

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty second Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Wednesday, the 28<sup>th</sup> September, 2016 at 4.30 p.m. 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 2016, audited cash flow statement as on that date and audited Statement of Profit and Loss for the year ended as on that date and reports of the Board of Directors, Corporate Governance, Auditors and Secretarial audit report 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 ratify the appointment of M/s Rau & Nathan, Chartered Accountants (FRN: 003178S), as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting.

By Order of the Board

  
C. D. Datwani  
Chairman

Place: Mysore  
Date: 30<sup>th</sup> July 2016

**Registered Office:**

Plot No: 26(P)  
Belavai 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. 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 facility of casting the votes by members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') shall be provided by Central Depository Services (India) Limited (CDSL). The instruction for e-voting is annexed to the notice.
3. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 22<sup>nd</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive).
4. Members are requested to notify change in address, if any, immediately to M/s ComputechSharecap Ltd., Registrars and Share Transfer Agents situated at 147, 3rd Floor, M.G.Road, Fort, Mumbai - 400 001, quoting folio number / demat particulars.
5. 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.
6. 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.
7. 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.
8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21<sup>st</sup> September 2016.
9. Any person who acquires the shares and becomes a member of the Company after the despatch of the notice of the AGM and holds shares as on the cut-off date, may obtain the login id and password by sending request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
10. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
11. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.





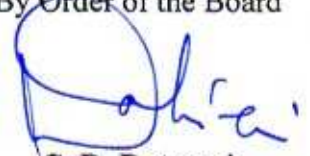
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12. The results declared along with the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the registered office and shall also be placed on the Company's website [www.venlonenterprises.com](http://www.venlonenterprises.com) and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

**Place:** Mysore

**Date:** 30<sup>th</sup> July 2016

By Order of the Board



**C. D. Datwani**  
Chairman

**Registered Office:**

Plot No: 26(P)  
Belavadi Industrial area  
Hunsur Road,  
Mysore -570018

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

- (i) The voting period begins on 25<sup>th</sup> September 2016 at 9.00 a.m and ends on 27<sup>th</sup> September 2016 at 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 21<sup>st</sup> September 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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"> <li>▪ 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 8 digits of the sequence number in the PAN field.</li> <li>▪ In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>▪ If both 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).</li> </ul>

- (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.



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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 the relevant <Company Name> on which you choose to vote.
- (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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



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- 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.

(xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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





## BOARD'S REPORT

Dear Members,

Your Directors hereby present the 32<sup>nd</sup> Annual Report on the business and operations of the Company and financial results for the year ended 31<sup>st</sup> March 2016.

(in Rupees)

FINANCIAL RESULTS		As at 31st March 2016	As at 31st March 2015
01	REVENUE FROM OPERATIONS	60,86,40,155	66,14,93,362
	Less : Excise Duty	4,79,95,829	5,45,84,824
	Net Revenue from Operations	56,06,44,326	606,908,538
02	OTHER INCOME	2,09,19,801	1,39,04,701
03	TOTAL REVENUE [ 1 + 2 ]	58,12,64,127	620,813,239
04	EXPENSES		
	Cost of Material Consumed	40,18,66,657	39,71,06,972
	Purchases of Stock in Trade	1,16,66,474	2,10,70,489
	Changes in Inventories of Finished Goods, WIP & Stock in Trade	(2,49,08,572)	26,071,287
	Employee Benefit Expenses	7,07,98,108	54,714,574
	Finance Cost	3,82,59,361	27,790,483
	Depreciation and Amortization Expenses	6,23,35,525	62,010,320
	Other Expenses	11,79,51,729	100,977,752
	Total Expenses	67,79,69,282	68,97,41,876
05	PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]	(9,67,05,155)	(6,89,28,637)
06	EXCEPTIONAL ITEMS	-	-
07	PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]	(9,67,05,155)	(6,89,28,637)
08	EXTRAORDINARY ITEMS	-	-
09	PROFIT / (LOSS) BEFORE TAX [ 7 - 8 ]	-	(6,89,28,637)
10	TAX EXPENSES: Current Tax	-	-
	Deferred Tax: Asset/(Liability)	-	41,57,847
11	PROFIT / [ LOSS ] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]	(9,67,05,155)	(6,47,70,790)
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]	(9,67,05,155)	(6,47,70,790)
16	EARNING PER EQUITY SHARE ( Basic and Diluted)	(1.85)	(1.24)

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

### RESERVES AND DIVIDEND:

During the year, no amount has been transferred to reserves since the Company has incurred losses.

The Directors have not recommended any dividend for the year, since there are unabsorbed losses.

### 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 partial recovery of fixed costs. Depreciation is the major contributor for the 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.

**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:**

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.

The Company does not fall under the threshold limit for mandatory CSR activities.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

In terms of 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, a statement showing the required details are provided in the **Annexure 'B'**.

Your Directors further state that during the year under review, there were no cases filed under the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**DIRECTORS:**

The Board consists of five directors of whom three are independent directors. During the year, the Board of Directors met 5 times.

The Independent Directors have given a declaration that they fulfil the criteria of independence as specified u/s 149 (6) of the Companies Act, 2013 and Listing Regulations notified by the SEBI.

There are no changes in the composition of the Board during the year 2015-16. As at the end of 30<sup>th</sup> July 2016 Board Meeting, one of the Independent Directors, Shri. K.V. Chitalia (DIN:00355215), has tendered his resignation, due to his personal commitments which was accepted. The Board places its appreciation towards his contribution to the Company for all these years. The Company shall endeavour to fill this vacancy at the earliest but not later than 6 months.



**Details of Director seeking re-appointment (as required under Reg. 36 (3) of Sebi (LODR) Regulations 2015:**

Mr. C.D. Datwani, Managing Director, is the Director being re-appointed. He is Promoter Director having specialized Knowledge and Skill in Polyester Film Industry. He is a constant endeavourer in Research and Development activity to expand manufacturing lines of the Company which has added Formaldehyde and Wind Energy segments. He does not hold shares in any other listed entity. Interse relationship with other Directors is with Mrs. Saroj Datwani (Spouse).

**The Company's policy on appointment of Directors and their remuneration:**

The Managing Director, Whole time Director and CFO are promoters. For the position of other non-executive independent director, experienced and reputed persons are selected from plastic industries manufacturers association or professionals like Chartered accountants, adovocates, Company Secretaries or Cost and management accountants.

The remuneration for the executive directors has been in line with Schedule V of the Companies Act, 2013. The non-executive directors have waived their sitting fees and nothing is paid to them, expect Shri. S.Bhyrappa.

**LISTING WITH STOCK EXCHANGES:**

The Company continues to be listed on BSE Limited, Mumbai and the Company has been regular in paying requisite fees.

**COMPANY SECRETARY:**

The Company has become a BIFR Company. The candidates for Company Secretary position are not forthcoming to hold the office. However, the duties are being discharged by a Secretarial assistant under the guidance and advise of Shri.G.D. Rama Rao FCA, ACS a professional in practice assisting the company ever since its public issue in 1986-87. With his able guidance the company is free from investors' complaints and is in compliance with all regulatory frameworks. He is a permanent invitee for all Committees and Board Meetings. As required under section 204 of the Companies Act, 2013 read with the rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit report from a Practising Company Secretary has been obtained and the same is annexed to this report as **Annexure E**. The Secretarial Audit report does not contain any adverse remark, qualification or reservation.

**AUDITORS AND FRAUD REPORTING BY THEM:**

M/s Rau & Nathan, Chartered Accountants, (Firm No: 003178S) Statutory Auditors of the Company were appointed at the 30<sup>th</sup> Annual General Meeting for a period of 3 years. The ratification of their appointment has been placed before the shareholders at the ensuing Annual General meeting. The Auditors' Report does not contain any adverse remark/qualification.

The Auditors have not reported any instances of fraud in the Company.



**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- 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 as at March 31, 2016 and of the loss of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act 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 are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**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.

The ISIN number of the scrip is: INE204D01022

**EXTRACT OF ANNUAL RETURN:**

Pursuant to section 92(3) of Companies Act, 2013 read with rule 12 (1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in form MGT-9 has been provided in **Annexure C**.

**RELATED PARTY TRANSACTIONS:**

The transactions with related parties have been provided in the Form AOC-2 as **Annexure D**.

**FORMAL ANNUAL EVALUATION OF THE BOARD IN LISTED COMPANY:**

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual directors, which includes the criteria for performance evaluation of Executive and non-executive directors.

