# VENTURA TEXTILES LIMITED

ANNUAL REPORT
2016-2017

# 47th Annual Report 2016-2017

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|---|---|
| **BOARD OF DIRECTORS** | |
| **Mr. P. M. Rao** | *Chairman & Managing Director* |
| **Mr. Abhijit Rao** | *Whole-Time Director & CFO* |
| **Mr. Shyam Karmarkar** | *Director (Independent)* |
| **Mr. Prakash Bhargava** | *Director (Independent)* |
| **REGISTERED OFFICE** | Unit No. 121, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059. |
| **PLANT** | Gonde, Nashik District, Maharashtra. |
| **AUDITORS** | **M/s. S. M. Kapoor & Co.**<br>Chartered Accountants |
| **BANKERS** | **State Bank of India**<br>**Corporation Bank** |
| **SOLICITORS** | **M/s. Bharucha & Partners** |
| **REGISTRARS & SHARE TRANSFER AGENT** | **Link Intime India Pvt. Ltd.**<br>Link Intime India Private Limited, C-101, 01st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083. |

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# NOTICE

**NOTICE** is hereby given that the **47th Annual General Meeting** of **Ventura Textiles Limited** will be held on **Saturday, the 23rd September, 2017**, at the Registered Office of the Company at Unit No. 121, Midas, Sahar Plaza, J. B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059 at 10.00 A.M. to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider, and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, along with the reports of the Board of Directors and Auditors thereon.

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

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

   **"RESOLVED FURTHER THAT** the re-appointment of Mr. Abhijit Rao Penugonda as a Director liable to retire by rotation shall not in any way constitute a break in his existing office as the Whole time Director of the Company."

3. To appoint M/s Govind Prasad & Co., Chartered Accountants (Firm Registration No. 114360W) as the Statutory Auditors of the Company in place of outgoing Statutory Auditors viz., M/s S. M. Kapoor & Co., Chartered Accountants (Firm Registration No. 104809W) and in this regard to consider and if thought fit, to pass the following resolution, as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), and on the basis of recommendation of Audit Committee and Board of Directors, M/s Govind Prasad & Co, Chartered Accountants, (Firm Registration No. 114360W), be and is hereby appointed as the Statutory Auditors of the Company, in place of the outgoing Statutory Auditors viz., M/s S. M. Kapoor & Co., Chartered Accountants (Firm Registration No. 104809W), who holds office upto the conclusion of this Annual General Meeting of the Company, to hold the first term of office for a period of five consecutive Financial Years commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifty-Second AGM, subject to ratification by the members at every Annual General Meeting required as per the applicable provisions, if any, of the law from time to time, at such remuneration and out-of-pocket expenses, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

## SPECIAL BUSINESS:

4. **Alteration of Main Object Clause in the Memorandum of Association of the Company:**

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

   **"RESOLVED THAT** in accordance with the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (the "Act") and as per the guidelines, regulations, circulars and clarifications issued by the Ministry of Corporate Affairs ("MCA"), Securities and Exchange Board of India ("SEBI") any other statutory or regulatory authorities and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed in such approvals, the consent of the Company be and is hereby accorded for the alteration of the 'Main Object' in the Object Clause of the Memorandum of Association of the Company by inserting the following new sub-clauses 3A to 3B after the existing sub-clause No.3 under Clause III (A) of the Memorandum of Association of the Company:

3A. To carry on the business ventures of manufacturing, processing spinning, knitting, refining, extruders, carding, combing, crimping, mixing, conditioning, doubling, twisting, cheese winding, rewinding, raising, weaving, dyeing, bleaching, calendaring, mercerising, texturising, importing, exporting, trading and otherwise dealing in wholesale or in retail in all kinds & types of yarns including fancy yarns, fabrics, cloth, tapes, cord, ropes, twines made from fibers whether synthetic, artificial or natural, cotton, wool, worsted, shoddy, silk, nylon, polyester, acrylic, polypropylene, polynosic, blended materials or any other synthetic fibres, yarns or fibrous materials, textiles substances, allied products, waste products and substitutes for all or any of them and to treat and utilise any waste arising from any such manufacture, production, process and further to carry on the business of ginning, pressing, bailing or otherwise packing of cotton, kapas, yarn, waste or all kinds of raw materials, whether synthetic, artificial or natural, yarn, waste, hemp, jute or other fibrous materials and cultivation of such materials.

3B. To carry on the business of manufactures, producers, processors, convertors, coated, fabrics, textiles, hosiery and other products, goods, articles and things as are made from or with cotton, nylon, silk, polyester, acrylics, wool, jute and other kinds of fibre by whatever name called or made under any process, whether natural or artificial and by mechanical or other means and all other products of allied nature.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee of the Board thereof) be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Memorandum of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

**5. Amendments to Clause III (B) and Clause III (C) of the Memorandum of Association of the Company:**

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

**"RESOLVED THAT** in accordance with the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with applicable Rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (the "Act") and as per the guidelines, regulations, circulars and clarifications issued by the Ministry of Corporate Affairs ("MCA"), Securities and Exchange Board of India ("SEBI") any other statutory or regulatory authorities and subject to all necessary approvals, consents, permissions and/or sanctions as may be necessary and subject to any such conditions and modifications as may be prescribed or imposed in such approvals, consents, permissions or sanctions agreed to by the Board of Directors of the Company, the consent of the Company be and is hereby accorded for the alteration of existing Clause III (B) and Clause III (C) in relation to the 'OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS' and 'OTHER OBJECTS' of the Memorandum of Association of the Company as follows:

(i) by substituting the heading of Clause III (B) 'OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE MAIN OBJECTS' with 'III (B) Matters which are necessary for furtherance of the objects specified in Clause III (A) are:

and

(ii) by deleting the Clause III (C)'OTHER OBJECTS' and the sub-clauses No. 26 to 29 appearing there under"

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things and to execute all such documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, for the purpose of giving effect to this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution and do all such acts as may be required in furtherance of such Main Objects."

6. **Alteration of Articles of Association of the Company:**

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

**"RESOLVED THAT** pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any modification(s) or re- enactment (s) thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded to the adoption of new set of Articles of Association in substitution for, and to the entire exclusion of, all the existing articles thereof."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee of the Board thereof) be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

**On behalf of Board of Directors of**
**Ventura Textiles Limited**

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

Date: 14th August, 2017
Place: Mumbai

**Registered Office:**
Unit No.121, Midas, Sahar Plaza
J. B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059
**CIN: L21091MH1970PLC014865**
**Tel No: 022- 2834 4453 Fax No.: 022-2835 1974**
**email-id: pmrao@venturatextiles.com**
**Website: www.venturatextiles.com**

NOTES:

1. Explanatory Statement, pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business under Item No. 03 to Item No. 06 is attached and forms part of this notice.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY STAMPED AND EXECUTED IN ORDER TO BE EFFECTIVE, MUST REACH THE REGISTERD OFFICE/CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING (AGM). A PROXY FORM IS ENCLOSED.**

3. 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.

4. In term of Section 152 of the Companies Act, 2013, Mr. Abhijit Rao Penugonda (DIN: 00189126) Director, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommend his re-appointment. Details of Director retiring by rotation as required pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, is given in **ANNEXURE-A**, which forms part of this Annual Report.

5. 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.

6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member entitled to vote at a meeting of the Company, would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three (3) days of notice in writing is given to the Company.

7. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 18th September, 2017 to Saturday, 23rd September, 2017 (both days inclusive).

8. Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company are requested to submit details to the Registrar and Transfer Agent of the Company, in the prescribed Form SH -13. Members holding shares in demat form may contact their respective DP for recording of nomination.

9. Members, Proxies and Authorized Representatives are requested to bring the attendance slip enclosed herewith duly completed and signed along with their copy of Annual Report to the AGM. Only registered Members carrying the attendance slip and the holders of valid proxies registered with the Company will be permitted to attend the AGM. Members holding shares in dematerialised form are requested to bring their Client ID and DP ID details for identification.

10. 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.

11. Members are requested to notify immediately the 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 share folios to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, C-101, 01st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083.

12. Members are requested to quote their Ledger Folio Number/Client ID Number in all their future correspondences.

13. Non-Resident Indian members are requested to inform M/s. Link Intime India Private Limited immediately of :

    a) Change in their residential status on return to India for permanent settlement; and

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account no. and address of the bank with PIN Code No., if not furnished earlier.

14. Members are requested to register / update their bank details with their Depository Participants as well as the Company to enable expeditious credit of the dividend to their bank accounts electronically.

15. Members desiring any information with regard to Accounts/Reports are requested to write to the Company at least ten days before the Annual General Meeting, so as to enable the Management to keep the information ready at the meeting.

16. The Register of Directors and Key Managerial Personnel and their Shareholding in the Company maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts maintained by the Company under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

17. The Annual Report is being sent through electronic mode only to the Members whose e-mail addresses are registered with the Company/Depository Participant (s) unless any Member has requested for physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Annual Reports are being sent by permitted mode.

18. To support the green initiatives taken by Ministry of Corporate Affairs, Members are requested to register their e-mail Address with Depository Participant only and not to the Company or its Registrar and Transfer Agent. Any such changes effected by the Depository Participant will automatically reflect in the Company's subsequent records.

19. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours up to the date of the Annual General Meeting.

20. 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.

21. Members who still hold shares certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization, which include easy liquidity (trading is permitted in dematerialized form only), electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.

22. The Annual Report of the Company circulated to the Members of the Company, will be made available on the Company's website at www.venturatextiles.com

23. A roadmap showing directions to reach the venue of the AGM is given at the end of this Notice.

24. Voting through Electronic means:

In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulation, the Company is pleased to provide remote e-voting facility to the members to cast their votes from a place other than the venue of the Annual General Meeting. Further, the Company is also providing Postal Ballot Forms to the members attached to the Notice to exercise their voting rights.

The e-voting period commences on Wednesday, 20th September, 2017 (9.00 a.m.) and ends on Friday, 22nd September, 2017 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e.15th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The facility for voting through ballot paper will also be made available at the AGM and the members attending the AGM, who have not already cast their votes by e-voting, shall be able to exercise their rights at the AGM through ballot paper.

The Company has appointed Mr. Ved Prakash (ACS: 36837, C.P. No.16986), Designated Partner of M/s. S. Anantha & Ved LLP, Company Secretaries, Mumbai as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

**The instructions for shareholders voting electronically are as under:**

i) Any person, who acquires shares of the Company and become member of the Company after the dispatch of the notice and holding shares as on the cut-off date i.e. Friday,15th September, 2017 may obtain login Id and password by sending a request to the Compliance Officer.

ii) The shareholders should log on to the e-voting website www.evotingindia.com

iii) Click on Shareholders.

iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 digits client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v) Next enter the Image Verification as displayed and Click on Login.

vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| DOB | • Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.<br>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for "Ventura Textiles Limited".

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii) Note for Non – Individual Shareholders and Custodians

xix) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

xx) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

xxi) After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

xxii) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

xxiii) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xxiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

1. a) Mr. Ved Prakash, (CP No.16986) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

   b) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

   c) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.venturatextiles.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

**IMPORTANT COMMUNICATION TO MEMBERS:**

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

## STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

This Statement is provided, though strictly not required as per Section 102 of the Act.

M/s. S. M. Kapoor & Co., Chartered Accountants (Firm Reg. No. 104809W), have been holding the office of the statutory auditors of the Company for more than 10 years before the commencement of the Companies Act, 2013, have been appointed as the Statutory Auditors in accordance with the requirement of proviso to Section 139 of the Act, viz. To hold office of the Statutory Auditors from the conclusion of 44th Annual General Meeting of the Company held on September 30, 2014 for a period of three Financial Years i.e., Financial Year 2014-15 to 2016-17, with due ratification at the subsequent Annual General Meetings of the Company and to hold the office upto the conclusion of this Annual General Meeting. Accordingly M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai would cease to be the Auditors of the Company from the conclusion of this Annual General Meeting.

The Board of Directors of the Company, therefore, in its meeting held on 14th August, 2017 has proposed, on the basis of the recommendation of the Audit Committee, the appointment of M/s Govind Prasad & Co. (Firm Registration: 114360W) as the Statutory Auditors of the Company for the First term of five years commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifty-second AGM of the Company, subject to ratification, if any required by the extant applicable provisions, by the members at every Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item No. 03, except to the extent of their shareholding, if any, in the Company.

Copy of all the documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

### Item No. 4

Your Company is in the business of manufacturing and dealing in all kinds of textile products. Further, in order to reflect the business activities of the Company, the Board of Directors at their meeting held on 14th August, 2017, proposed to amend the Memorandum of Association by inserting a new sub-clause 3A and 3B in Clause III (A) as set out in the said resolution subject to the approval of the members of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding, if any, in the Company.

Copy of all the documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

The Board of Directors of the Company recommends the Special Resolution as set out in Item No. 4 of the accompanying Notice for approval of the members at the General Meeting.

**Item No. 5**

With the enactment of the Companies Act, 2013, it is considered expedient to amend the Clauses of the existing Memorandum of Association in accordance with the requirements under the Companies Act, 2013. In terms of Section 4 (1) (c) of the Companies Act, 2013, the Memorandum of Association of a Company is to state the objects for which the Company is proposed to be incorporated and any matter considered necessary in furtherance thereof. As such, the requirement of separately indicating the 'main objects', 'incidental or ancillary objects' and 'other objects' under the erstwhile legislation has been changed. Accordingly, it is proposed to replace the existing heading 'Objects incidental or ancillary to the attainment of the main object' of Clause III (B) to 'Matters which are necessary for furtherance of the Objects specified under Clause III(A)' and to delete the Clause III (C) 'Other Objects' and the sub-clauses No. 26 to 29 appearing under the said 'Other Objects'.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding, if any, in the Company. Copy of all the documents would be available for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

The Board of Directors of the Company recommends the Special Resolution as set out in Item No. 5 of the accompanying Notice for approval of the members at the General Meeting.

**Item No. 6**

The Articles of Association of the Company as currently in force was originally adopted when the Company was incorporated under the Companies Act, 1956 and further amendments were adopted pursuant to the provisions from time to time, over the past several years. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that Substantive sections of the Companies Act which deal with the general working of the Companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of the Companies Act, 2013 including the Rules framed thereunder and adoption of specific sections from Table 'F' to Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by Shares.

While some of the Articles of the existing Articles of Association of the Company require alteration or deletion, therefore it is considered expedient to wholly replace the existing Articles of Association by a new Set of Articles. As per the provisions of Section 14 of the Companies Act, 2013, a Company cannot, except with the approval of the members, alter its Articles of Association. Members' approval is therefore sought to adopt new Set of Articles of Association by substitution of existing Articles of Association.

The proposed new draft of Articles of Association of the Company is also available for inspection at the registered office of the Company on all working days between 11.00 a.m. and 1.00 p.m. on all working days except Saturday & Sunday from the date hereof up to the date of the AGM.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be concerned or interested, either financially or otherwise, except to the extent of their shareholding, if any, in the Company.

The Board of Directors of the Company recommends the Special Resolution as set out in Item No. 6 of the accompanying Notice for approval of the members at the General Meeting.

# ANNEXURE-A

ADDITIONAL INFORMATION PURSUANT TO REGULATION 36(3) OF THE LISTING REGULATIONS & SECRETARIAL STANDARD 2 (SS-2) IN RESPECT OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT IN THE 47TH ANNUAL GENERAL MEETING:

| | |
|---|---|
| 1. Name of the Director | Mr. Abhijit Rao |
| 2. Director Identification Number(DIN) | 00189126 |
| 3. Date of Birth/Age | 2nd July, 1980/37 Years |
| 4. Date of appointment | 01st November, 2006 |
| 5. Qualifications& Expertise in specific functional area | Graduate from American International University; London, with specialization in 'Marketing. |
| 6. Relationship with other Directors inter-se | Mr. Abhijit Rao is the son of Mr. Mohan Rao Penugonda (Managing Director) of the Company. |
| 7. Remuneration last drawn | Rs. 17.25 Lakhs (Eligible for 5% of the net profit as per Scetion I or (in case of loss) within the maximum ceiling of Part II of Schedule V to the Companies Act, 2013 |
| 8. Directorships in other Public Companies as on the date of appointment | NIL |
| 9. ~~Chairperson~~/Member of the committees of Director of the Company | Nomination and Remuneration Committee |
| 10. Chairman/Member of the Committees of other Companies as on the date of appointment | NIL |
| 11. No. of Meetings of the Board attended during the year | Refer Corporate Governance Reportannexed to the Board's Report |
| 12. Shareholding, if any, in the Company as on the date of appointment as required under Regulation 36 (3) (e) | Nil |

On behalf of Board of Directors
**VENTURA TEXTILES LIMITED**

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

Date: 14th August, 2017
Place: Mumbai

**Registered Office:**
Unit No.121, Midas, Sahar Plaza,
J. B. Nagar, Andheri (East), Mumbai – 400 059.
email-id:mkt2@venturatextiles.com

## BOARD'S REPORT

To
The Members
VENTURA TEXTILES LIMITED

Your Directors present herewith the 47th Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March, 2017. The summarized performance during the year is as under:

FINANCIAL RESULTS: (Rs. In Lakhs)

| PARTICULARS | 31st March, 2017 | 31st March, 2016 |
|---|---|---|
| Sales | Nil | 5.06 |
| Other Income | 7.70 | 105.89 |
| Total Income | 7.70 | 110.95 |
| Expenditure | 109.70 | 63.98 |
| Profit / (Loss) Before Interest, Depreciation & Tax | (102.00) | 46.97 |
| Interest | 8.30 | Nil |
| Depreciation | 42.27 | 45.03 |
| Profit / (Loss) Before Tax | (152.57) | 1.94 |
| Exceptional Income/Prior Period Adjustment | NIL | Nil |
| Profit / (Loss) After Tax | (152.57) | 1.94 |

### PERFORMANCE REVIEW:

During the year under review, the Company has earned total income of Rs.7.70 Lakh, out of which income from operation is Nil as compared to Rs. 5.06 Lakh in the previous year and other income is Rs.7.70 Lakh as compared to Rs.105.89 Lakh in the previous year. The Company incurred loss after tax of Rs.152.57 Lakh as compared to a profit of Rs.1.94 Lakh in the previous year.

### DIVIDEND:

The Directors do not recommend dividend on the Equity Share Capital of the Company for the Financial Year ended 2016-17 due to losses. The Company did not transfer any amount to reserves for the Financial Year ended 2016-17.

### SHARE CAPITAL:

The Paid up share capital of the company as on 31st March, 2017 was Rs. 1844.06 Lakhs. During the year under review, the Company had allotted 20,00,000 (Twenty Lakh) Equity Shares of face value of Rs.10/- each to Mr. Deepak Balkrishna Lokare and Mrs. Savita Lokare, Partners of M/s. Sai Creations, pursuant to the exercise of options of conversion of 20,00,000 (Twenty Lakh) Optionally Fully Convertible Warrants (OFCWs) by them on 29th March, 2017.

Further, the Company has also allotted 10,00,000 (Ten lakh) Equity Shares of Face value of Rs.10/- each to Mrs. Asha Umakant Vasaikar, on 13th July, 2017, after receipt of In-Principle approval from BSE Ltd (Stock Exchange) on 11th July, 2017.

During the year under review, the Company did not issue any shares with or without differential voting rights and has not granted any Stock Option or Sweat Equity.

As on 31st March, 2017, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

## BUSINESS OUTLOOK AND FUTURE PROSPECTS:

The Company is planning to modernize its Open End Spinning Division with the installation of State-of-the-art machines to produce high quality Open End Yarn to meet the demand for Industrial fabric / Denim manufacturing. The Company is hopeful of implementing the business plan in the current year.

## FIXED DEPOSITS:

The Company has not accepted any deposit within the meaning of the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a) Meetings of the Board of Directors held during the year 2016-17:

During the year under review, 6 (six) meetings of the Board of Directors took place details of which have been provided in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

### b) Declaration by Independent Directors:

The Company has received necessary declaration from all the Independent Directors confirming that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as "SEBI (LODR)."

Independent Directors are not liable to retire by rotation as per Section 152 (6) of the Companies Act, 2013. None of the Independent Directors will retire at the ensuing Annual General Meeting.

### c) Changes in the Board of Directors During the year 2016-17:

No changes have taken place in the Board of Directors of the Company during the year 2016-17.

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. Mohan Rao Penugonda, Managing Director and Mr. Abhijit Rao Penugonda, Whole-time Director and Chief Financial Officer as the Whole-time Key Managerial Personnel of the Company and has also appointed Mr. Abhijit Rao Penugonda as the Internal Auditor, as the Company is not having any other employee and not in a position to pay any outside professional, till its operations are restarted.

Due to weak financial position and also on account of the Company's operations to restart, the Company could not appoint a Woman Director and a Whole-Time Company Secretary.

Mr. Abhijit Rao Penugonda (DIN: 00189126), Director of the Company is liable to retire by rotation at the ensuing AGM pursuant to the provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible has offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. The brief resume of the Director and other related information has been detailed in the Notice convening 47th AGM. Your Directors recommend his re-appointment.

## AUDIT COMMITTEE:

Pursuant to the Provisions of Section 177 (8) of the Companies Act, 2013, read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 18 of SEBI (LODR), the Audit Committee is duly constituted consisting of the following Members as mentioned below:

| Sr. No. | Name | Designation |
|---|---|---|
| 1. | Mr. Shyam R. Karmarkar | Chairman (Independent Director) |
| 2. | Mr. Prakash R. Bhargava | Member (Independent Director) |
| 3. | Mr. Abhijit Rao | Member (Executive Director) |

All the recommendations of the Audit Committee were accepted by the Board of Directors during the year.

The details with respect to meetings of the Audit Committee held during the year have been provided in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and SEBI (LODR).

## VIGIL MECHANISM:

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of the Board and its Power) Rules, 2014, and Regulation 22 of the SEBI (LODR), the Company has adopted Vigil Mechanism Policy, the details of which have been provided in the Corporate Governance Report and the same has been posted on the website of the Company: **www.venturatextiles.com.**

## NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted the Nomination and Remuneration Committee comprising of three (3) Members out of which two (2) are Independent Directors and one (1) is Executive Director. The Company is trying to revive itself and on the turnaround of the Company, the Composition of the Nomination and Remuneration Committee will be duly constituted as per Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, and Regulation 19 of SEBI (LODR). The scope and functions of the Committee are available on Company's website: **www.venturatextiles.com.**

The Company has adopted a policy titled as "Nomination and Remuneration Policy" which inter alia includes Company's policy on board diversity, selection, appointment and remuneration of directors, criteria for determining qualifications, positive attributes, independence of a director and criteria for performance evaluation of the Directors.

The 'Nomination and Remuneration Policy' as approved by the Board is also placed on the website of the Company **www.venturatextiles.com.**

## STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As at 31st March, 2017, 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.

No meeting of the Committee was held during the year on account of Nil Complaint.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134(3) (c) and 134(5) of the Companies Act, 2013, the Directors confirm that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) 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 that year;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) the Directors have laid down internal financial controls, to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively, to the extent possible considering the weak financial position and the Board of Directors are taking best efforts to turn-around the Company's operations and its financial stability.

## REGISTERED OFFICE:

The Registered Office of the Company has been shifted from 211/212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 to Unit No.121, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059.

## CORPORATE GOVERNANCE:

As per Regulation 34 read with Schedule V of SEBI (LODR), a separate section on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

## PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR), the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Committees.

## PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES 5 OF THE COMPANIES (APPOINTMNET AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The provisions of Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company as there is only one employee (excluding Executive Directors) in the Company.

The detail of top three employees (including Executive Directors) of the Company is annexed as **Annexure 1** to this Report pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## RELATED PARTY TRANSACTIONS:

During the year under review, there was no transaction entered with any related parties pursuant to Section 188 and Section 134 (3) (h) of the Companies Act, 2013, except those mentioned in the notes to the financial statements.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at www.venturatextiles.com.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, no loans or guarantees were given or investments were made pursuant to the provisions of Section 186 of the Companies Act, 2013.

## SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## RISK MANAGEMENT:

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. The Board periodically reviews the risk, if any, and ensures to take necessary steps for its mitigation.

## STATUTORY AUDITORS:

M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai have been appointed as Statutory Auditor of the Company at the Annual General Meeting of the Company held on September 30, 2014 for a period of three financial years, i.e., financial year 2014-15 to 2016-17. Accordingly, M/s. S. M. Kapoor & Co., Chartered Accountants, Mumbai would cease to be the Statutory Auditors of the Company from the conclusion of this Annual General Meeting.

The Board of Directors of the Company, therefore, in its meeting held on 14th August, 2017 has recommended the appointment of M/s Govind Prasad & Co., Chartered Accountants, (Firm Registration No. 114360W) as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Fifty-second AGM of the Company, subject to ratification by the members at every Annual General Meeting.

The Company has received written consent from M/s Govind Prasad & Co., Chartered Accountants, Mumbai, stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder. As required under Regulation 33(1)(d) of the SEBI (LODR) Regulations, 2015. M/s Govind Prasad & Co., Chartered Accountants, Mumbai have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

## AUDITORS' REPORT:

The Auditors' Report does not contain any qualifications, reservations or adverse remark, except disclaimer clause as stated at '**S. No. f'** of 'Report on other Legal and Regulatory Requirements' forming part of Independent Auditors' Report viz.,

*With respect to the adequacy of the internal financial controls, our financial reporting of the Company and the operating effectiveness of such controls, the system of internal financial controls over financial reporting of the Company was not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017. We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and the disclaimer does not affect our opinion on the financial statements of the company.*

**Management Reply:** The Management has devised proper systems to ensure compliance with the provisions of all applicable laws including adequacy of the internal financial controls and ensure such systems are adequate and operating effectively, to the extent possible considering the weak financial position of the Company.

The Board of Directors are taking best efforts to turn-around the Company's operations and its financial stability in near future.

With Respect to the observation made by the Auditors in its Annexure to Audit Report regarding the pending payment of Professional Tax of Rs. 1,96,670/- and Panchayat Tax of Rs. 6,46,905/-, the management is of the opinion that the same will be paid in due course of time.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force)

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

The Company is giving due consideration to the conservation of energy and all efforts are being made to properly utilize the energy resources.

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed herewith as **Annexure-2** to the Board Report.

## EXTRACT OF ANNUAL RETURN:

The extract of the Annual Return pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 prepared in Form MGT-9 is annexed herewith as **Annexure-3** to the Board's Report.

## SECRETARIAL AUDITORS:

M/s. S. Anantha & Ved LLP (LLPIN: AAH-8229), has been appointed to conduct the Secretarial Audit of the Company for the financial year 2016-17, as required under Section 204 of the Companies Act, 2013 and read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit report for financial year 2016-17 forms part of Annual Report as **Annexure -4** to the Board's Report.

Necessary explanations to each of the observations made in the Secretarial Audit Report are as given below:

a) *The Company has not appointed a woman director and has therefore not been compliant with the Second Proviso of Section 149 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014:*

Considering the Company's weak financial position, BIFR history etc., the Company is finding it difficult to appoint a Woman Director on the Board to comply with the requirements of the Companies Act, 2013. The Board of Directors assures that on the turn-around of the Company, the Board will make best efforts to appoint a Woman Director to comply with requirements of the Act.

b) *The Company has not appointed Company Secretary (Key Managerial Personnel) under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:*

The Company is not in a position to appoint the Company Secretary, due to its weak financial condition. The Board assures that after the commencement of commercial production, the Company will appoint a Company Secretary and comply with the requirements specified under Section 203 of the Companies Act, 2013.

c) *The Nomination and Remuneration Committee consist of Three (3) Members out of which 2 (Two) are Non-Executive and Independent Directors and 1 (one) is Executive and Non-Independent Directors:*

The Board of Directors assures that on the appointment of Woman Director, the Nomination and Remuneration Committee would be duly constituted as required under Section 178 of the Companies Act, 2013.

d) *The Company is yet to establish systems to ensure adequate and effective compliance with the provisions of all applicable laws. There was generally delay in filing of E-Forms with Ministry of Corporate Affairs*:

The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively, to the extent possible considering the weak financial position and the Board of Directors are taking best efforts to turn-around the Company's operations, its financial stability and to comply with all applicable laws.

The Company has filed E-Forms with the Ministry of Corporate Affairs within the prescribed time except for a couple of instances wherein the Company has paid the additional fees and complied with the requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) is presented in a separate section forming part of the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

As per Section 135 of the Companies Act, 2013, every Company having Net Worth of Rupees five hundred crore or more, or Turnover of Rupees one thousand crore or more, or a Net Profit of Rupees five crore or more during any financial year shall constitute the CSR Committee.

Considering the above threshold limit specified above, the Company is not required to constitute the CSR Committee.

## DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

There are no women employees associated with the Company and hence, no disclosure is required to be given under the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS:

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

## DISCLOSURE UNDER SECTION 134(3)(l) OF THE COMPANIES ACT, 2013:

Except as disclosed elsewhere in this report, no material changes and commitments have occurred between the end of the financial year of the Company and date of this report which can affect the financial position of the Company.

## ACKNOWLEDGEMENT:

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.

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

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

**Place:** Mumbai
**Date:** 14th August, 2017

# CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hereinafter referred to as the "SEBI (LODR) Regulations, 2015".

## 1. 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 Regulation 34(3) of the "SEBI (LODR) Regulations, 2015", the details in connection with Corporate Governance practiced by the Company are furnished herewith:

## 2. BOARD OF DIRECTORS:

### Composition:

As on March 31, 2017, the strength of the Board of Directors was 4 (four) Directors comprising of two Executive Promoter Directors and two Independent Directors.

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

The Company is expected to turn around by end of financial year i.e. 2017-18, as the Promoters / Board of Directors of the Company are trying to commence the Commercial Production in near future. The Company is in the process of appointing a Woman Director to comply with the requirements of the Regulation 17(1) (a) of the SEBI (LODR) Regulations, 2015 and Second Proviso to Section 149(1) of Companies Act, 2013.

### Meetings of the Board of Directors:

The Board meets at least once in every quarter and the time gap between two meetings is not more than 120 days. During the financial year 2016-17, Six meetings of the Board of Directors of your Company were held on May 30, 2016, August 13, 2016, August 24, 2016, November 14, 2016, January 25, 2017 and February 14, 2017.

During the year 2016-17, three (3) Circular resolutions were passed by the Company on March 25, 2017, March 27, 2017 and March 29, 2017.

### Directors Attendance Record and Directorships held:

The composition and category of the Board of Directors during the financial year ended as on March 31, 2017, details regarding the attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2016-17 along with the details in respect of Directorships and committee positions of each director in other Public Limited Companies where he/she is a member/ Chairperson are presented in the following table:

| 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 | Attended | | | |
| Mr. P. M. Rao DIN: 00197973 | Promoter, Chairman and Managing Director | 6 | 6 | Yes | 1 | – | – |
| Mr. Abhijit Rao DIN: 00189126 | Executive Director & CFO | 6 | 6 | Yes | 1 | – | – |
| Mr. P. R. Bhargava DIN: 00763819 | Independent & Non-Executive Director | 6 | 6 | Yes | 1 | – | – |
| Mr. Shyam R. Karmarkar DIN: 01365616 | Independent & Non-Executive Director | 6 | 6 | Yes | – | – | – |

# Excludes directorships in Foreign Companies and Section 8 Companies, but including private Limited companies.
@This includes memberships of only Audit Committee and Stakeholders Relationship Committee.

There is no inter-se relationship among the Directors except Mr. P.M. Rao (Chairman & Managing Director) who is the father of Mr. Abhijit Rao (Whole-Time Director & C.F.O) of the Company.

None of the Non Executive Directors hold any shares in the Company.

**Details of Board Meetings/ Annual General Meeting:**

During the year, six (6)Board Meetings were held and all the meetings were held at the Registered Office of the Company.

The Annual General Meeting of the Financial Year ended on March 31, 2016 was held on 30th September, 2016. Details regarding the attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2016-17 are presented in the following table:

| Name of the Director | Board Meetings held on and attendance details | | | | | | *Whether AGM Attended (Yes/No/N.A.) |
|---|---|---|---|---|---|---|---|
| | 30/05/2016 | 13/08/2016 | 24/08/2016 | 14/11/2016 | 25/01/2017 | 14/02/2017 | Date |
| Mr. P. M. Rao | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Abhijit Rao | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. P. R. Bhargava | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Mr. Shyam R. Karmarkar | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

*Note: AGM was held on 23rd September, 2016 and adjourned and held on 30th September, 2016.

**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 |

**Independent Director's Meeting:**

Clause VII of Schedule IV of Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015 require every Company to convene a separate meeting of the Independent Directors.

During the year, the Independent Directors met on March 28, 2017 to:

i) Review the performance of the Chairman;

ii) Review the performance of Non- Independent Directors and the Board as a whole; and

iii) Assess quality, quantity and timeliness of flow of information between the Company management and the Board that it is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

The Independent Directors fulfil the criteria of independence as given under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and have given declaration of independence. The Draft Letter of Appointment of Independent Directors is available on the website of the Company www.venturatextiles.com.

**Codes and Policies**:

We strive to conduct our business and strengthen our relationships in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

- Code of Conduct;
- Code of Conduct for Prohibition of Insider Trading;
- Policy for Disclosure of Unpublished Price Sensitive information;
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions;
- Risk Management Policy;
- Internal Financial Control Policy;
- Nomination and Remuneration Policy;
- Policy for Determination of materiality of information;
- Policy for Preservation of Documents;
- Archival Policy;
- Vigil Mechanism/Whistle Blower policy and
- Policy on Diversity of Board.

**Company's Code of Conduct:**

Your Company's Board of Directors has prescribed a Code of Conduct for all Board Members and the Company's Senior Management. The Code of Conduct is available on your Company's website: www.venturatextiles.com.

All the Board Members and the Senior Management Personnel of your Company have affirmed their compliance with the Code of Conduct for the year ended 31st March, 2017. A declaration by the Managing Director confirming that all the Board Members and Senior Personnel have affirmed compliance with the code of the Company and that they have not come across any instance of non-compliance of the Code during the year ended 31st March, 2017, is included in the certificate from the Managing Director on the financial statements and other matters of the Company for the Financial Year ended 31st March, 2017. A declaration to this effect as signed by the Managing Director is given below:

*This is to certify that in line with the requirement of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Directors of the Board and Senior Management Personnel have solemnly affirmed that to the best of their knowledge and belief, have complied with the provisions of the Code of Conduct during the financial year 2016-17.*

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

## Audit Committee

### Brief Description and Terms of Reference:

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the SEBI (LODR) Regulation 2015 and Section 177 of the Companies Act, 2013.

Terms of reference of the Audit Committee in brief are as stated below:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered, if authorized by the Board;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Review with the Management the quarterly/ annual financial statements and Auditor's Report before the submission to the Board for approval;
- Evaluate internal financial controls and risk management systems;
- Review with the Management, performance of internal and statutory auditors and adequacy of the internal control systems;
- Look into reasons for substantial defaults in payment to depositors, debenture holders, and creditors;
- To review the functioning of whistle blower mechanism;
- Disclosure of contingent liabilities; and
- Carrying out any other function as mentioned in the terms of reference of the audit committee.

### Composition and attendance of Audit Committee Meeting:

The Audit Committee comprises of three members out of which two members are Independent Directors.

During the year under review four meetings of the Audit Committee were held on 30th May, 2016, 13th August, 2016, 14th November, 2016 and 14th February, 2017.

The Composition of the Audit Committee as on 31st March, 2017 and attendance of the members in the meetings held during the financial year 2016-17 is as under:

| Name of Member | Category | Audit Committee Meetings held and attendance | | | |
|---|---|---|---|---|---|
| | | 30/05/2016 | 13/08/2016 | 14/11/2016 | 14/02/2017 |
| Mr. Shyam R. Karmarkar | Chairman (Independent Director) | Yes | Yes | Yes | Yes |
| Mr. P. R. Bhargava | Member (Independent Director) | Yes | Yes | Yes | Yes |
| Mr. Abhijit Rao | Member (Executive Director) | Yes | Yes | Yes | Yes |

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

Mr. Shyam R. Karmarkar, Chairman of the Audit Committee attended the last Annual General Meeting and responded to the queries raised by the shareholders.

In addition to above, the Committee also reviews other matters as may be required under the SEBI (LODR) Regulations, 2015 and other Laws, Rules and Regulations.

4. Nomination & Remuneration Committee:

In compliance with Section 178 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, the Board has constituted the Nomination and Remuneration Committee ("NRC").

The terms of reference of the NRC inter alia, includes:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and KMP and other Senior Management positions;
- To recommend to the Board, appointment, removal of Directors, Senior Management Personnel and KMP in accordance with the criteria laid down;
- Succession planning of the Board of Directors and Senior Management Employees;
- Recommendation to the Board on remuneration of Managing Director/Executive Directors/KMP and also revision in remuneration;
- Formulation of the criteria for evaluation of performance of every Director and carry out performance evaluation of Directors and to recommend to the Board on whether to extend or continue the term of appointment of Independent Director;
- Devising a policy on Board Diversity; and
- Formulate and review the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration.

Composition and attendance at Nomination & Remuneration committee Meeting:

The Company has constituted the Nomination and Remuneration Committee comprising of three (3) Members out of which two (2) are Independent Directors and one (1) is Executive Director. The Company is trying to revive itself and on the turnaround of the Company, the Composition of the Nomination and Remuneration Committee will be duly constituted as per Section 178 of the Companies Act, 2013.

One meeting of the Nomination and Remuneration Committee was held on 28th March, 2017. All the members were present at the meeting.

The Composition of the Nomination and Remuneration Committee during the financial year 2016-17 is as under:

| Name of the Member | Designation |
|---|---|
| Mr. Shyam R. Karmarkar | Chairman |
| Mr. P. R. Bhargava | Non-Executive - Independent Director, Member |
| Mr. Abhijit Rao | Executive Director, Member |

Nomination and Remuneration Policy:

The Board of Directors of the Company has adopted a Nomination and Remuneration Policy in terms of the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, with the Stock Exchanges and in order to harmonize the aspirations of human resources consistent with goals of the Company which inter alia includes Company's policy on Board Diversity, selection, appointment and remuneration of directors, criteria and determining qualifications, positive attributes, independence of a director and criteria for performance evaluation of the Directors. The Nomination and Remuneration Policy is placed on the website of the Company viz. www.venturatextiles.com

**Remuneration to Directors:**

The Company pays remuneration by way of Salary, perquisites, allowances and commission to its Managing Director.

All the Independent Directors of the Company receive sitting fees for each meeting of Board and Committee thereof attended by them.

The detail of remuneration paid/payable to Directors of the Company during the financial year 2016-17 is as under:

*(Amount in Lakhs)*

| Name of the Director | Sitting fees including fees for Committee Meetings | Salaries & Perks | Commission | Total Amount |
|---|---|---|---|---|
| Mr. Shyam R. Karmarkar | 0.20 | — | — | 0.20 |
| Mr. P.R. Bhargava | 0.20 | — | — | 0.20 |
| Mr. P.M. Rao | — | 12.18 | | 12.18 |
| Mr. Abhijit Rao | — | 17.25 | — | 17.25 |

None of the Directors has any pecuniary relationships or transactions with the Company except by way of remuneration paid to the Executive Director and sitting fees paid to Independent Directors.

Your Company presently does not have performance linked incentives for its Directors. No severance fees is payable.

## 5. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

### a) Brief Description and Terms of Reference:

Stakeholder's Relationship Committee monitors redressal of complaints received from shareholders/investors with respect to transfer of shares, non-receipt of dividend, non-receipt of Annual Reports etc. The Committee also takes note of number of transfer processed, issue of fresh share certificates, top shareholders and Shareholding pattern.

### b) Composition and attendance at the Stakeholder's Relationship Committee:

The Stakeholder's Relationship Committee comprises of three members and two of them are Independent Directors. There was no meeting held on account of Nil Complaint received.

The Composition of the Committee as on 31st March, 2017 is as under:

| Name of Member | Designation |
|---|---|
| Mr. Shyam R. Karmarkar | Non-Executive Independent Director, Chairperson |
| Mr. Mohan Rao Penugonda | Executive Director, Member |
| Mr. P. R. Bhargava | Non-Executive -Independent Director, Member |

The Stakeholder's Relationship 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. Sachin Sharma resigned from the post of Compliance Officer of the Company w.e.f August 13, 2016. 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 2016-17:

| 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 |
| | **Total** | Nil | Nil | Nil |

**SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned Company and online viewing by investors of action taken on the complaint and its current status.

Your Company has been registered on SCORES Portal and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

The Company reports that there are no Equity Shares lying in the Demat Suspense Account / Unclaimed Suspense Account.

**PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Performance Evaluation of the Directors, the Board and its Committees was carried out based on the criteria/ manner approved by the Nomination & Remuneration Committee and approved by the Board of Directors. The criteria/ manner for evaluation as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Company has in place Familiarisation Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The Familiarisation Programme and details of Familiarisation Programme imparted during 2016-17 are uploaded on the website of the Company and can be accessed through website www.venturatextiles.com

General body Meetings:

a) Details of the Annual General Meetings:

The details of previous three Annual General Meetings of the Company are as follows:

| Financial Year | Date | Time | Location | Special resolution passed |
|---|---|---|---|---|
| 2015-16 | 30/09/2016 | 10.00 am | 211/212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059. | 1. Re-appointment of Mr. Abhijit Rao Penugonda (DIN: 00189126) as the Whole-Time Director of the Company for a period of five years with effect from November 01, 2016.<br>2. Issue of 20,00,000 (Twenty Lakh) 0% Optionally Fully Convertible Debentures of face value of Rs. 10/- each to M/s Sai Creations on Preferential Basis. |
| 2014-15 | 30/09/2015 | 10.00 am | 211/212, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai - 400 059. | 1. Creation of mortgage, pledge, charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013.<br>2. Approval of Borrowing Limit under Section 180(1)(c) of the Companies Act,2013.<br>3. Ratification and confirmation of the appointment and remuneration paid to Mr. Abhijit Rao Penugonda, Whole-Time Director, during the tenure of his appointment from 01st November, 2011 to 31st October, 2016.<br>4. Re-appointment of Mr. Mohan Rao Penugonda (DIN: 00197973) as the Chairman and Managing Director (CMD) of the Company for a period of five years with effect from July 01, 2015. |
| 2013-14 | 30/09/2014 | 3.00 pm | 211/212, Midas, Sahar Plaza, J.B. Nagar, Andheri (East), Mumbai- 400059. | NIL |

b) Details of special resolution passed through postal ballot:

During the F.Y. 2016-17, Company sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated February 03, 2017 for issue, offer and allotment of not exceeding Twenty Lakh (20,00,000) Optionally Fully Convertible Warrants (OFCWs/Warrants/Securities) with each warrant convertible into one Equity Share to Mr. Deepak Balkrishna Lokare & Mrs. Savita Deepak Lokare, Partners of M/s. Sai Creations.

Mr. S. Anantha Rama Subramanian (Membership No. FCS 4443, C.P. No. 1925) of M/s. S. Anantha & Co., Practicing Company Secretaries, Mumbai was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner by the Board.

Details of Voting Pattern were as under

| Sl. No. | Particulars | No. of Postal Ballot Forms (3) / e-Votes (5) | No of Equity Shares | % to Total Votes |
|---|---|---|---|---|
| 1. | Votes in favour of the Resolution | 6 | 12,104,004 | 99.999 |
| 2. | Votes against the Resolution | 2 | 100 | 0.001 |
| 3. | Total Valid Votes (1 + 2) | 8 | 12,104,104 | 100.000 |
| 4. | Invalid votes (signatures not tallied and / or Vote not casted) | Nil | Nil | — |
| | **Total (3 + 4)** | **8** | **12,104,104** | — |

**Procedure for postal ballot:**

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the Postal Ballot Notice dated February 03, 2017 along with the Explanatory Statement, postal ballot form and self-addressed business reply envelopes on February 04, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically.

The voting under the postal ballot was kept open from February 05, 2017 (9.00 a.m. IST) to March 06, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. S. Anantha Rama Subramanian submitted his report to the Company and the results of the postal ballot were announced by the Company on March 07, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.cybertech.com and on the website of Central Depository Services (India) Limited www.evotingindia.com.

## MEANS OF COMMUNICATION

The Company's corporate website www.venturatextiles.com consists of Investor Relations section, which provides comprehensive information to the Shareholders.

Quarterly and Annual Financial Results are published in Active Times in English and Mumbai Lakshadeep, a regional newspaper in vernacular language. The said results are also available on Company's website www.venturatextiles.com. There is hardly any official news required to be released on website or even in Press.

The Company's Shareholding Pattern is filed on a quarterly basis with the Stock Exchange and also displayed on the Company's website www.venturatextiles.com.

## GENERAL SHAREHOLDER INFORMATION:

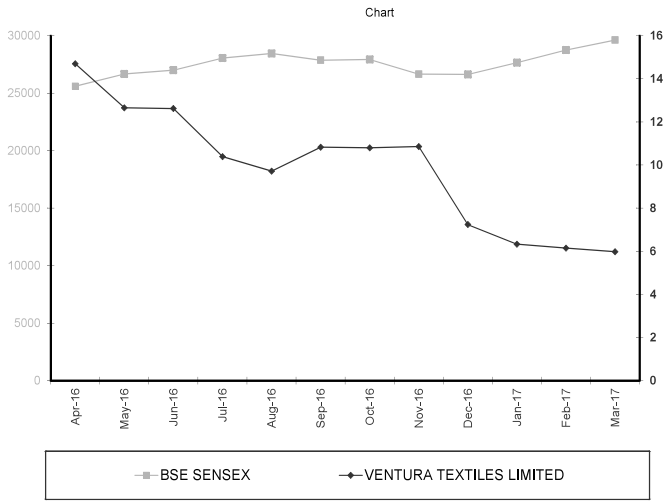
| | |
|---|---|
| Day, Date and Time of AGM | Saturday, 23rd September, 2017 at 10.00 a.m. |
| Venue | Unit No.121, Midas, Sahar Plaza, J. B. Nagar, Andheri (East), Mumbai – 400 059 |
| Financial Year | Financial Year is April 01 to March 31 of the following year |
| Quarterly results will be declared as per the following tentative schedule: | |
| Financial reporting for the quarter ending June 30, 2017 | First fortnight of August, 2017 |
| Financial reporting for the quarter ending September 30, 2017 | First fortnight of November, 2017 |
| Financial reporting for the quarter ending December 31, 2017 | First fortnight of February, 2018 |
| Financial reporting for the quarter ending March 31, 2018 | Last fortnight of May, 2018 |
| Date of Book Closure | 18th September, 2017 (Monday ) to, 23rd September, 2017 (Saturday) |

**Listing on Stock Exchanges and Scrip Code:**

The Company's shares have been listed on the following exchange:

i. BSE Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. Scrip Code: 516098

ii. Performance in comparison to broad based indices of BSE Sensex



iii. Market Price Data for 2016-17: The monthly high and low quotations and volume of shares traded on BSE from 01st April, 2016 upto 31st March, 2017 is as follows:

| Month | BSE | |
|---|---|---|
| | High Price (Rs.) | Low Price (Rs.) |
| April 2016 | 14.70 | 14.70 |
| May 2016 | 15.43 | 12.65 |
| June 2016 | 12.62 | 11.42 |
| July 2016 | 11.99 | 9.13 |
| August 2016 | 11.90 | 9.10 |
| September 2016 | 11.97 | 8.17 |
| October 2016 | 10.80 | 8.01 |
| November 2016 | 11.42 | 9.43 |
| December 2016 | 10.83 | 6.90 |
| January 2017 | 7.60 | 6.04 |
| February 2017 | 6.96 | 5.89 |
| March 2017 | 6.53 | 5.16 |

**Registrar & Share Transfer Agent:**

Link Intime (India) Pvt. Limited is the Registrar & Share Transfer Agent (RTA) of the Company in respect of the equity capital in demat and physical mode. They process share transfer and transmission on fortnightly basis. Their address is as follows:

Link Intime (India) Pvt. Limited.,
C-101, 1st Floor, 24X7 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083.

**Share Transfer System:**

Transfer in physical form has to be lodged with Registrar and Share Transfer Agents. All shares received for transfer were registered and dispatched within thirty days of receipt, if the documents were correct and valid in all respects. The time taken to process dematerialization of shares is ten days upon receipt of documents from Depository Participant.

**Shareholding pattern as on 31st March, 2017:**

| Category | Number of Shares | Percentage (%) |
|---|---|---|
| Promoter and Promoter Group | 1,21,03,773 | 65.59 |
| Clearing Members | 20,984 | 0.11 |
| Mutual Funds/UTI | 43 | 0.00 |
| Financial Institutions | 9,87,325 | 5.35 |
| Other Bodies Corporate | 3,66,387 | 1.99 |
| Foreign Company | 1,25,000 | 0.68 |
| Non Resident Indians | 87,497 | 0.48 |
| Public / Others | 47,21,640 | 25.58 |
| Hindu Undivided Family | 9,493 | 0.05 |
| Non Nationalised Banks | 31,147 | 0.17 |
| **Total** | **1,84,53,289** | **100.00** |

## OTHER DISCLOSURES:

### a) Materially Significant Related Party Transactions:

All related party transactions forms part of the Notes to the Financial Statements. Saving those, there were no materially significant related party transactions with Company's promoters, directors or its management, their subsidiaries or relatives, etc. that had a potential conflict with the interest of the Company. The register of contracts containing transactions, in which Directors are interested, is placed before the Board regularly. The RPT Policy is placed on the Company's website i.e. www.venturatextiles.com.

### b) Policy For 'Material' Subsidiaries:

There are no material subsidiaries of the Company; hence the Policy determining 'Material' Subsidiaries is not applicable to the Company.

### c) Accounting Treatment:

No treatment different from that prescribed in an Accounting Standards has been followed by the Company.

### d) Statutory Compliance, Strictures and Penalties:

The Company has complied with the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years.

Your Company has complied with all the mandatory requirements under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 to the extent possible, considering the weak financial position of the Company.

### e) Share Capital Audit:

Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015 with the Stock Exchanges, certificates, on half-yearly basis have been issued by Mr. S. Anantha Rama Subramanian, Practising Company Secretary (CP No. 1925) for due compliance of share transfer formalities by the Company.

Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, Mr. S. Anantha Rama Subramanian, Practising Company Secretary (CP No. 1925) carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) ("Depositories") and the total issued and listed capital. The Audit confirms that the total issued/ paid-up Capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

### f) Vigil Mechanism:

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided the complainant direct access to the Chairman of the Audit Committee. The Vigil Mechanism Policy of the Company is placed on Company's website i.e. www.venturatextiles.com.

### g) CEO/ CFO Certification:

Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015, a Certificate from the Managing Director and the Chief Financial Officer, on the Financial Statements and other matters of the Company for the Financial Year ended 31st March, 2017 is provided as attachment to this Corporate Governance Report.

h) **Details of compliance with mandatory requirements and adoption of the non – mandatory requirements:**

The Company is in compliance with all mandatory requirements of the SEBI (LODR) Regulations, 2015 to the extent applicable.

The Company has adopted the following non-mandatory recommendations of Regulation 27 read with Part E of Schedule II of the SEBI (LODR) Regulations, 2015.

A. **Shareholder Rights:**

The Company's half- yearly results are published in leading English and Marathi newspapers and also uploaded on the website of the Company, hence the same are not sent to the Shareholders of the Company.

B. **Modified opinion(s) in audit report:**

There are no qualifications in the Audit Report.

C. **Reporting of internal auditor:**

The Internal Auditors of the Company are present in each Audit Committee Meeting and directly interact with Audit Committee Members.

i) **Commodity Price Risk and Commodity Hedging Activities**

The Company has not yet commenced the Business operations, hence the disclosures with respect to commodity hedging activities are not applicable to the Company.

j) **Disclosure of the compliance with Corporate Governance Requirements specified in Regulation 17 To 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015:**

The Company has duly complied with the requirements of Corporate Governance specified in Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of the SEBI (LODR) Regulations, 2015 to the extent applicable which forms part of this Annual Report.

k) **Distribution of Shareholding as on 31st March, 2017:**

| Shareholding Class | No. of Shareholders | Percentage of Total Holders (%) | Total Holding in Shares (Amount) | Percentage of Total Shares (%) |
|---|---|---|---|---|
| 1 - 5000 | 8987 | 97.0518 | 3514880.00 | 1.9047 |
| 5001 – 10000 | 128 | 1.3824 | 912850.00 | 0.4947 |
| 10001- 20000 | 76 | 0.8208 | 1042360.00 | 0.5649 |
| 20001- 30000 | 19 | 0.2052 | 463950.00 | 0.2514 |
| 30001- 40000 | 17 | 0.1836 | 554620.00 | 0.3005 |
| 40001- 50000 | 5 | 0.0540 | 217770.00 | 0.1180 |
| 50001-100000 | 13 | 0.1404 | 899460.00 | 0.4874 |
| 100001- above | 15 | 0.1620 | 176927000.00 | 95.8784 |
| **TOTAL** | **9260** | **100.00** | **184532890.00** | **100.00** |

l) **Disclosure of non – compliance of any requirement of Corporate Governance Report with reasons thereof:**

The Company has duly complied with the requirements of Corporate Governance Report forming part of this Annual Report as per the provisions of Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015.

m) **Dematerialization of shares and liquidity:**

98.99 % of shares of your Company are held in the electronic mode as on March 31, 2017.

n) **Outstanding GDR / Warrants or convertible bonds, conservation dates and likely impact on liquidity:**

The Company has not issued any GDRs/ ADRs/ Warrants or other instruments, which are pending for conversion.

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

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

p) **Plant Location:**
Ventura Textiles Limited,
GAT No. 201, Village Gonde,
Taluka Igatpuri, Nashik - 422 403

q) **Address for Correspondence:**

The Shareholders may address their queries and communications to:

**Registered Office:** Unit No. 121, Midas, Sahar Plaza, J. B. Nagar, Andheri – Kurla Road, Andheri (East), Mumbai 400-059 Ph: (022)2834 4453 Email: mkt2@venturatextiles.com

**Registered Office:**

121, Midas, Sahar Plaza
J. B. Nagar, Andheri - Kurla Road,
Andheri (East),Mumbai 400 059.
Tel No: 022-2834 4453
Fax No.: 022-2835 1974
email-id: mkt2@venturatextiles.com
Website: www.venturatextiles.com

Date: 14th August, 2017

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

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

## DECLARATION

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) ON FINANCIAL STATEMENTS OF THE COMPANY:**

To,
The Board of Directors
Ventura Textiles Limited
Mumbai

We, Mr. Mohan Rao Penugonda, Chairman & Managing Director and Mr. Abhijit Rao, CFO, of Ventura Textiles Limited, certify that:

A. We have reviewed financial statements and the cash flow statement for year ended 31st March, 2017 and that to the best of our knowledge and belief:

   i) These statements do not contain any materially untrue statement of fact or omit to state any material fact or contain any statement 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 our 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. All the Board members and Senior Management personnel have affirmed compliance with the Code of the Company and that they have not come across any instance of non-Compliance of the Code during the year ended 31st March, 2017.

D. We accept responsibility for establishing and maintaining internal controls that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of Internal Controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;

E. We have indicated to the Auditors and the Audit Committee-

   i) Significant changes in internal controls over financial reporting during the year;

   ii) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we 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.

| | Sd/- | Sd/- |
|---|---|---|
| | **Mohan Rao Penugonda** | **Abhijit Rao Penugonda** |
| | Managing Director | Director (CFO) |
| Date : 30th May, 2017 | DIN: 00197973 | DIN: 00189126 |

## Corporate Governance Certificate

To
The Members of
**Ventura Textiles Limited**

We have examined the compliance of conditions of Corporate Governance by Ventura Textiles Limited ("Company") for the year ended March 31, 2017, as stipulated in SEBI(LODR) Regulations, 2015.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

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 for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015 except the following Compliances viz:

1. *The Company has not appointed a Woman Director and has therefore not been compliant with the Second Proviso of Section 149(1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17of the SEBI (LODR) Regulations, 2015;*

2. *The Company has not appointed Company Secretary (Key Managerial Personnel) under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and accordingly there are non compliances with respect to signing of Financial Statements and other applicable laws;*

3. *The Nomination and Remuneration Committee consists of 3 (three) Members out of which 2 (two) are Non-Executive and Independent Director and 1(one) is Executive and Non-Independent Director; and*

4. *Due to financial crisis, the Company is yet to establish systems to ensure adequate and effective compliance with the provisions of all applicable laws.*

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-
**Sekhar Gupta**
Partner
Membership No.15622

Place: Mumbai
Date: August 14, 2017

## Annexure 1 to the Board's Report

**Remuneration to Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| Sr. No | Name of the Employee | Designation | Age | Nature of Employment | Nature of Employment | Nature of Duties | Qualification/ Experience | Date of Commencement of Employment | Last Employment of the Employees | % of Equity Shares held by Employee in the Company | Remuneration recd during the year 16-17 | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Mohan Rao Penugonda | Managing Director | 68 | Permanent | Permanent | Responsible for day to day management of the Company. | B. Com | 5-04-1993 | N.A | Nil | 12,18,000 | Appointed w.e.f. 5/4/1993 |
| 2 | Abhijit Rao | Whole-Time Director | 37 | Permanent | Permanent | He is handling all the Corporate Matters in addition to the marketing of Bed Sheets for USA | MBA form American International University, London | 1-11-2006 | N.A | Nil | 17,25,000 | Appointed w.e.f. 1/11/2006 |
| 3 | Pravin Bhaskar Shetty | Compliance Officer | 44 | Permanent | Permanent | Responsible for Accounts & Financial Matters | B.Com | 1-04-2000 | N.A | Nil | 4,80,000 | Appointed w.e.f. 1/04/2000 |

For and on behalf of the Board of Directors

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

Place: Mumbai
Date: 14th August, 2017

## *ANNEXURE -2*

*Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts)Rules, 2014 and forming part of the Directors Report for the year ended March 31, 2017*

**a) Conservation of Energy:**

**(i) Steps taken or impact on conservation of energy:**

The planning and installation of equipment of the Company is done in a manner such that maximum energy is conserved. To the extent possible, energy efficient equipment and instruments are used.

**(ii) The Steps taken by the Company for Utilising alternate sources of energy:**

The Company continuously uses its best endeavors for identifying and utilizing alternate sources of energy.

**(iii) Capital Investment on energy conservation equipments:** Nil

**b) Technology Absorption:**

**(i) The efforts made towards technology absorption:** No efforts have been made during the year.

**(ii) The benefits derived like production improvement, cost reduction, product development or import substitution:** Nil

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –**

(a) The details of technology imported: NIL;

(b) The year of import: N.A.;

(c) Whether the technology has been fully absorbed: N.A.

Your Company does not carry out any manufacturing activity, hence the particulars regarding technology absorption and other particulars as required to be stated by the Companies Act, 2013 and rules made thereunder are not applicable.

**c) Foreign Exchange Earnings and Outflows (on Standalone basis):**

Foreign Exchange earned in terms of actual inflow during the year: Nil

Foreign Exchange Outgo during the year in terms of actual outflows: Nil

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

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

**Place: Mumbai**
**Date: 14th August, 2017**

*Annexure 3*

MGT-9
EXTRACTS OF ANNUAL RETURN
For the year ended March 31, 2017

*[Pursuant to section 92(3) of the Companies Act, 2013 &rule12 (1) of the Companies (Management and Administration) Rules, 2014]*

I REGISTRATION & OTHER DETAILS:i

| | | |
|---|---|---|
| i) | CIN | L21091MH1970PLC014865 |
| ii) | Registration Date | November 3, 1970 |
| iii) | Name of Company | Ventura Textiles Limited |
| iv) | Category of the Company | Public Company / Limited by Shares |
| v) | Address of the Registered office and contact details | Unit No. 121, Midas Sahar Plaza, J.B. Nagar,<br>Andheri Kurla Road, Andheri (E), Mumbai - 400 059.<br>Tel.: 022-28214425 / 39 |
| vi) | Whether listed company | Yes |
| vii) | Name and Address of Registrar & Transfer Agents ( RTA ):- | Link Intime India Private Limited,<br>C-101, 1st Floor, 247 Park, LBS Marg,<br>Vikhroli (West), Mumbai - 400 083<br>Contact Person : Manohar Shirwadkar<br>Tel. No. 022 49186000<br>e-mail : mumbai@linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % of total turnover of the company |
|---|---|---|---|
| 1 | Preparation and Spinning of Textile Fabrics | 1311 | Nil |
| 2 | Weaving of Textiles | 1312 | 100 |
| 3 | Manufacture of Made-up Textile article, except apparel | 1392 | Nil |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SL. NO. | NAME AND ADDRESS OF THE COMPANY | CIN/ GLN | HOLDING/ SUBSIDIARY / ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---|---|---|---|---|---|
| Nil | | | | | |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter** | | | | | | | | | |
| ***1) Indian*** | | | | | | | | | |
| a) Individual/ HUF | | | | | | | | | |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| c) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| d) Bodies Corp. | 12103773 | 0 | 12103773 | 73.5645 | 12103773 | 0 | 12103773 | 65.59 | -7.9745 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| f) Any Other | | | | | | | | | |
| i. Directors Relatives | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| ii. Group Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| iii. Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| **SUB TOTAL(A)(1)** | **12103773** | **0** | **12103773** | **73.5645** | **12103773** | **0** | **12103773** | **65.59** | **-7.9745** |
| ***2) Foreign*** | | | | | | | | | |
| g) NRIs-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| h) Other-Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| i) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| j) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| k) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| k) Any Other(Specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| **Sub-total(A)(2):-** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **-** |
| **Total holding for promoters(A)=(A)(1)+A)(2)** | **12103773** | **0** | **12103773** | **73.5645** | **12103773** | **0** | **12103773** | **65.59** | **-7.9745** |
| **Total (A)+(B)** | **12103773** | **0** | **12103773** | **73.5645** | **12103773** | **0** | **12103773** | **65.59** | **-7.9745** |
| **B. Public Shareholding** | | | | | | | | | |
| ***1. Institutions*** | | | | | | | | | |
| a) Mutual Funds/UTI | 0 | 43 | 43 | 0.00 | 0 | 43 | 43 | 0.00 | 0.00 |
| b) Banks / FI | 41381 | 0 | 41381 | 0.2517 | 1018472 | 0 | 1018472 | 5.52 | 5.2683 |
| c) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (specify) | 1367601 | 128853 | 1496454 | 9.0952 | - | - | - | 0.00 | -9.0952 |
| **Sub-total (B)(1)** | **1408982** | **128896** | **1537878** | **9.3469** | **1018472** | **43** | **1018515** | **5.52** | **-3.8269** |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **2. Non Institutions** | | | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 362534 | 3853 | 366387 | 1.99 | 1.99 |
| b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital up to Rs. 1 Lakh | 695069 | 24221 | 719290 | 4.3717 | 6,76,379 | 24,362 | 7,00,741 | 3.80 | -0.5717 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh | 2000000 | - | 2000000 | 12.1556 | 40,20,899 | - | 40,20,899 | 21.79 | 9.6344 |
| c) Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| d) Any others (Specify) | - | - | - | - | - | 125000 | 125000 | 0.68 | 0.68 |
| i) HUF | 3786 | 0 | 3786 | 0.0230 | 9493 | 0 | 9493 | 0.05 | 0.027 |
| ii) Clearing Member | - | - | - | - | 20,984 | - | 20,984 | 0.11 | 0.11 |
| iii) Directors Relatives | | | | | | | | | |
| iv) Employee | | | | | | | | | |
| v) N.R.I. | 75937 | 12625 | 88562 | 0.5383 | 74872 | 12625 | 87497 | 0.47 | -0.0583 |
| vi) Overseas Bodies Corporate | - | - | - | - | - | - | - | - | - |
| vii) Unclaimed Suspense Account | - | - | - | - | - | - | - | - | - |
| **Sub-total(B)(2)** | **2774792** | **36846** | **2811638** | **17.0886** | **5165161** | **165840** | **5331001** | **28.89** | **11.8014** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2) Total(A)+(B)** | **4183774** | **165742** | **4349516** | **26.4355** | **6183633** | **165840** | **6349516** | **34.41** | **7.975** |
| C.Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| **SUB TOTAL(C)(1)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Grand Total (A+B+C)** | **16287547** | **165742** | **16453289** | **100.0000** | **18287406** | **165883** | **18453289** | **100.0000** | **-** |

ii Shareholding of Promoters

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1. | Penny Securities and Investments Private limited | 7686858 | 46.7193 | - | 7686858 | 41.66 | - | -5.0593 |
| 2. | Indo - Gulf Financials Limited | 3285000 | 19.966 | - | 3285000 | 17.80 | - | -2.166 |
| 3. | Ventura Texports Private Limited | 1131915 | 6.880 | - | 1131915 | 6.13 | - | -0.75 |
| | **Total** | **12103773** | **73.5645** | **-** | **12103773** | **65.59** | **-** | **-7.9745** |

***(iii) Change in Promoters' Shareholding: There is no change in the shareholding of Promoters.***

| Sl. No. | | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | 12103773 | 73.5653 | 12103773 | 65.59 |
| | At the end of the year | 12103773 | 73.5653 | 12103773 | 65.59 |

***(iv) Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):***

| Sl. No. | Name of Shareholders | | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Rita J. Bhuta | | | | | |
| | | At the beginning of the Year | 2000000 | 12.1556 | 2000000 | 12.1556 |
| | | Bought during the year | 0 | 0.0000 | 0 | 0.0000 |
| | | Sold during the Year | 0 | 0.0000 | 0 | 0.0000 |
| | | At the end of the Year | 2000000 | 10.84 | 2000000 | 10.84 |
| 2. | M/s. Sai Creations (Mr. Deepak Balkrishna Lokare & Mrs. Savita Deepak Lokare, Partners of M/s. Sai Creations) | | | | | |
| | | At the beginning of the Year | - | - | - | - |
| | | Bought during the year | 2000000 | 10.84 | 2000000 | 10.84 |
| | | Sold during the Year | - | - | - | - |
| | | At the end of the Year | 2000000 | 10.84 | 2000000 | 10.84 |
| 3. | J.M. Financial Asset Reconstruction Co. Private Limited | | | | | |
| | | At the beginning of the Year | 9,87,325 | 6.0000 | 9,87,325 | 6.0000 |
| | | Bought during the year | 0 | 0 | 0 | 0 |
| | | Sold during the Year | 0 | 0 | 0 | 0 |
| | | At the end of the Year | 9,87,325 | 5.35 | 9,87,325 | 5.35 |
| 4. | Reliance Spot Exchange Infrastructure Limited | | | | | |
| | | At the beginning of the Year | 321875 | 1.9562 | 321875 | 1.9562 |
| | | Bought during the year | 0 | 0.00 | 0 | 0.00 |
| | | Sold during the Year | 0 | 0.00 | 0 | 0.00 |
| | | At the end of the Year | 321875 | 1.7443 | 321875 | 1.7443 |
| 5. | Dome Investment Limited | | | | | |
| | | At the beginning of the Year | 125000 | 0.760 | 125000 | 0.760 |
| | | Bought during the year | 0 | 0.00 | 0 | 0.00 |
| | | Sold during the Year | 0 | 0.00 | 0 | 0.00 |
| | | At the end of the Year | 125000 | 0.67739 | 125000 | 0.67739 |

| Sl. No. | Name of Shareholders | | Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 6. | Haragopal Kusuma Penugonda | | | | | |
| | | At the beginning of the Year | 62500 | 0.3799 | 62500 | 0.3799 |
| | | Bought during the year | 0 | 0.0000 | 0 | 0.0000 |
| | | Sold during the Year | 19375 | 0.1462 | 19375 | 0.1462 |
| | | At the end of the Year | 43125 | 0.2337 | 43125 | 0.2337 |
| 7. | IDBI Bank Limited | | | | | |
| | | At the beginning of the Year | 41381 | 0.2515 | 41381 | 0.2515 |
| | | Bought during the year | 0 | 0.0000 | 0 | 0.0000 |
| | | Sold during the Year | 10234 | 0.0827 | 10234 | 0.0827 |
| | | At the end of the Year | 31147 | 0.1688 | 31147 | 0.1688 |
| 8. | Chhotalal Ramjibhai Bhanderi | | | | | |
| | | At the beginning of the Year | 9270 | 0.0563 | 9270 | 0.0563 |
| | | Bought during the year | 11629 | 0.024 | 11629 | 0.024 |
| | | Sold during the Year | 0 | 0 | 0 | 0 |
| | | At the end of the Year | 20899 | 0.91325 | 0.11325 | 0.11325 |
| 9. | Dhruv Bhanderi | | | | | |
| | | At the beginning of the Year | 14893 | 0.0807 | 14893 | 0.0807 |
| | | Bought during the year | 0 | 0 | 0 | 0 |
| | | Sold during the Year | 0 | 0 | 0 | 0 |
| | | At the end of the Year | 14893 | 0.0807 | 14893 | 0.0807 |
| 10. | Vijay Agarwal | | | | | |
| | | At the beginning of the Year | 14825 | 0.0901 | 14825 | 0.0901 |
| | | Bought during the year | 0 | 0 | 0 | 0 |
| | | Sold during the Year | 0 | 0 | 0 | 0 |
| | | At the end of the Year | 14825 | 0.0803 | 14825 | 0.00803 |

*(v) Shareholding of Directors & Key Managerial Personnel:*

| Sl. No. | Shareholding of each directors and each key Managerial Personnel | Shareholding at the beginning of the year (01.04.2015) | | Cumulative Shares during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | **Mr. P.M. Rao** | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |
| 2. | **Mr. Abhijit Rao** | | | | |
| | At the beginning of the year | Nil | Nil | Nil | Nil |
| | Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease | Nil | Nil | Nil | Nil |
| | At the end of the year | Nil | Nil | Nil | Nil |

V. **INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Amount in Rs.)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total (i+ii+iii)** | **0.00** | **0.00** | **0.00** | **0.00** |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 0.00 | 0.00 | 0.00 | 0.00 |
| - Reduction | 000 | 0.00 | 0.00 | 000 |
| **Net Change** | **0.00** | **0.00** | **0.00** | **0.00** |
| Indebtedness at the end of the | | | | |
| financial year | | | | |
| i) Principal Amount | 0.00 | 0.00 | 0.00 | 0.00 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total (i+ii+iii)** | **0.00** | **0.00** | **0.00** | **0.00** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

| Sl. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager | | Total Amount (in Rs.) |
|---|---|---|---|---|
| | | Mr. P.M Rao | Mr. Abhijit Rao | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 12,18,000 | 6,00,000 | 18,18,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | | |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission<br>- as % of profit<br>- others, specify | | | |
| 5 | Others, please specify (Rent free accommodation) | Nil | 11,25,000 | 11,25,000 |
| | Total (A) | 12,18,000 | 17,25,000 | 29,43,000 |

*B. Remuneration to other directors:*

| Sl. No. | Particulars of Remuneration | Name of Directors | | Total Amount (in Rs.) |
|---|---|---|---|---|
| | | Mr. Shyam R. Karmarkar | Mr. P. R. Bhargava | |
| 1 | **Independent Directors** | | | |
| | Fee for attending board committee meetings | 20000 | 20000 | 40000 |
| | Commission | - | - | - |
| | Others, specify | - | - | - |
| | **Total (1)** | **20000** | **20000** | **40000** |

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| | | Company Secretary* | CFO | Total |
| 1. | Gross salary<br>(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act,1961<br>(c) Profits in lieu of salary under section17(3) Income-tax Act,961 | NIL | Nil | Nil |
| 2. | Stock Option | NIL | NIL | NIL |
| 3. | Sweat Equity | NIL | NIL | NIL |
| 4. | Commission<br>-as % of profit<br>-others, specify... | -<br>NIL | -<br>NIL | -<br>NIL |
| 5. | Others, please specify | NIL | NIL | NIL |
| | **Total** | **NIL** | **NIL** | **NIL** |

*The Company is yet to appoint Company Secretary

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| **B. DIRECTORS** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | NIL | NIL | NIL | NIL | NIL |
| Punishment | NIL | NIL | NIL | NIL | NIL |
| Compounding | NIL | NIL | NIL | NIL | NIL |

*There were no penalties/punishment imposed on company & none of the offenses were compounded.

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

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

Place: Mumbai
Date: 14th August, 2017

*Annexure 4*

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

To
**The Members**
**Ventura Textiles Limited**
Unit No. 121, Midas, Sahar Plaza
J.B. Nagar, Andheri-Kurla Road, Andheri (East)
Mumbai – 400 059

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ventura Textiles Limited** (hereinafter called 'the Company') for the financial year ended March 31, 2017. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We further report that compliance with applicable laws is the responsibility of the Company and our report constitutes an independent opinion. Our report is neither an assurance for future viability of the Company nor a confirmation of efficient management by the company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (There were no instances of External Commercial Borrowings, Foreign Direct Investment and Overseas Direct Investments made during the year, hence compliance requirements for the same are ***'Not Applicable'*** for the year under review);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable for the year under review)**;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable for the year under review);**
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable for the year under review)**;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable for the year under review)**; and
- The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 **(Not Applicable for the year under review)**.

(vi) **With respect to other laws applicable specifically to the Company viz.:**

a) Water (Prevention and Control of Pollution) Act, 1974 and the Rules made thereunder;

b) Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder;

c) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008; and

d) The Environment (Protection) Act, 1986 and the Rules made thereunder.

(The compliance with respect to the above laws applicable to the Company could not be verified on account of non-operational status of the factory premises)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. *The Company has not appointed a woman director and has therefore not been compliant with the Second Proviso of Section 149 (1) of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (LODR) Regulations, 2015;*

2. *The Company has not appointed Company Secretary (Key Managerial Personnel) under Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;*

3. *The Nomination and Remuneration Committee consist of Three (3) Members out of which 2 (Two) are Non-Executive and Independent Directors and 1 (one) is Executive and Non-Independent Director;*

4. *The Company is yet to establish systems to ensure adequate and effective compliance with the provisions of all applicable laws. There were generally delay in filing of returns; and*

With respect to delay in filings of E-forms with the Ministry of Corporate Affairs, the Company has paid the additional fee and complied with the requirements.

**We further report that** the compliance by the Company of applicable financial laws, like Direct and Indirect Tax Laws, and Labour Law Compliances have not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except the appointment of Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

We further report that adequate notice along with agenda was given seven days in advance to all directors to schedule the Board Meetings, and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there were **no other major events** during the year under review viz.:

(i) Public/Right/sweat equity shares, except:
Preferential Allotment of Twenty Lakh (20,00,000) Equity Shares of face value of Rs.10/- each to Mr. Deepak Balkrishna Lokare & Mrs. Savita Deepak Lokare, Partners of M/s. Sai Creations on March 29, 2017, pursuant to conversion of warrants;

(ii) Redemption / Buy-back of securities;

(iii) Merger / amalgamation / reconstruction; and

(iv) Foreign technical collaborations; or such other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having any bearing on the Company's affairs.

For **S. Anantha & Ved LLP,**
**Company Secretaries**

**Sd/-**
**Ved Prakash**
**Designated Partner**
**ACS: 36837**
**CP No.: 16986**

Note: This report should be read with letter of even date by the Secretarial Auditors.

**Place: Mumbai**
**Date: 14th August, 2017**

## Annexure

To
**The Members**
**Ventura Textiles Limited**
Unit No. 121, Midas, Sahar Plaza
J.B. Nagar, Andheri-Kurla Road, Andheri (East)
Mumbai – 400 059

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**
Company Secretaries

Sd/-
**Ved Prakash**
Designated Partner
Membership No.36837
CP No.: 16986

Place: Mumbai
Date: 14th August, 2017

## MANAGEMENT DISCUSSION & ANALYSIS

### INDUSTRY STRUCTURE:

The fluctuating cotton prices on the raw material front, the Cotton Textile Industry during the year under review faced several ups and downs.

The Government of Maharashtra continued to support the Textile Industry with incentives to promote Investments 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.

With E-commerce in place, off take of various Textile product in the retail sector is spreading among the middle class that will spur further growth.

### 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 business operations as per laid down policies and procedures.

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 deliberating policies benefiting both workers as well as the stakeholders of the Company in the proposed modernization plan of spinning.

### 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:**
Unit No. 121, Midas, Sahar Plaza, J. B. Nagar
Andheri (East), Mumbai – 400 059

**Date:** 14th August, 2017

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

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

# INDEPENDENT AUDITORS' REPORT

To the Members of
***VENTURA TEXTILES LIMITED***

**Report on the Financial Statements**

We have audited the accompanying financial statements of **VENTURA TEXTILES LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information..

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Emphasis of Matters**

In our opinion and the best of our information and according to the explanation given to us, there is no matter which may have an adverse effect on the functioning of the company.

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Audit Report) Order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure –A, a statement on the matters specified in Para 3 and 4 of the order.

As required by section 143(3) of the Act, we report that:

a) We have sought and 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 it appears from our examination of those books.

c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the Directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls, our financial reporting of the company and the operating effectiveness of such controls, the system of internal financial controls over financial reporting of the company was not made available to us to enable us to determine if the company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2017. We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the company, and the disclaimer does not affect our opinion on the financial statements of the company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor) Rules 2014, in our opinion and to our best of our information and according to the explanations given to us :

   i. The Company did not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.

   iii. There were no amounts which required to be transferred to Investor Education and Protection Fund by the Company.

For **S M KAPOOR & CO.**
Chartered Accountants

Sd/-
**(SHEKHAR GUPTA)**
PARTNER
Membership No. 15622
Firm Registration No. 104809W

**Place: Mumbai**
Date: 30-05-2017.

## (Annexure to Auditor's Report)

(i) 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) The Company has physically verified certain assets during the period in accordance with a programme 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 no material discrepancies were noticed on such verification. In our opinion fixed assets have been properly dealt with in the books off accounts.

(c) In our opinion and according to the information and explanations given to us in our opinion and according to the information and explanations given to us, the title deed of the immovable properties of the company are held in the name of the company.

(ii) In respect of its Inventories, in our opinion and according to the information and explanations given to us, the management at reasonable intervals has physically verified the inventory and no material discrepancies were noticed on physical verifications.

(iii) According to theA According to the information and explanations given to us, the Company has not granted loan to any party covered in register u/s. 2(76) hence, clause iii(a), (b) and (c) are not applicable.

(iv) In respect of loans investments and guarantees, In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) 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 73 to 76 or any other relevant provisions of the Companies Act, 2013.

According to information and explanation given to us, the maintenance of cost records has not been prescribed by the Central Government sub section (1) of section 148 of the Companies Act 2013.

(vii) 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 Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value added Tax, and other statutory dues with the appropriate authorities during the period except the dues detailed as under:

Professional Tax Rs. 1,96,670/- Panchayat Tax Rs. 6,46,905/-

(b) There are no disputed dues of Sales Tax, Income Tax, Customs Duty, , Service Tax, Excise Duty, Value Added Tax, and any other statutory dues with the appropriate authorities during the period.

(viii) In our opinion and according to the information and explanations given to us, since the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders, clause viii is not applicable.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of public issue/follow-on offer.

(x) 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 period.

(xi) In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.

(xii) Since the company is not a Nidhi Company, clause xii is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 and the relevant details have been disclosed in the financial statement etc. as required by the accounting standards and Companies Act, 2013.

(xiv) Company has made preferential allotment during the year under review and in our opinion the requirement of Section 42 of the Companies Act 2013 has been complied with and the amount raised have been used for the purpose for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, the non- cash transactions with directors or persons connected with them, in our opinion, provisions of Section 192 have been complied with.

For **S M KAPOOR & CO.**
Chartered Accountants

Sd/-
**(SHEKHAR GUPTA)**
PARTNER
Membership No. 15622
Firm Registration No. 104809W

**Place: Mumbai**
Date: 30-05-2017.

## BALANCE SHEET AS AT 31ST MARCH, 2017

(Amount in Rupees)

| Particulars | Note No. | As at 31st March, 2017 | | As at 31st March, 2016 | |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **Shareholders' Funds** | | | | | |
| Share Capital | 2 | **18,44,06,890** | | 16,44,06,890 | |
| Reserves and Surplus | 3 | **(17,84,65,920)** | | (16,32,08,332) | |
| | | | **59,40,970** | | **11,98,558** |
| **Non-Current Liabilities** | | | | | |
| Long-term borrowings | 4 | **-** | **-** | - | **-** |
| **Current Liabilities** | | | | | |
| Trade Payables | 5 | **72,12,604** | | 86,80,879 | |
| Other Current liabilities | 6 | **12,14,21,289** | | 10,89,29,815 | |
| | | | **12,86,33,893** | | **11,76,10,694** |
| **TOTAL** | | | **13,45,74,863** | | **11,88,09,252** |
| **ASSETS** | | | | | |
| **Non-Current assets** | | | | | |
| **Fixed Assets** | | | | | |
| Tangible assets | 7 | **6,64,33,189** | | 7,06,59,985 | |
| Capital Work in Progress | | **3,41,89,728** | | | |
| Long Term loans and advances | 8 | **1,57,90,152** | **11,64,13,069** | 1,00,69,999 | **8,07,29,984** |
| **Current Assets** | | | | | |
| Trade receivables | 9 | **24,47,726** | | 23,60,253 | |
| Cash and cash equivalents | 10 | **8,75,368** | | 1,88,515 | |
| Short-term loans and advances | 11 | **1,48,38,700** | | 3,55,30,500 | |
| | | | **1,81,61,794** | | **3,80,79,268** |
| **TOTAL** | | | **13,45,74,863** | | **11,88,09,252** |

**Significant Accounting Policies 1 to 33**
**Notes on Financial Statements**

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

Sd/-
**Shekhar Gupta**
(Partner)
**M.No.15622**
**Firm Registration No: 104809W**

Place : Mumbai
Date : 30th May,2017

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

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

Sd/-
**Abhijit Rao**
Whole-time Director & CFO
DIN:00189126

Sd/-
**Shyam R. Karmarkar**
Director
DIN: 01365616

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH,2017

(Amount in Rupees)

| Particulars | Note No. | From 01.04.2016 To 31.03.2017 | From 01.04.2015 To 31.03.2016 |
|---|---|---|---|
| **INCOME :** | | | |
| Revenue from operations | 12 | - | 5,06,000 |
| Other Income | 13 | 7,69,764 | 1,05,89,393 |
| **Total Revenue** | | 7,69,764 | 1,10,95,393 |
| **EXPENDITURE :** | | | |
| Cost of materials consumed | | - | 4,78,500 |
| Employee benefits expense | 14 | 17,10,520 | 10,60,624 |
| Finance Cost | 15 | 8,29,557 | 2,03,659 |
| Depreciation and amortization expense | 7 | 42,26,796 | 45,03,450 |
| Other expenses | 16 | 92,60,478 | 46,54,319 |
| **Total Expenses** | | 1,60,27,351 | 1,09,00,552 |
| Profit / (Loss) before tax and Exceptional Income | | (1,52,57,587) | 1,94,841 |
| Exceptional Income | | - | - |
| Tax expense : | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Profit / (Loss) for the Year | | (1,52,57,587) | 1,94,841 |
| Earnings per equity share of face value of Rs.10/- each | | | |
| Basic & Diluted before Exceptional Income | 30 | (0.83) | 0.01 |
| Basic & Diluted after Exceptional Income | | (0.83) | 0.01 |
| **Significant Accounting Policies** | 1 to 33 | | |
| **Notes on Financial Statements** | | | |

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

As per our Audit Report of even date

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

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

**Shekhar Gupta**
(Partner)
**M.No.15622**
**Firm Registration No: 104809W**

Place : Mumbai
Date : 30th May,2017

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

Sd/-
**Abhijit Rao**
Whole-time Director & CFO
DIN:00189126

**Sd/-**
**Shyam R. Karmarkar**
Director
DIN: 01365616

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rupees)

| | For the year ended 31.03.2017 | | For the year ended 31.03.2016 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES:** | | | | |
| **a. Net Profit / (Loss) before Tax & Extraordinary items** | | **(1,52,57,587)** | | 1,94,841 |
| Adjustments for : | | | | |
| Depreciation | 42,26,796 | | 45,03,450 | |
| Depreciation adjusted of earlier years | - | | - | |
| Interest Expense | 8,29,557 | | 2,03,659 | |
| Profit / (Loss) on sale of fixed assets | - | | 1,05,89,393 | |
| Interest Income | 7,69,764 | | - | |
| | - | 58,26,117 | - | 1,52,96,501 |
| **b. Operating profit before working capital changes** | | (94,31,470) | | 1,54,91,343 |
| Adjustments for : | | | | |
| Increase/(Decrease) in trade and other receivables | 1,48,84,175 | | 2,70,85,523 | |
| Increase / (Decrease ) in Equity | 2,00,00,000 | | - | |
| Increase / (Decrease) in Inventories | - | | - | |
| Increase / (Decrease) in trade payables and other liabilities | 1,10,23,198 | 4,59,07,373 | 7,54,78,608 | 10,25,64,131 |
| **c. Cash generated from operations** | | 3,64,75,903 | | 11,80,55,474 |
| Interest Income | (7,69,764) | | - | |
| Direct Taxes paid (provision) | - | (7,69,764) | - | - |
| **d. Cash flow before Extraordinary items** | | 3,57,06,139 | | 11,80,55,474 |
| Extraordinary items - Prior period adjustments | | - | | |
| **Net Cash from Operating Activities A** | | **3,57,06,139** | | **11,80,55,474** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES:** | | | | |
| Capital work in Progres | 3,41,89,728 | | 3,41,89,728 | |
| Sale / Adjustments of Fixed Assets | | | (81,93,787) | |
| **Net Cash used in Investing Activities B** | | **-** | | **(81,93,787)** |
| **C. CASH FLOW FROM FINANCIAL ACTIVITIES:** | | | | |
| Proceeds from long term borrowings | | - | | (14,10,00,000) |
| Interest Paid | (8,29,557) | | (2,03,659) | |
| **Net Cash used in Financing Activities C** | | **(8,29,557)** | | 14,12,03,659 |
| **D. Net Increase in Cash and Cash Equivalents A + B + C** | | 6,86,854 | | (3,13,41,972) |
| Cash and Cash Equivalents as at 1st April, 2016 | 1,88,514 | | 3,15,30,486 | |
| Cash and Cash Equivalents as at 31st March, 2017 | 8,75,368 | | 1,88,514 | |
| **Net Increase in Cash and Cash Equivalents** | | **6,86,854** | | (3,13,41,972) |

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

**Shekhar Gupta**
(Partner)
**M.No.15622**
**Firm Registration No: 104809W**

Place : Mumbai
Date : 30th May,2017

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

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

Sd/-
**Abhijit Rao**
Whole-time Director & CFO
DIN:00189126

**Sd/-**
**Shyam R. Karmarkar**
Director
DIN: 01365616

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, 2013.

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 on Fixed Assets is provided on Straight Line Method based on useful life of the assets as prescribed in Section II of Companies Act, 2013.

The difference between the depreciation charged as per the earlier method and the depreciation should have been charged by using useful life method as per Schedule II of the Companies Act 2013 is charged to the retained earning.

**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/prevailing rates of exchange at the yearend and the resultant gains/losses are adjusted to the cost of assets.

**H. 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) Purchases are net of sales tax set off and freight inward but include cenvat wherever applicable.

**I.** 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, 2017 is NIL.

**J. Provision for Taxation :**

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

**K. Excise Duty:**

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

**L. 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.

**M. 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.

**N. 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.

## NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017

| Note No. | As at 31st March, 2017 Rs. | Rs. | As at 31st March, 2016 Rs. | Rs. |
|---|---|---|---|---|
| **2 SHARE CAPITAL** | | | | |
| **Authorised** | | | | |
| 4,00,00,000 Equity Shares of Rs. 10/- each | 40,00,00,000 | | 40,00,00,000 | |
| (Previous Year 40000000 Equity shares of Re.10/- each) | | | | |
| 10,00,000 Preference Shares of Rs.100/- each | 10,00,00,000 | | 10,00,00,000 | |
| (Previous Year 1000000 Preference Shares of Rs.100/- each) | | 50,00,00,000 | | 50,00,00,000 |
| **Issued, Subscribed and Paid-up** | | | | |
| **Subscribed but not fully paid up** | | | | |
| 164,53,289 Equity Shares of Rs. 10/- each | 16,45,32,890 | | 16,45,32,890 | |
| (Previous Year 164,53,289 Equity shares of Re.10/- each) | | | | |
| Less : Call Money Receivable | | | | |
| (Receivable from Directors Nil) | 1,26,000 | | 1,26,000 | |
| | | 16,44,06,890 | | 16,44,06,890 |
| | | 16,44,06,890 | | 16,44,06,890 |
| | | - | | - |
| Add: Capital Issued during the year | | 2,00,00,000 | | - |
| TOTAL | | 18,44,06,890 | | 16,44,06,890 |

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

| Note No. Name of the Shareholder | As At 31.03.2017 No. of Shares | Amount | As At 31.03.2016 No. of Shares | Amount |
|---|---|---|---|---|
| Balance at the beginning | 1,64,53,289 | 16,45,32,890 | 1,64,53,289 | 16,45,32,890 |
| Add: Shares issued during the period | 20,00,000 | 2,00,00,000 | - | - |
| **Balance at the end of the Period / Year** | 1,84,53,289 | 18,45,32,890 | 1,64,53,289 | 16,45,32,890 |

2 .2 The details of Shareholders holding more than 5% Shares :

| Note No. Name of the Shareholder | As At 31.03.2017 No. of Shares | % held | As At 31.03.2016 No. of Shares | % held |
|---|---|---|---|---|
| Penny Securities & Investments Pvt Ltd | 76,86,858 | 41.66 | 76,86,858 | 46.76 |
| Indo Gulf Financials Ltd | 32,85,000 | 17.80 | 32,85,000 | 19.98 |
| Ventura Texports Pv Ltd | 11,31,915 | 6.13 | 11,31,915 | 6.88 |
| JM Financial Asset Reconstruction Company Pvt. Ltd. | 9,87,325 | 5.35 | 9,87,325 | 6.01 |
| Rita J Bhuta | 20,00,000 | 10.84 | 20,00,000 | 12.16 |
| Deepak Balkrishna Lokare | 20,00,000 | 10.84 | - | - |

## NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017

| Note No. | As at 31st March, 2017 Rs. | Rs. | As at 31st March, 2016 Rs. | Rs. |
|---|---|---|---|---|
| **3 RESERVES AND SURPLUS** | | | | |
| **Securities Premium Reserves** | | | | |
| As per last Balance Sheet | | 1,48,13,783 | | 1,48,13,783 |
| Less : Share Premium Receivable (Receivable from Directors Nil) | | 1,58,600 | | 1,58,600 |
| | | 1,46,55,183 | | 1,46,55,183 |
| **Subsidy** | | | | |
| As per last Balance Sheet | | 20,00,000 | | 20,00,000 |
| **Surplus (Profit & Loss Account)** | | | | |
| As per last Balance Sheet | | (17,98,63,515) | | (18,00,58,356) |
| Add: Profit / (Loss) of the year | | (1,52,57,587) | | 1,94,841 |
| Less : Depreciation of earlier years | | - | | - |
| | | (19,51,21,1032 | | (17,98,63,515) |
| TOTAL | | (17,84,65,920) | | (16,32,08,332) |
| **4 LONG TERM BORROWINGS** | | | | |
| **Secured** | | | | |
| Term Loan | | - | | - |
| TOTAL | | - | | - |
| **5 TRADE PAYABLES** | | | | |
| Micro, Small and Medium Enterprises | | - | | - |
| Others | | 72,12,604 | | 86,80,879 |
| | | 72,12,604 | | 86,80,879 |

**5.1** 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

| | | | | |
|---|---|---|---|---|
| **6 OTHER CURRENT LIABILITIES** | | | | |
| Interest Accrued and Due | | - | | - |
| Other Liabilities | | 12,05,71,670 | | 10,68,28,821 |
| Duties & Taxes | | 8,49,619 | | 21,00,994 |
| | | 12,14,21,289 | | 10,89,29,815 |

# NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017

## Note 7

## FIXED ASSETS

(Amount in Rs.)

| Particulars of Assets | GROSS BLOCK | | | | DEPRECIATION | | | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.04.2016 | Additions/ Adjustments during the year | Sales / Transfer during the year | As at 31.03.2017 | Depn Rate % | Upto 31.03.2016 | Depreciation for the Earlier years (Excess)/Shortage (*) | For the Year | Sales / Adjustments | Upto 31.03.2017 | As at 31.03.2017 | As at 31.03.2016 |
| Freehold Land | 13,77,274 | | - | **13,77,274** | **-** | - | - | - | - | **-** | **13,77,274** | 13,77,274 |
| Buildings | 11,04,24,084 | | - | **11,04,24,084** | **3.17** | 5,71,59,578 | - | 30,11,245 | - | **6,01,70,823** | **5,02,53,261** | 5,32,64,506 |
| Plant & Machinery | 23,09,71,722 | | - | **23,09,71,722** | **6.33** | 21,62,45,122 | - | 12,15,551 | - | **21,74,60,673** | **1,35,11,049** | 1,47,26,600 |
| Furniture & Fixtures | 24,00,008 | | - | **24,00,008** | **9.50** | 22,80,008 | - | - | - | **22,80,008** | **1,20,000** | 1,20,000 |
| Office Equipments | 16,80,665 | | - | **16,80,665** | **19.00** | 15,96,632 | - | - | - | **15,96,632** | **84,033** | 84,033 |
| Electrical Installation | 2,05,87,676 | | - | **2,05,87,676** | **9.50** | 1,95,58,292 | - | - | - | **1,95,58,292** | **10,29,384** | 10,29,384 |
| Computers | 11,66,095 | | - | **11,66,095** | **31.67** | 11,07,907 | - | - | - | **11,07,907** | **58,188** | 58,188 |
| **Current Year's Total** | **36,86,07,524** | - | **-** | **36,86,07,524** | | **29,79,47,539** | **-** | **42,26,796** | **-** | **30,21,74,335** | **6,64,33,189** | **7,06,59,985** |
| **Previous Year's Total** | 44,11,19,730 | - | 7,25,12,206 | 36,86,07,524 | | 36,35,60,688 | - | 45,03,450 | 7,01,16,599 | 29,79,47,539 | 7,06,59,985 | 7,75,59,042 |

| | | |
|---|---|---|
| Capital Work in Progress | **3,41,89,728** | **3,41,89,728** |

## NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2017

| Note No. | | As at 31st March, 2017 Rs. | As at 31st March, 2016 Rs. |
|---|---|---|---|
| 8 | LONG TERM LOANS AND ADVANCES | | |
| | Others | 1,13,43,573 | 76,39,551 |
| | Deposits | 44,46,579 | 24,30,448 |
| | | 1,57,90,152 | 1,00,69,999 |

**8.1** Other loans and advances include amounts of Cenvat, TDS and Interest receivables.

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

| | | | |
|---|---|---|---|
| 9 | TRADE RECEIVABLES | | |
| | (Unsecured Considered Good) | | |
| | Over Six Months | 24,47,726 | 23,60,253 |
| | Other Debts | - | - |
| | TOTAL | 24,47,726 | 23,60,253 |

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

| | | | |
|---|---|---|---|
| 10 | CASH AND CASH EQUIVALENTS | | |
| | Balances with Schedule Banks in | | |
| | Current Account | 8,32,856 | 1,16,589 |
| | Cash on Hand | 42,512 | 71,926 |
| | TOTAL | 8,75,368 | 1,88,515 |

| | | | |
|---|---|---|---|
| 11 | SHORT TERM LOANS AND ADVANCES | | |
| | (Unsecured, Considered Good) | | |
| | Loans and Advances to Related Parties | - | - |
| | Others | 1,48,38,700 | 3,55,30,500 |
| | | 1,48,38,700 | 3,55,30,500 |

11.1 The above include an advance of Rs.1,21,00,000/- towards building refurbishment / renovation works and Rs.27,38,700/- towards sale of machinery.

## NOTES FORMING PART OF THE PROFIT AND LOSS STATEMENTS AS AT 31ST MARCH, 2017

| Note No. | | From 01.04.2016 To 31.03.2017 | | | From 01.04.2015 To 31.03.2016 |
|---|---|---|---|---|---|
| | | | Rs. | | Rs. |
| 12 | **REVENUE FROM OPERATION** | | | | |
| | Sales - Local | | - | | 5,06,000 |
| | **TOTAL** | | - | | 5,06,000 |
| 13 | **OTHER INCOME** | | | | |
| | Profit on Sale of Machinery | | - | | 54,82,421 |
| | Profit on Sale of Land | | - | | 51,06,972 |
| | Interest Income | | 7,69,764 | | - |
| | **TOTAL** | | 7,69,764 | | 1,05,89,393 |
| 14 | **EMPLOYEE BENEFITS EXPENSE** | | | | |
| | Salaries, Wages, Compensation & Bonus | | 15,76,174 | | 9,88,260 |
| | Workmen and Staff Welfare | | 1,34,346 | | 72,364 |
| | **TOTAL** | | 17,10,520 | | 10,60,624 |
| 15 | **FINANCE COST** | | | | |
| | **Interest** | | | | |
| | Interest on Others | | 8,02,921 | | 1,68,833 |
| | Term Loan from Bank/Institutions | | - | | - |
| | | | 8,02,921 | | 1,68,833 |
| | **Finance Charges** | | | | |
| | Bank Charges | 26,636 | | 34,826 | |
| | | | 26,636 | | 34,826 |
| | **TOTAL** | | 8,29,557 | | 2,03,659 |
| 16 | **OTHER EXPENSES** | | | | |
| | **Manufacturing & Operating Expenses** | | | | |
| | Power, Fuel and Water Charges | 3,02,887 | | 2,50,858 | |
| | Insurance | 2,18,146 | 5,21,033 | 67,113 | 3,17,971 |
| | **Administrative Expenses** | | | | |
| | Travelling & Conveyance | 1,58,829 | | 3,05,272 | |
| | Motor Car Expenses | 10,11,695 | | 5,11,105 | |
| | Postage and Telephone | 2,38,318 | | 76,043 | |
| | Directors' Remuneration | 18,18,125 | | - | |
| | House Rent Allowance | 11,25,000 | | - | |
| | Legal & Professional Charges | 6,93,554 | | 7,97,582 | |
| | Printing & Stationery | 89,469 | | 39,725 | |
| | Rent, Rates & Taxes | 12,18,721 | | 19,54,696 | |
| | Payment to Auditors | 1,15,000 | | 1,14,000 | |
| | Miscellaneous Expenses | 16,98,553 | | 4,25,548 | |
| | Annual Fees | 5,72,181 | 87,39,445 | 1,12,377 | 43,36,348 |
| | **TOTAL** | | 92,60,478 | | 46,54,319 |

17. Contingent Liability: For the Current Period is Nil (Previous Year Nil).

18. The Company has accumulated losses amounting to Rs.17,84,57,599/- , which is more than 50% of its Net Worth, which may adversely affect the future operation of the Company.

19. Estimated amount of Contracts remaining to be executed on Capital account and not provided for Rs. NIL (Previous Year Rs. NIL).

20. 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.

21. 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.

22. In view of the losses, Managing Director has foregone the salary and therefore, no provision has been made in the current year.

23. **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.

24. **Provision for Tax:**

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

25. **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.

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

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

**27. Auditors' Remuneration:**

| | | Current Year Rs. | Previous Year Rs. |
|---|---|---|---|
| a) | Audit Fees | 1,15,000 | 1,14,000 |
| b) | Tax Audit | | |
| c) | Certification, Taxation & Others | – | – |
| | **Total** | **1,15,000** | **1,14,000** |

**28. Managerial Remuneration :**

| | | Current Year Rs. | Previous Year Rs. |
|---|---|---|---|
| a) | Salary | 18,18,125 | 60,000 |
| b) | Perquisites | – | 4,40,000 |
| c) | Contribution to P.F. and Other Funds | – | – |
| | **Total** | – | – |

**29.** 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 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 |

(Rs. in lakhs)

| B. Transactions with related parties | Associate | | Key Management Personnel -1 | | Key Management Personnel –2 | |
|---|---|---|---|---|---|---|
| **Loans** | Nil | (Nil) | Nil | (Nil) | Nil | (Nil) |
| **Income :** | | | | | | |
| Sale of Goods | Nil | (Nil) | Nil | (Nil) | Nil | (Nil) |
| **Expenses :** | | | | | | |
| Purchase of Goods | Nil | (Nil) | Nil | (Nil) | Nil | (Nil) |
| Rent | Nil | (Nil) | Nil | (Nil) | 11.25 | (4.40) |
| Remuneration Paid | Nil | (Nil) | 12.18 | (Nil) | 6.00 | (0.60) |
| **Sundry Debtors :** | | | | | | |
| Balance as on 31st March | Nil | (Nil) | Nil | (Nil) | Nil | (Nil) |
| **Sundry Creditors :** | | | | | | |
| Balance as on 31st March | Nil | (Nil) | Nil | (Nil) | Nil | (Nil) |
| **Loans and Advances :** | | | | | | |
| Balance as on 31st March | Nil | (30.95) | Nil | (Nil) | Nil | (Nil) |

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

30. **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 | **(Rs.15,257,587)** | **Rs.1,94,841** |
| Add: Extraordinary items | — | — |
| Profit / (Loss) after exceptional/extra-ordinary items | **(Rs.15,257,587)** | **Rs.1,94,841** |
| **Weighted Average number of Equity Shares** | **184,40,689** | **164,40,689** |
| Nominal value of Equity Shares | **Re. 10/- each** | **Re. 10/- each** |
| Basic and Diluted Earning per Equity Share before Exceptional / Extra-ordinary item (Annualized) | **(Rs. 0.83)** | **Rs. 0.01** |
| Basic and Diluted Earning per Equity Share after Exceptional / extra-ordinary item (Annualized) | **(Rs. 0.83)** | **Rs. 0.01** |

31. DISCLOSURE FOR SPECIFIED BANK NOTES:

**Amt. in Rupees**

| | **Specified Bank Notes** | **Other Denomination** | **Total** |
|---|---|---|---|
| | **(Rs.1,000/- and Rs. 500/-)** | **Notes** | |
| Closing Cash in hand as on 8th November, 2016 | 235,000 | 35,339 | 270,339 |
| (+) Permitted receipts | - | 169,000 | 169,000 |
| (-) Permitted Payments | - | (117,994) | (117,994) |
| (-) Amount deposited in Banks | (235,000) | - | (235,000) |
| Closing Cash in hand as on 30th December, 2016 | - | 86,345 | 86,345 |

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

**33.** Note 1 to 32 forms an integral part of the accounts and have been duly authenticated.

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

Sd/-
**Shekhar Gupta**
(Partner)
M.No.15622
Firm Registration No: 104809W

Place : Mumbai
Date : 30th May, 2017

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

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

Sd/-
**Abhijit Rao**
Whole-time Director & CFO
DIN:00189126

Sd/-
**Shyam R. Karmarkar**
Director
DIN: 01365616

ATTENDANCE SLIP

## VENTURA TEXTILES LIMITED

CIN: L21091MH1970PLC014865

**Regd. Office:** Unit No. 121, Midas, Sahar Plaza, J. B. Nagar, Andheri - Kurla Road, 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 47th Annual General Meeting of Ventura Textiles Limited of the Company held on Saturday, the 23rd Day of September, 2017 at 10.00 a.m. at Unit No. 121, MIDAS, Sahar Plaza, J. B. Nagar, Andheri Kurla Road, Andheri (East), Mumbai – 400 059.

*Applicable for investors holding shares in electronic form.

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FORM NO.MGT-11

PROXY FORM

## VENTURA TEXTILES LIMITED

CIN: L21091MH1970PLC014865

**Regd. Office:** Unit No.121, Midas, Sahar Plaza, J. B. Nagar, Andheri - Kurla Road, 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 47th Annual General Meeting of Ventura Textiles Limited will be held on Saturday, the 23rd September, 2017 at 10.00 a.m. at Unit No. 121, MIDAS, Sahar Plaza, J. B. Nagar, Andheri Kurla Road, 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:

| Particulars | For | Against |
|---|---|---|
| 1. Adoption of the Audited Financial Statements of the Company for the financial year ended March 31, 2017 along with the reports of the Board of Directors and the Auditors thereon. | | |
| 2. Appointment of Director in place of Mr. Abhijit Rao Penugonda (DIN: 00189126), who retires by rotation and being eligible, offers himself for re-appointment. | | |
| 3. Appointment of M/s Govind Prasad & Co., Chartered Accountants, (Firm Registration No.: 114360W) as the Statutory Auditors to hold the office for a period of five years commencing from the conclusion of this Annual General Meeting (AGM) and to fix their remuneration. | | |
| 4. Alteration of Main Object Clause in the Memorandum of Association of the Company. | | |
| 5. Amendments to Clause III (B) and Clause III (C) of the Memorandum of Association of the Company. | | |
| 6. Alteration of Articles of Association of the Company. | | |

*Applicable for investors holding shares in electronic form.
** This is optional

Signed this _____ day of _____, 2017

Affix
One Rupee
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.***

# Route Map for AGM

PRINTED MATTER

To,

*If undelivered, please return to:*

**VENTURA TEXTILES LIMITED**

**Regd. Office :**

Unit No 121, Midas, Sahar Plaza, J. B. Nagar, Andheri (East),

Mumbai - 400 059.