

Venlon Enterprises Limited
CIN: L24231KA1983PLC015089

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Friday the **27th September 2019** 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 2019**, 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 Smt. Saroj Datwani (DIN: 00355148), who retires by rotation and being eligible offers herself for reappointment.
3. To consider and if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any of the Companies Act, 2013 (the Act) and Rules framed there under (including any Statutory modification/s or re-enactments thereof for the time being in force) peer reviewed CA. K.S. Nagaraju & Associates, Chartered Accountants, Membership No.: 201060 (FRN No.: 014283s) be and is hereby reappointed as the Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus applicable taxes per previous year, and fee for any other professional services and conveyance as may be mutually agreed upon by the Board of Directors and the Statutory Auditors."

SPECIAL BUSINESS:

4. **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 Sebi (LODR) Regulations 2015, **Shri. K.V. Chitalia (DIN: 00355215)**, who was appointed as an Independent Director at the AGM held on **28th Sept 2017** 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 reappointed as an Independent Director of the Company to hold office for 5 (five) consecutive years."

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 Sebi (LODR) Regulations 2015, **Shri. S.V.Jain (DIN: 00590275)**, who was appointed as an Independent Director at the AGM held on **30th Sept 2014** 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 reappointed 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 Sebi (LODR) Regulations 2015, **Shri. S.Bhyrappa (DIN: 01340963)**, who was appointed as an Independent Director at the AGM held on **30th Sept 2014** 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 reappointed as an Independent Director of the Company to hold office for 5 (five) consecutive years.”

Place : Mysuru

Date : 14/08/2019

Registered Office:

Plot No: 26(P)
Belavai Industrial area
Hunsur Road,
Mysuru - 570018
CIN: L24231KA1983PLC015089

By order of the Board

C.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 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 **21st September 2019** to **27th September 2019** (both days inclusive).
4. 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.
5. Members holding shares in physical form are requested to dematerialise them pursuant to Gazette notification by SEBI, dated June 8, 2018
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 up to the day of the Annual General Meeting.
7. Members/Proxies should bring the Annual report. The attendance is provided 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 viz. **21st September 2019**.
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*.
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 facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not already casted their votes by remote e-voting, shall be able to exercise their right at the meeting.
12. 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.

13. 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 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.
14. Entire factory operations except Wind Mills is closed from **29th Sept 2018**. All banking limits have been fully satisfied on **13th May 2019**.

Place : Mysuru

Date : 14/08/2019

Registered Office:

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

By order of the Board

C.D. Datwani
Chairman

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

Item Nos. 4 to 6:

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 till the conclusion of this Annual General Meeting. The Act provides for reappointment for further 5 year consecutive period subject to Company passing a special resolution and with suitable disclosure in the Board's Report. The Disclosure is made in the Board's Report.

Mr. K.V.Chitalia, Mr. S.V.Jain and Mr. S.Bhyrappa are not disqualified from being appointed as Independent 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 SEBI (LODR) Regulations 2015.

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 Sebi (LODR) Regulations 2015.

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 in SEBI (LODR) Regulations 2015 are provided in the Corporate Governance Report forming part of the Annual Report.

Shri. K.V.Chitalia, Shri. S.V.Jain and Shri. S.Bhyrappa are interested in the resolutions set out respectively at Item Nos. 4 to 6 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. 4 to 6 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.

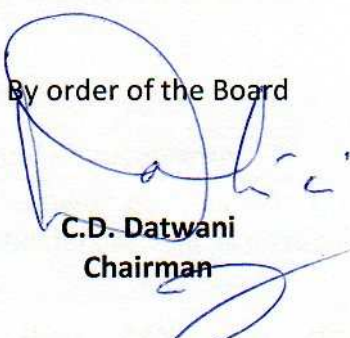
The Board commends the Special Resolutions set out at Item Nos. 4 to 6 of the Notice for approval by the shareholders.

Place : Mysuru

Date : 14/08/2019

Registered Office:

Plot No: 26(P)
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By order of the Board

C.D. Datwani
Chairman

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **24th September 2019** at 10.00 a.m. and ends on **26th September 2019** 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 **21st September 2019** 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.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 8 digits of the sequence number in the PAN field.▪ 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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none">▪ 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).

- (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. 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 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.
 - 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 and on approval of the accounts they would be able to cast their vote.
 - 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, 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. as approved at the Board meeting on **14th August 2019**.

BOARD'S REPORT

Dear Members,

Your Directors hereby present the 35th Annual Report on the business and operations of the Company and financial results for the year ended **31st March 2019**. (in Rupees)

FINANCIAL RESULTS	Year ended 31 st March 2019	Year ended 31 st March 2018
1 INCOME		
<u>I. Revenue from Operations</u>		
a. Sale of Products	24,87,56,759	35,34,45,947
b. Other Income	1,29,20,584	33,73,866
Total Income	26,16,77,343	35,68,19,813
<u>2. EXPENSES</u>		
a. Cost of Material Consumed	14,15,49,636	23,43,67,026
b. Purchases of Stock-in-trade	1,00,54,425	70,17,485
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,53,65,546	-71,12,146
d. Excise Duty	-	84,17,961
e. Employee Benefit Expenses	2,91,45,902	4,65,95,713
f. Finance Costs	3,08,12,812	4,38,10,867
g. Depreciation / Amortisation and Depletion Expense	4,89,96,961	4,88,85,767
h. Other Expenses	6,55,67,145	5,19,07,739
Total Expenses	34,14,92,427	43,38,90,412
LOSS BEFORE EXCEPTIONAL ITEM AND TAX	-7,98,15,084	-7,70,70,599
Exceptional Item	-10,60,26,078	-
LOSS BEFORE TAX	-18,58,41,162	
DEFERRED TAX	-4,94,19,793	-
LOSS FOR THE YEAR	-23,52,60,955	-7,70,70,599
LOSS FOR THE YEAR	-23,52,60,955	-7,70,70,599
Loss from Discountinued operations- For Disclosure Purpose	-2,34,63,744	-3,01,86,199
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss net of tax	-69,686.00	1,24,923
B (i) Items that will be reclassified to profit or loss net of tax	-18,65,89,076	-4,10,64,943
Total Comprehensive Income for the Year (C)	-18,66,58,762	-4,09,40,020
<u>Total Comprehensive Income for the period (A+B) [Comprising Loss and Other Comprehensive Income for period]</u>	-42,19,19,717	-11,80,10,619
Earnings Per Equity Share		
Basic and Diluted	-8.08	-2.26

Note: 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, due to erosion of capital and reserves.

PROFITABILITY:

All manufacturing process except wind mills closed from **29th September 2018**. Hence adverse profitability.

BANKING FACILITY:

Working capital limit with Company's Bankers is closed from **13th May 2019**.

INSURANCE:

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

FIXED DEPOSITS:

During the year, 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 as NA since entire factory operations closed from **29th Sept 2018**.

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 till the closure of the factory.

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**.

During the year Smt. Saroj Datwani retires by rotation and has offered herself for reappointment.

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 Sebi (LODR) Regulations 2015.

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 advocates.

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, except Mr. S.Bhyrappa. Independent Director's shareholding is disclosed in Corporate Governance Report.

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:

Shri G.D. Rama Rao Acs.

SECRETARIAL AUDIT REPORT:

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:

CA. Puneeth B.S. resigned as Statutory auditor of the Company on 30/04/2019. CA K.S. Nagaraju & Associates, Chartered Accounts were appointed on 10/05/2019.

Explanatory Statement: Fee indicated in the Resolution. Peer reviewed auditor.

The Auditors have not reported any instances of fraud in the Company and it is unmodified report.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 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.

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.