

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Tuesday the 30th September, 2014 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 2014, audited cash flow statement as on that date and audited Profit and Loss account for the year ended as on that date and reports of the Board of Directors, Corporate Governance and Auditors thereon.
2. To appoint a Director in place of Shri Chand Datwani (DIN: 00355181), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Saroj C. Datwani (DIN: 00355148) , who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this meeting till the conclusion of the third consecutive Annual General Meeting, subject to ratification at every 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 the following, with or without modification, as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Shri. K.V.Chitalia (DIN: 00355215), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

6. To consider and if thought fit, to pass the following, with or without modification, as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies(Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Shri.S.V.Jain(DIN:00590275), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of

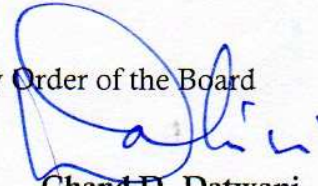
Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

7. To consider and if thought fit, to pass the following, with or without modification, as Special Resolution:


“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Shri. S.Bhyrappa (DIN: 01340963), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

Place: Mysore
Date: 31/07/2014

By Order of the Board



Chand D. Datwani
Chairman



Registered Office:

Plot No: 26(P)
Belavadi Industrial Area
Hunsur Road,
Mysore -570018
CIN: L24231KA1983PLC015089

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 him 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. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility for e-voting for all the businesses mentioned in the notice. The members can exercise their right to vote through electronic means. The instruction for e-voting is annexed to the notice.
4. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 20/09/2014 to 30/09/2014 (both days inclusive).
5. 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 - 400 001, quoting folio number / demat particulars.
6. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. The e-mails ids may be sent to the Company's registered office or to the Registrar and Share Transfer agents through a letter duly signed by the member indicating Folio number/demat particulars.
7. 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.
8. Members/Proxies should bring the Annual report and the duly filled in Attendance Slip. The attendance slip shall be handed over at the entrance of the hall.

Place: Mysore

Date: 31/07/2014

Registered Office:

Plot No: 26(P)
Belavadi Industrial area
Hunsur Road,
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By Order of the Board

Chand D. Datwani
Chairman

EXPLANATORY STATEMENT U/S 102(1) OF THE COMPANIES ACT, 2013

Item Nos. 5 to 7:

Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa, who are Independent Directors of the Company, have held the positions as such for more than 5 (five) years.

As per the new Companies Act, 2013 read with the revised Clause 49 of the listing agreement, it is proposed to appoint Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa as Independent Directors to hold office for 5 consecutive years w.e.f. the date of this annual general meeting. Mr. K.V.Chitalia, Mr. S.V.Jain and Mr. S.Bhyrappa are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa for the office of Directors of the Company.

The Company has also received disclosures and declarations from Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa are interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice with regard to their respective appointments. The relatives of Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa may be deemed to be interested in the resolutions set out respectively at Item Nos. 5 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos. 5 to 7 of the Notice for approval by the shareholders.

Place: Mysore
Date: 31/07/2014

By Order of the Board


Chand D. Datwani
Chairman

Instructions for E-voting:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	<p>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.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none">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 number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN 140805002 for VENLON ENTERPRISES LIMITED.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

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

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on Monday 22nd Sept 2014 (9 am) and ends on 24th Sept 2014 (6 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, which is 1st August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.

Additional Information :- The name of the scrutinizer is S.J. Madhwaraj, B.Com., LL.B.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 30th Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2014.

FINANCIAL RESULTS	As At 31st March 2014 Rupees	As At 31st March 2013 Rupees
01 REVENUE FROM OPERATIONS	626,146,903	276,791,419
Less : Excise Duty	49,642,698	21,981,519
Net Revenue from Operations	576,504,205	54,809,900
02 OTHER INCOME	13,076,674	11,301,661
	13,076,674	11,301,661
03 TOTAL REVENUE [1 + 2]	589,580,879	266,111,561
04 EXPENSES		
Cost of Material Consumed	456,740,902	145,771,781
Purchases of Stock in Trade	3,227,419	4,913,166
Changes in Inventories of Finished Goods, WIP & Stock in Trade	(51,607,054)	27,393,312
Employee Benefit Expenses	48,646,149	46,349,613
Finance Cost	25,766,124	18,653,918
Depreciation and Amortization Expenses	32,839,825	26,342,348
Other Expenses	102,451,523	41,962,961
Total Expenses	618,064,899	311,387,099
05 PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]	(28,484,020)	(45,275,537)
06 EXCEPTIONAL ITEMS	1,594,170	45,853,100
07 PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]	(30,078,190)	(91,128,637)
08 EXTRAORDINARY ITEMS	-	-
09 PROFIT / (LOSS) BEFORE TAX [7 - 8]	(30,078,190)	(91,128,637)
10 TAX EXPENSES		
1. Current Tax [MAT]	-	-
Less: MAT Credit entitlement	-	-
Net Current Tax	-	-
2. Deferred Tax: Asset/(Liability)	45,261,946	(15,035,973)
11 PROFIT / [LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]	15,183,756	(76,092,664)
12 PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS	-	-
13 TAX EXPENSES OF DISCONTINUING OPERATIONS	-	-
14 PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS [AFTER TAX] [12-13]	-	-
15 PROFIT / [LOSS] FOR THE PERIOD [11+14]	15,183,756	(76,092,664)
16 EARNING PER EQUITY SHARE (Basic and Diluted)	0.29	(1.74)

Note: Figures in bracket indicate loss. Previous year's figures have been regrouped / reclassified wherever necessary.

DIVIDEND:

Since the unabsorbed loss is persisting, the Directors have not recommended any dividend for the year.

PROFITABILITY:

Due to adverse market condition in Film segment (main line of activity) the company did not venture its marketing in that segment and on the contrary relied upon para and formaldehyde products which marginally contributed towards recovery of fixed costs. Depreciation is the major contributor for the book loss and the Company does not have cash loss.

FINANCE AND TAXATION:

Existing working capital limit with Corporation Bank is operative during the current year. The working capital limits sanctioned by the aforesaid bank is adequate.

Income tax assessment for the assessment years 2011-12 is complete. That of 2012-13 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 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 'A' forming part of this Report.

INDUSTRIAL RELATIONS AND CORPORATE SOCIAL RESPONSIBILITY (CSR):

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. Due to continued losses, year after year CSR activity could not be taken up.

DIRECTORS:

The Board consists of five directors of whom three are independent directors.

Notice of meeting has adequately covered re-appointment of Directors to be in consonance with Companies Act, 2013

LISTING AGREEMENT WITH STOCK EXCHANGES:

Listing agreement with the Bombay Stock Exchange Ltd, Mumbai continue to be listed and the Company has been regular in paying requisite fees.

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 keeping in view of the provisions contained in Companies Act, 2013. The duties are presently complied by Company's tax auditing firm's partner who is a qualified Company Secretary.

AUDITORS:

M/s Rau & Nathan, Chartered Accountants, (Firm No: 003178S) Statutory Auditors of the Company 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 B and forms part of Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under section 217(2AA) of the Companies Act, 1956 (the 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 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 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.
- (v) that the internal financial controls are adequate and are operating effectively
- (vi) that the Board has devised proper systems to ensure compliance of all applicable laws and such systems are adequate and operating effectively.