



**16<sup>TH</sup> ANNUAL REPORT**  
**1999 - 2000**

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**VENLON POLYESTER FILM LIMITED**

**VENLON POLYESTER FILM LIMITED****16<sup>TH</sup> ANNUAL GENERAL MEETING**

**Date** : 19th September 2000  
**Day** : Tuesday  
**Time** : 4.30 p.m.  
**Venue** : **Hotel Dasaprakash Paradise**  
 Yadavagiri, MYSORE - 570 020

**Board of Directors**

Chand D.Datwani - Chairman & Managing Director  
 Ashok Parashar - Executive Director  
 Saroj C. Datwani - Executive Director  
 A.V. Jain - Executive Director  
 K.V. Chitalia  
 Philipose Mathai - KSIIDC Nominee

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**Auditors** - Rau & Nathan

**Bankers** - Canara Bank

**Registrar and Transfer Agents**

M/s. Computech Sharecap Limited  
 147, M.G. Road, 3rd Floor  
 Opp. Jehangir Art Gallery  
 Fort, Mumbai - 400 023.

**Registered Office**

Plot No. 26(P)  
 Belavadi Industrial Area,  
 Hunsur Road,  
 Mysore - 571 186  
 KARNATAKA



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of VENLON POLYESTER FILM LIMITED will be held on Tuesday, the 19th day of September 2000 at 4.30 P.M. at Hotel Dasaprakash Paradise, Yadavagiri, Mysore-570 020 to transact the following business:

### ORDINARY BUSINESS:

01. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2000, audited profit and loss account for the year ended as on that date and reports of the Board of Directors and Auditors thereon.
02. To appoint a Director in place of Mr.Chand D. Datwani, who retires by rotation and being eligible, offers himself for reappointment.
03. To appoint a Director in place of Mr. Ashok Parashar , who retires by rotation and being eligible, offers himself for reappointment.
04. To appoint Statutory Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
05. To appoint Branch Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**By Order of the Board of Directors**

**CHAND D. DATWANI**

Chairman and Managing Director

Registered Office:

Plot No.26(P)

Belavadi Industrial Area,

Hunsur Road, Mysore - 571186.

**Date: 15th July, 2000**

### NOTES:

01. A member entitled to attend and vote in the above meeting is entitled to appoint one or more proxies to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
02. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from Monday, 4th September, 2000 till Tuesday, 19th September, 2000 (both the days inclusive).
03. Register of Members and index of Members are kept at the office of M/s Computech Sharecap Ltd., Registrars and Share Transfer Agents situated at 147, 3rd Floor, M.G. Road, Fort, Mumbai 400 023. Members are requested to notify change in address, if any, immediately to the Registrars and Share Transfer Agents at their above office, quoting folio number.
04. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 10 a.m. and 1.00 p.m. on all working days upto the day of the Annual General Meeting.
05. Share holders desiring any information as regards Accounts are requested to write to the Registered Office at an early date so as to enable the Management to keep the information ready.
06. Members/Proxies, should bring the Attendance Slip sent herewith duly filled in for attending the meeting and hand it over at the entrance of the hall.

Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

**By Order of the Board of Directors**

**CHAND D.DATWANI**

Chairman and Managing Director

Registered Office:

Plot No.26(P)

Belavadi Industrial Area,

Hunsur Road, Mysore - 571186.

**Date: 15th July, 2000**

## VENLON POLYESTER FILM LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16th Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March, 2000.

FINANCIAL RESULTS (Rs. In Lacs)

	Current Year 31.03.2000	Previous Year 31.03.1999
Net Sales	6421.49	4417.22
Profit before interest & financial charges & depreciation	824.84	509.10
Interest & financial charges	612.26	390.76
Profit before depreciation	212.58	118.34
Depreciation	141.87	106.90
Net Profit	70.71	11.44
Provision for taxation	8.17	1.18
Profit after tax	62.54	10.26

#### DIVIDEND

To conserve the financial resources, the Directors have thought it fit not to recommend any dividend for the year.

#### PROFITABILITY:

During the year under review, the Company's performance is satisfactory. The Company earned a moderate profit of Rs. 70.71 lacs. The market is expected to further stabilize during the next financial year.

#### FINANCE AND TAXATION

Appropriate higher working capital limits are sanctioned by bankers to meet increased working capital requirements. The Company was sanctioned Rs. 210 lacs Term Loan and Rs. 300 lacs Equipment Finance Loan from KSIIDC for the Formaldehyde project.

Income tax assessments upto assessment year 1998-99 has been completed.

#### CURRENT OPERATIONS

The current year operations continue to be stable and satisfactory.

#### FUTURE PLANS

The Company is in the process of setting up a state of the art technology formaldehyde plant with production capacity of 15500 tpa. The plant is designed to produce formaldehyde at high efficiency levels. Adequate loans are sanctioned by Karnataka State Industrial Investment and Development Corporation Ltd. Installation of the plant is expected in the financial year 2000-2001. Installation of Coating Plant is expected in the financial year 2001-2002.

#### INSURANCE

The Company has adequately insured all its movable and immovable assets.

#### FIXED DEPOSITS

During the year under review, the Company has not accepted any Fixed Deposits from the Public.

#### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in the annexure forming part of this Report.

#### INDUSTRIAL RELATIONS

Your Directors are pleased to record the appreciation and sense of commitment shown by our employees at all levels and acknowledge their contribution towards sustained progress of the Company. The relations between Management and Employees are as always balanced and good.



## DIRECTORS

In order to comply with the provisions of Section 256 of the Companies Act, 1956, Mr. Ashok Parashar, Director, retires by rotation and is eligible for reappointment. Mr. Chand D.Datwani, being the other Director longest in office, retires by rotation and is eligible for reappointment.

## UNCLAIMED DIVIDEND

Consequent to the amendment of Sub section (5) of Section 205A of the Companies Act 1956, with effect from 31.10.1998 monies transferred to unpaid dividend account remaining unpaid or unclaimed relating to financial year 1995-96, 1996-97 and 1997-98 are remaining in the said account and will be transferred to Investor Education and Protection Fund upon completion of seven years from the date of their respective transfer viz., 14.09.96, 13.09.97 and 26.09.98.

## LISTING AGREEMENT WITH STOCK EXCHANGES

The Voluntary Delistment application made to the Stock Exchange, Ahmedabad was approved by them on May 8th, 2000 and accordingly the Company's equity shares stands delisted with effect from the said date. Listing agreement with Bangalore Stock Exchange Ltd, Bangalore and the Stock Exchange, Mumbai continue to be listed and the Company has been regular in paying requisite fees to them.

## COMPANY SECRETARY

The Company is trying to appoint a Qualified Company Secretary but is unable to locate a suitable candidate. Every effort is being taken in this regard.

## AUDITORS

M/s Rau & Nathan, Chartered Accountants, Statutory Auditors and K.B. Sangrajka & Co., Chartered Accountants, Branch auditors retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

## PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT.1956

The particulars are furnished in Annexure E and forms part of Director's Report.

## ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation of the services rendered by Canara Bank and Financial Institutions. Your Directors wish to place on record the valued support & cooperation of Shareholders, Customers & Suppliers of the Company.

Mysore  
15th July, 2000

For and on behalf of the Board of Directors  
**CHAND D.DATWANI**  
Chairman and Managing Director

## ANNEXURE "A" TO DIRECTORS' REPORT

Disclosure of Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo as required under Companies (Disclosure of Particulars in the Board of Directors' Report Rules, 1988).

### A. CONSERVATION OF ENERGY

The entire power requirement of the Plant is being met by Captive Power Generation.

Total Energy consumption and Consumption of Energy per unit of production is given in the prescribed Form A annexed to this Report.

The energy consumption per unit of production of Polyester Film has reduced compared to the previous year.

### B. TECHNOLOGY ABSORPTION

- (i) Extensive Research and Development activity have enabled the Company to further improve the Polyester Film and PET Chips quality conforming to International specifications.
- (ii) A team comprising of Engineers & Other technical personnel of the Company were successful in modifying, in house, the OHP Cutting Machinery of the Company, as a result of which the sheets

## VENLON POLYESTER FILM LIMITED

emerging out of the said machinery possesses the required quality and shape and satisfies other requisite parameters, without any further operations. This has also resulted in reduction of cost.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings : Rs. 22.08 lacs  
Foreign exchange outgo : Rs. 341.98 lacs

### Form A (See Rule 2)

Form of Disclosure of Particulars with respect to Conservation of Energy

	Current Year 1999-2000	Previous Year 1998-99
A. Power purchased from		
Electricity Board	NIL	NIL
Total Cost	NIL	NIL
Cost per KWH(Rs.)	N.A.	N.A
B. Captive power generation by Gensets	91.36	90.08
(Unit KWH Lacs)		
Total Cost (Rs. Lacs)	322.43	260.78
Cost per KWH ( Rs.)	3.60	2.89
C. Furnace Oil Consumed (MT)	24.17	22.97
Cost of furnace oil consumed (Rs. Lacs)	189.43	140.21
D. Power consumed per Kg of:		
i. Polyester Film	2.05	2.16
ii. Pet Chips	0.32	0.31
iii. Metalised Film	0.72	

### Annexure "B" to Directors' Report

Particulars of Employees under Section 217(2A) read with Companies (particulars of employees Rules), 1975, as amended

Name	Designation	Remuneration (Rs. Lacs)	Qualifi- cation	Experi- ence (Years)	Date of Commence- ment	Age (Years)	Last employment held
Chand D. Datwani	Chairman & MD	11.76	B.Com	31	24.10.1983	48	Not applicable
Saroj C.Datwani	Executive Director	6.72	Masters in Psychology	23	05.08.1996	46	Not applicable
Ashok Parashar	Executive Director	10.08	M.B.A.	28	05.08.1996	49	Air India
A.V. Jain	Executive Director	10.08	B.A.,LLB	33	20.01.1997	53	Not applicable

Mysore  
15th July, 2000

For and on behalf of the Board of Directors  
**CHAND D.DATWANI**  
Chairman and Managing Director



## Auditors' Report

*To the members of Venlon Polyester Film Limited*

We have audited the attached Balance Sheet of **VENLON POLYESTER FILM LIMITED** as at 31<sup>st</sup> March, 2000 and the Profit and Loss Account of the Company for the year ended on that date, annexed thereto and report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
- c. The Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account.
- d. In our opinion the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred in sub-section(3C) of Section 211 of the Companies Act, 1956.
- e. We have received the Auditors Report from Branch Auditors and have dealt with the same in our report.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - i. in the case of Balance Sheet, of the state of the affairs of the Company as at 31<sup>st</sup> March, 2000 and
  - ii. in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. As explained to us, the assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
2. None of the Fixed Assets have been revalued during the year.
3. The Stock of finished goods, stores, spare parts and raw materials of the Company at all its locations have been physically verified by the Management at reasonable intervals.
4. The procedure of physical verification of stocks followed by the Management is reasonable and adequate in relation to the size of the Company and nature of its business.