auditor's Remuneration :		
a) Audit Fees	1,50,000	1,50,000
b) Tax Audit	50,000	50,000
c) Certification, Taxation & Others	—	—
Total	2,00,000	2,00,000

15) Managerial Remuneration :		
a) Salary	16,20,000	16,20,000
b) Perquisites	2,94,600	3,03,440
c) Contribution to P.F. and Other Funds	1,94,400	1,94,400
Total	21,09,000	21,17,840

16) Pre-operative Expenses (Expansion Project)		
a) Pre-Operative Expenses	10,00,600	10,00,600
b) Technical Consultancy Charges	15,07,920	15,07,920
Total	25,08,520	25,08,520

17) 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:

A. Name of the related parties	Relationship	
Ventura Texports Pvtl. 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	

B. Transactions with related parties	Associate	Key Management Personnel - 1	Key Management Personnel - 2
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Share application money warrants / Loan	354.25 (578.75)	Nil	Nil
Income :			
Sale of Goods	Nil (1403.45)	Nil	Nil
Expenses :			
Purchase of Goods	Nil (1748.49)	Nil	Nil
Rent	7.80 (7.80)	Nil	Nil

Remuneration Paid	Nil	Nil	10.11	(10.32)	10.98	(10.86)
Sundry Debtors :						
Balance as on 31st March	Nil	Nil	Nil	Nil	Nil	Nil
Sundry Creditors :						
Balance as on 31st March	Nil	(0.52)	Nil	Nil	Nil	Nil
Loans and Advances						
Balance as on 31st March	17.50	Nil	Nil	Nil	Nil	Nil

Notes : 1) Related party relationship is as identified by the Company and relied upon by the auditors.

2) Previous year figures are given in brackets.

18) 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 (Rs.)	Previous Year (Rs.)
Loss after tax before exceptional/extra-ordinary item :	Rs. 107,578,890	Rs. 28,660,087
Loss after Adjustments	Rs. 107,578, 890	Rs. 28,660,087
Loss after exceptional/extra-ordinary items	Rs. 107,578,890	Rs. 28,660,087
Weighted Average number of Equity Shares*	98,63,857	94,61,535
Nominal value of Equity Shares	Rs. 10/- each	Rs. 10/- each
Basic Earning per Equity Share before exceptional/ Extra-ordinary item (Annualized)	Rs. (-) 10.91	Rs. (-) 3.03
Basic Earning per Equity Share after exceptional/ extra-ordinary item (Annualized)	Rs. (-) 10.91	Rs. (-) 3.03
Diluted potential Shares	—	—
Diluted Earning per share before exceptional/ Extra-ordinary item (Annualized)	—	—
Diluted Earning per share after exceptional/ Extra-ordinary item (Annualized)	—	—

* The Weighted Average Number of Shares is arrived by taking into account the allotment of 98,63,857 Equity Shares of Rs.10/- each.

19) Previous Year figures have been re-arranged and re-grouped wherever necessary.

20) Schedules 1 to 21 form an integral part of the accounts and have been duly authenticated.

As per our Audit Report of even date
For S. M. Kapoor & Co.
Chartered Accountants

Shekhar Gupta
Partner
Membership No. : 15622

Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board of Directors

P. M. Rao
Chairman & Managing Director

Shyam R. Karmarkar
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

		For the year ended 31.03.2009 (12 Months)	Rs.	For the year ended 31.03.2008 (12 Months)	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES: Rs.	Rs.		Rs.		Rs.
a. Net Profit / (Loss) before Tax & Extraordinary items		(107,398,890)		(28,365,087)	
Adjustments for :					
Depreciation	33,892,378		34,056,549		
Interest Expense	57,587,772		61,294,836		
(Profit)/Loss on sale of fixed assets	691,080		257,518		
Miscellaneous Expenditure W/off	—		460,096		
Interest Income	(248,335)	91,922,895	(611,687)	95,457,312	
b. Operating profit before working capital changes		(15,475,995)		67,092,226	
Adjustments for :					
(Increase) / Decrease in trade and other receivables	70,388,954		(15,652,253)		
(Increase) / Decrease in Inventories	(24,042,528)		(67,609,404)		
Increase / (Decrease) in trade payables and other liabilities	(8,290,870)	38,055,556	7,535,804	(75,725,853)	
c. Cash generated from operations		22,579,561		(8,633,627)	
Interest Income	248,335		611,687		
Direct Taxes paid (provision)	(180,000)	68,335	(295,000)	316,687	
d. Cash flow before Extraordinary items		22,647,895		(8,316,940)	
Extraordinary items - Prior period adjustments		—		—	
Net Cash from Operating Activities	A	22,647,895		(8,316,940)	
B. CASH FLOW FROM INVESTING ACTIVITIES:					
Sale / Adjustments of Fixed Assets	15,000,00		100,000		
Purchase of Fixed Assets	(79,314)		(18,056,267)		
Preferential Issue Expenses	—		—		
Pre-Operative Expenses (Expansion Project)	—		(1,000,600)		
Net Cash used in Investing Activities	B	14,920,686		(18,956,867)	
C. CASH FLOW FROM FINANCIAL ACTIVITIES:					
Proceeds from long term borrowings	16,118,781		(10,972,007)		
Proceeds from Short term borrowings	(21,681,376)		98,337,591		
Proceeds from preference share capital & called money	—		—		
Proceeds from equity share capital & Share Premium	—		—		
Redemption of Preference Shares	—		—		
Repayment for borrowings (Re-structuring)	—		—		
Interest Paid	(57,587,772)		(61,294,836)		
Net Cash used in Financing Activities	C	(63,150,367)		26,070,748	
D. Net Increase in Cash and Cash Equivalents A + B + C		(25,581,785)		(1,203,059)	
Cash and Cash Equivalents as at 1st April, 2008	5,628,352		6,831,411		
Cash and Cash Equivalents as at 31st March, 2009	881,284		5,628,352		
Net Increase in Cash and Cash Equivalents		(4,747,068)		(1,203,059)	

Auditor's Certificates

We have verified the above Cash Flow Statement of Ventura Textiles Limited derived from the Audited Financial Statements of the Company for the Period 1st April, 2008 to 31st March, 2009 and found the statement to be in accordance therewith and also with the requirements of clause 32 of the Listing agreement with the stock Exchange.

As per our Audit Report of even date

For S. M. Kapoor & Co.

Chartered Accountants

Shekhar Gupta

Partner

Membership No. : 15622

Place : Mumbai

Date : 30th June, 2009

For and on behalf of the Board of Directors

P. M. Rao

Chairman & Managing Director

Shyam R. Karmarkar

Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS PER PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956**

1 Registration Details

Registration No. State Code
Date of Balance Sheet 31st March, 2009

2 Capital raised during the year (Amount in Rs. Thousands)

Public Issue Right Issue
Bonus Issue Private Placement

3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Source of Funds

Paid-up Capital Reserves & Surplus
Secured Loans Unsecured Loans
Share Warrant Money

Application of Funds

Net Fixed Assets Capital Work in Progress
Net Current Assets Investments
Accumulated Losses Misc. Expenditure

4 Performance of Company (Amount in Rs. Thousands)

Turnover & Other Income Total Expenditure
Profit / (Loss) before Tax and exceptional items Profit / (Loss) after Tax and exceptional items
Earning per Share in Rs. Basic Earning per Share in Rs. Basic
Weighted Weighted

5 Generic Names of Three Principal Products / Services of Company (As per Monetary Terms)

Item Code No. (ITC Code)
Product Description Woven Fabrics of Cotton Unbleached
Item Code No. (ITC Code)
Product Description Bed Sheets - Others

As per our Audit Report of even date
For S. M. Kapoor & Co.
Chartered Accountants

Shekhar Gupta
Partner
Membership No. : 15622
Place : Mumbai
Date : 30th June, 2009

For and on behalf of the Board of Directors

P. M. Rao
Chairman & Managing Director
Shyam R. Karmarkar
Director



Notes:



VENTURA TEXTILES LIMITED

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

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting hall)

I hereby record my presence at the **THIRTY-NINETH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 29th day of September, 2009 at the Registered Office of the Company at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059 at 4.00 p.m.

Folio No. _____

Client ID / DP ID. _____

Full name of the Shareholder/Proxy _____
(in block letters)

Signature of the Shareholder/s or Proxy

PLEASE BRING THIS ATTENDANCE SLIP AT THE MEETING

VENTURA TEXTILES LIMITED

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

PROXY FORM

I/We _____ of _____
in the district of _____ being a member/members of **VENTURA TEXTILES LIMITED** hereby appoint _____ of _____ in the district of _____ or failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us and on my/our behalf at the **THIRTY-NINETH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the 29th day of September, 2009 at the Registered Office of the Company at 313, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059 at 4.00 p.m. and at any adjournment thereof.

Signed this ____ day of _____ 2009.

Affix Re.1/-
Revenue
Stamp

Folio No:
Client ID / DP ID. _____

Signature of Shareholder

NOTE : This form duly completed should be deposited at the Registered Office of the Company before 48 hours of the meeting.
A Proxy need not be a Member.

PRINTED MATTER
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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