



21ST ANNUAL REPORT
2004 - 2005

VENLON ENTERPRISES LIMITED

(Formerly known as Venlon Polyester Film Limited)

VENLON ENTERPRISES LIMITED (Formerly known as Venlon Polyester Film Limited)**21st ANNUAL GENERAL MEETING**

Date : 30th September, 2005
 Day : Friday
 Time : 4.30 pm
 Venue : Hotel Dasaprakash Paradise
 Yadavagiri, MYSORE - 570 020

Board of Directors

Chand D. Datwani - Chairman & Managing Director
Ashok Parashar - Director
Saroj C. Datwani - Director
A. V. Jain - Director (upto 31.3.05)
K. V. Chitalia - Director
B.N.S. Rangachar - Director
S.V. Jain - Director (from 31.3.05)

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Auditors - Rau & Nathan

Bankers - State Bank of India
 - Corporation Bank

Attendance Slip / Proxy Form

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

Registered Office
 Plot. No. 26(P)
 Belavadi Industrial Area
 Hunsur Road
 Mysore - 570 018
 KARNATAKA



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on FRIDAY the 30th day of September, 2005 at 4.30 PM at Hotel Dasaprakash Paradise, Yadavagiri, Mysore-570 020 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005, audited Profit and Loss account for the year ended as on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Chand Datwani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri. B.N.S. Rangachar who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

RESOLVED that Shri S.V. Jain be and is hereby appointed as a Director liable for retirement by rotation.

6. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

RESOLVED that pursuant to the provisions of Section 269 and Schedule XIII of the Companies Act, 1956 consent be and is hereby accorded for the appointment of Shri Ashok Parashar as a Whole Time Director for a period of Five years from 5th August 2006 on the following terms:

VENLON ENTERPRISES LIMITED

A) Remuneration of Rs. 75,000/- per month.

B) Perquisites:

- a) Contribution to Provident Fund and
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.

Registered Office:

Plot No. 26(P)

Belavadi Industrial Area,

Hunsur Road, Mysore - 570 018.

Date 31st May 2005

By Order of the Board

CHAND D. DATWANI

Chairman



NOTES:

1. 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.
2. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 23/09/2005 to 30/09/2005 (both the days inclusive).
3. Members are requested to notify change in address, if any, immediately to M/s Computech Sharecap Ltd., Registrars and Share Transfer Agents situated at 147, 3rd Floor, M.G.Road, Fort, Mumbai - 400 023, quoting folio number / demat particulars.
4. 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.
5. Shareholders 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.
6. 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.
7. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
8. Provision of Section 192A of the Companies Act, 1956 will be complied as and where applicable.
9. The related explanatory statement pursuant to Section 173 (2) of the Companies Act 1956 is annexed hereto.

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Date 31st May 2005

By Order of the Board

CHAND D.DATWANI
Chairman

VENLON ENTERPRISES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 5

Shri S.V.Jain had been co-opted as an additional Director u/s 260 of the Companies Act, 1956. It is proposed to appoint him as a Director liable for retirement by rotation.

None of the other Director is interested in the Resolution.

Item No. 6

Shri Ashok Parashar completes his five year term on 04/08/2006. Consent of shareholders is sought for extension of his term of office for a further period of five years.

None of the other Director is interested in the Resolution.



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Date 31st May 2005

By Order of the Board

CHAND D.DATWANI
Chairman



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 21st Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March, 2005.

FINANCIAL RESULTS (Rs. In Lacs)

	Current Year 31.03.2004	Previous Year
31.03.2005		
Net Sales	7786.02	7617.04
Profit before interest & financial charges & depreciation	501.70	594.65
Interest & financial charges	247.32	258.27
Profit before depreciation	254.38	336.38
Depreciation	229.34	158.33
Net Profit	25.04	178.05
Provision for Current Tax	1.95	13.68
Provision for Deferred Tax	7.17	50.14
Profit after Tax	15.92	114.23

NAME OF THE COMPANY

Keeping in view of diversified business activity of the company, the name of the company has been changed to VENLON ENTERPRISES LIMITED.

DIVIDEND:

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

SUB-DIVISION IN THE FACE VALUE OF SHARES

During the year, the company with the necessary approvals sub-divided the face value of equity shares from Rs. 10/- each to Rs. 5/- each. The share holders in their meeting held on 30th September 2004 had fixed the record date as 3rd November 2004 for the purpose.

ISSUE OF BONUS SHARES:

Based on the recommendations of the Board, the Shareholders approved issue of Bonus shares at their meeting held on 30th September 2004 in the ratio of 8 equity shares of Rs 5 each for every 10 equity shares and had fixed the record date as 3rd November 2004 for the purpose.

The issue of Bonus shares per SEBI guidelines was completed on 15th December 2004 being the date fixed by the said regulatory authority.

VENLON ENTERPRISES LIMITED

PROFITABILITY:

The fall in Net profit before tax during the year is attributed mainly due to steep increase in raw material and additional depreciation provided in respect of 3 MW Windmill and 1.9 MW Power Plant implemented during the last phase of financial year 2003-04.

FINANCE AND TAXATION:

During the year the company has negotiated with State Bank of India to finance its working capital needs under multiple banking arrangements alongwith Corporation Bank. Accordingly the company has discontinued its banking operations with Canara Bank. The working capital limits sanctioned by the aforesaid banks are adequate.

Income tax assessment for the assessment year 2003-04 is in progress.

CURRENT OPERATIONS:

3 MW Windmill and 1.9MW Captive power generation furnace oil based power plant have been performing satisfactorily. The switchover of power generation using Furnace oil as fuel in place of Diesel has reduced the unit cost of energy considerably.

FUTURE PLANS:

PARA FORMALDEHYDE

The Management has commenced setting up of Paraformaldehyde plant as a forward integration project to the existing Formaldehyde project. The implementation of the project is in progress.

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 good.