



VENLON ENTERPRISES LIMITED

(formerly known as : Venlon Polyester Film Limited)

25th ANNUAL GENERAL MEETING :

Date :----- 30 September 2009

Day :----- Wednesday

Time :----- 4.30 p.m.

**Venue ::- Hotel DasaPrakash Paradise
Yadavagiri, Mysore 570 020**

BOARD OF DIRECTORS :

Chand D. Datwani --- Chairman & Managing Director

Saroj C. Datwani ----- Executive Director

K.V. Chitalia ----- Independent Director

S.V. Jain ----- Independent Director

S. Bhyrappa ----- Independent Director

AUDITORS : ----- Rau & Nathan
Chartered Accountants

BANKERS : ----- State Bank of India
----- Corporation Bank

REGISTRAR AND -
TRANSFER AGENTS : **M/s. Computech Sharecap Limited**
147, 3rd Floor, M.G. Road
Opp. Jehangir Art Gallery
Fort, Mumbai 400 023

REGD. OFFICE : Plot No.26(P)
Belavadi Industrial Area
Hunsur Road, Mysore 570 018
Karnataka



VENLON ENTERPRISES LIMITED



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Plot No. : 26(P), Belavadi Industrial Area
Hunsur Road, MYSORE 570 018, Karnataka

Notice of Annual General Meeting :

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Venlon Enterprises Limited will be held on Wednesday the 30th September 2009 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 2009, 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 Sri S.V. Jain who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint a Director in place of Sri S. Bhyrappa who retires by rotation and being eligible offers himself for re-appointment.
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 authorize the Board of Directors to fix their remuneration.

By Order of the Board

Chand D. Datwani
Chairman

Date : 30th June 2009



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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 23.09.2009 to 30.09.2009 (both days inclusive).
03. 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, Opposite Jahangir Art Gallery, Fort, Mumbai 400 023, quoting folio number / demat particulars.
04. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days upto the day of the Annual General Meeting.
05. 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.
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.
07. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
08. Provision of Section 192A of the Companies Act, 1956 is complied as and where applicable.

By Order of the Board

Chand D. Datwani
Chairman

Date : 30th June 2009



VENLON ENTERPRISES LIMITED



DIRECTORS' REPORT

Dear Members...

Your Directors have pleasure in presenting the 25th Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2009.

Financial Results :

	RUPEES IN LAKHS	
	CURRENT YEAR 31 Mar 09	PREVIOUS YEAR 31 Mar 08
Net Sales	8 059.06	6 043.15
Profit before interest and depreciation	97.89	117.25
Interest and financial charges	368.18	138.67
Profit before depreciation	(270.29)	(21.42)
Depreciation	318.69	267.42
Net Profit	(588.98)	(288.84)
Provision for Fringe Benefit Tax	4.50	1.75
Provision for Deferred Tax	278.49	144.36
Profit after Tax	(314.99)	(434.96)

Dividend :-----

To conserve the financial resources, the Directors have not recommended any dividend for the year.

Profitability :-----

There is no major change in the scenario of polyester and metallised film market conditions. However, the film segment has contributed a turnover to the extent of 68% in terms of value and balance is by Formaldehyde and generation of Wind Energy.

Finance and Taxation :-----

Existing Working Capital limits with State Bank of India and Corporation Bank are operative during the current year. The working capital limits sanctioned by the aforesaid banks are adequate.

Income Tax Assessment for the Assessment Years 2006-07 and 2007-08 is completed and that of 2008-09 is in progress.

Current Operations :-----

The product mix of manufacture of film, formaldehyde and generation of wind energy have been so regulated to optimize financial contribution from each segment to ensure stabilized conditions of the company.

Future Plans :-----

With the global energy equation in turmoil, it is prudent to stabilize and ride over the present situation.



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contd. ...

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 and Foreign Exchange Earnings / Outflow :-----

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 acknowledges their contribution towards sustained progress of the Company. The relations between Management and Employees are Good.

Directors :-----

The Board consists of Five Directors of whom 3 are Independent Directors.

Listing Agreement with Stock Exchanges :-----

Listing Agreement with Bangalore Stock Exchange Limited, Bangalore and The Bombay Stock Exchange Limited, Mumbai continue to be listed and the Company has been regular in paying requisite fees to them.

Company Secretary :-----

The Company advertised for a suitable candidate in a leading English Newspaper in Mysore on 25.05.2009. Only one candidate applied for the interview. He did not possess the requisite qualification. Upon calling for interview he did not appear. Continuous efforts are being made in this respect to identify a suitable candidate.

Auditors :-----

M/s. Rau & Nathan, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Particulars of employees under Section 217(2A) of the Companies Act, 1956 :-----

The particulars are furnished in Annexure ' B ' and forms part of Directors' Report.

Directors' Responsibility Statement :-----

As required under Section 217(2AA) of the Companies Act 1956 (this act), it is hereby declared:

- i) That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 period.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts on a going concern basis.



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MANAGEMENT DISCUSSION & ANALYSIS

A) Industry Structure and Development :-----

As reported last year the polyester film industry is well developed in the country. Despite the fact that the Company is a small player, the built in structure is stable and steady. Shareholders kind attention is invited to narration contained under the Caption " FUTURE PLANS ".

B) Outlook for the Company :-----

Within the current economic situation the company is targeting stabilization and upon improvement of global energy equation further suitable path shall be carved out.

C) Segment-wise or Product-wise performance :-----

The Company has the following major segments :

- Film
- Formaldehyde and Para-Formaldehyde
- Wind Mill

Performance Results are indicated in Audited NOTES ON ACCOUNTS.

D) Risks and concerns :-----

Since the Plants are steady, the Company foresees no threats.

E) Internal Control Systems and their adequacy :-----

The external auditors in their report have been observing as under :

" In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw-materials including components, plant and machinery, equipment and other assets and for the sale of goods".

F) Discussion on financial performance with respect to operational performance :-----

The company's sales (gross) have increased by 31.6%. The company has incurred a loss of Rs.589.06 Lakhs.

G) Material developments in Human Resources / Industrial Relations front, including number of people employed :-----

The Company continues to give thrust for human resource development, team building and skill development.

A full-fledged personnel department is functioning under Assistant General Manager (HR). There is a Weekly Manager's Meet to co-ordinate the activity.

Number of Employees : 110 permanent.



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----- **Cautionary Statement** -----

Statements in this "Management Discussion and Analysis" contain forward looking statements which may be identified by the use of words in that directions or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

These are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements, on the basis of any subsequent development, information or events.

Certificate of Statutory Auditors as regards

Compliance of conditions of Corporate Governance :-----

The Certificate of the Auditors of the Company in regard to this matter forms part of this Annual Report.

Dematerialisation of Company's Equity Shares :-----

The Company's Equity Shares have been activated for dematerialisation with Central Depository Services (India) Limited and with that of National Securities Depository Limited.

Particulars of the Registrar and Share Transfer Agent (RTA) where dematerialization request forms along with the physical certificates will be accepted is as follows :

M/s. **Computech Sharecap Limited**
147, Mahatma Gandhi Road, 3rd Floor,
Jehangir Art Gallery, Fort, Mumbai 400 023

THE ISIN NUMBER OF THE
SCRIP IS: **INE 204D01022**

Acknowledgements :-----

Your Directors place on record their sincere appreciation of the services rendered by State Bank of India, Corporation Bank and ICICI Bank. Your Directors wish to place on record the valued support and co-operation of Shareholders, Customers and Suppliers of the Company.

for and on behalf of the Board of Directors

Mysore

Date : 30th June 2009

Chand D. Datwani

CHAIRMAN

Annexure 'A' to Directors' Report :

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



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A. Conservation of Energy :-----

The entire power requirement of the Plant is being met by Captive Power Generation. During January 2004, the company has commissioned 1.9MW Captive Power Generation Furnance Oil based Power Plant replacing the Generators run on high cost fuels. This change has resulted in reduction of energy costs. Total energy consumption and consumption of energy per unit of production is given in the prescribed Form 'A' annexed to this Report.

B. Technology Absorption :-----

Extension Research and Development activity has enabled the Company to further improve the Polyester Film (both in Sheet and Roll form) and PET chips quality conforming to International specifications.

C. Foreign Exchange Earnings & Outgo :-----

Foreign Exchange Earnings : Rs. 2.50 Lakhs
Foreign Exchange Outgo : Rs.6.48 Lakhs

Form 'A' (See Rule 2)		
Form of Disclosure of particulars with respect to Conservation of Energy		
	CURRENT YEAR 2008-09	PREVIOUS YEAR 2007-08
A. Power Purchased from Electricity Board	Nil	Nil
Total Cost	Nil	Nil
Cost per KWH (rupees)	N.A.	N.A.
B. Captive Power Generation by Gensets (unit KWH Lakhs)	67.91	68.82
Total Cost (rupees in Lakhs)	492.80	655.99
Cost per KWH (rupees)	7.26	9.58
C. Furnance Oil Consumed (KL)	2196	1287
Cost of Furnance Oil Consumed (Rupees in Lakhs)	532.70	328.74

Annexure 'B' to Directors' Report :

Particulars of Employees Under 217(2A) read with Companies (particulars of Employees Rules, 1975) as amended.

There are no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.24,00,000/- per annum or Rs.2,00,000/- per month in respect of part of the year during the year under audit.

for and on behalf of the Board of Directors

Mysore

Date : 30th June 2009

Chand D. Datwani
CHAIRMAN



VENLON ENTERPRISES LIMITED

