

36th Annual Report

2019-2020

NOTE: *This AGM is held at the Registered Office by following the guidelines provided in para VI of Part-A of Ministry of Corporate Affairs, Govt. of India, General Circular No. 20/2020 dated 5th May 2020. General Permission from local relevant authorities of wearing masks by participants, maintaining social distance and sanitization in and out of spacious meeting hall will be adhered. Members expected to attend will just meet the Quorum. The meeting is expected to last for 30 mts. All resolutions are continued to be passed through the facility of e-voting system provided by CDSL.*

VENLON ENTERPRISES LIMITED

CIN: L24231KA1983PLC015089

Venlon Enterprises Limited
CIN: L24231KA1983PLC015089

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Sixth Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Saturday the **26th September 2020** at 4.30 p.m. at Reg. Office of the Company, Belwadi Industrial Area, Mysuru-570 018, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at **31st March 2020**, 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 and Certificate thereon.
2. To appoint a Director in place of **Shri Chand Datwani (DIN: 00355181)**, who retires by rotation and being eligible offers himself 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 the appointment of **CA KS Nagaraju and Associates**, Chartered Accountants, FRN: 014283S be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as Statutory Auditor of the Company on the same terms of Remuneration paid for the previous year plus applicable taxes and fee for any other Professional Services and conveyance charges 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 Ordinary Resolution:**

“Resolved that Pursuant to the provisions of Sec: 149, 152 read with Schedule IV of the Companies Act 2013 and other applicable provisions if any and Sebi (LODR) Regulations 2015 **Shri T.S. Phaniraj (DIN: 08666213)** who was appointed as an Independent Director at the meeting of the Board of Directors of the Company held on 31st Jan 2020 be ratified and shall hold office for five consecutive terms from the conclusion of Board meeting held on 31st Jan 2020 subject to submission of eligibility each year”.

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 196, 197 and 203 with Schedule V of the Companies Act 2013 and other applicable provisions if any and Sebi (LODR) Regulations 2015 **Shri Chand Datwani (DIN: 00355181)** be and is hereby reappointed as Managing Director of the Company to hold office for a period of Five year from 30/03/2021.”.

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

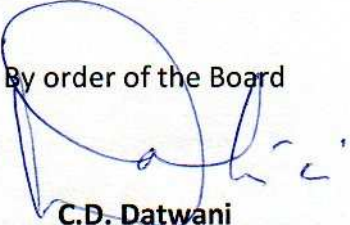
“Resolved that pursuant to the provisions of Sections 196,197 and 203 read with Schedule V of the Companies Act 2013 and other applicable provisions if any and Sebi (LODR) Regulations 2015 **Smt. Saroj Datwani (DIN: 00355148)** be and is hereby reappointed as Woman Director and Chief Financial Officer for a period of Five years from 30/03/2021”.

Place : Mysuru

Date : 25/08/2020

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 **19th September 2020** to **26th September 2020** (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. **18th September 2020**.

Cut off date and AGM date is reckoned by taking 7 working days.
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.

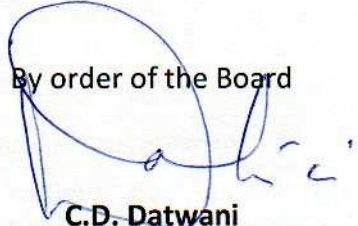
13. The results declared along with the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the registered office and shall also be placed on the Company's website www.venlonenterprises.com and on the website of CDSL within three (3) days of passing of the resolutions at the 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 : 25/08/2020

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 No. 5:

Reappointment of **Shri Chand Datwani** is to meet Statutory requirement. The appointee has waived off the remuneration. During the tenure of the office he will attain 70 yrs of age. Hence Special resolution is proposed.

Smt. Saroj Datwani is interested in the Resolution.

Item No. 6:

Reappointment of **Smt Saroj Datwani** is to meet Statutory requirement. The appointee has waived off the remuneration. During the tenure of the office she will attain 70 yrs of age. Hence Special resolution is proposed.

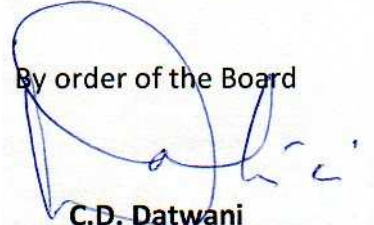
Shri Chand Datwani is interested in the Resolution.

Place : Mysuru

Date : 25/08/2020

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 **22nd September 2020** at 10.00 a.m. and ends on **24th September 2020** 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 **18th September 2020** 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 **25th August 2020**.

BOARD'S REPORT

Dear Members,

Your Directors hereby present the 36th Annual Report on the business and operations of the Company and financial results for the year ended **31st March 2020**. (in Rupees)

FINANCIAL RESULTS	Year ended 31 st March 2020	Year ended 31 st March 2019
1 INCOME		
<u>I. Revenue from Operations</u>		
a. Sale of Products	3,29,94,643	24,87,56,759
b. Other Income	2,83,633	1,29,20,584
Total Income	3,32,78,276	26,16,77,343
<u>2. EXPENSES</u>		
a. Cost of Material Consumed	-	14,15,49,636
b. Purchases of Stock-in-trade	1,95,341	1,00,54,425
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,88,94,692	1,53,65,546
d. Excise Duty		-
e. Employee Benefit Expenses	1,08,25,532	2,91,45,902
f. Finance Costs	78,19,587	3,08,12,812
g. Depreciation / Amortisation and Depletion Expense	3,39,21,322	4,89,96,961
h. Other Expenses	1,39,21,322	6,55,67,145
Total Expenses	9,52,93,545	34,14,92,427
LOSS BEFORE EXCEPTIONAL ITEM AND TAX	-6,20,15,269	-7,98,15,084
Exceptional Item		-10,60,26,078
LOSS BEFORE TAX	-6,20,15,269	-18,58,41,162
DEFERRED TAX		-4,94,19,793
LOSS FOR THE YEAR	-6,20,15,269	-23,52,60,955
LOSS FOR THE YEAR	-6,20,15,269	-23,52,60,955
Loss from Discontinued operations- For Disclosure Purpose	-7,47,24,593	-2,34,63,744
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss net of tax	-5,86,346	-69,686.00
B (i) Items that will be reclassified to profit or loss net of tax	-7,56,91,173	-18,65,89,076
Total Comprehensive Income for the Year (C)	-7,62,77,519	-18,66,58,762
<u>Total Comprehensive Income for the period (A+B) [Comprising Loss and Other Comprehensive Income for period]</u>	-13,82,92,788	- 42,19,19,717
Earnings Per Equity Share		
Basic and Diluted	-2.65	- 8.08

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, due to loss for the year.

PROFITABILITY:

All manufacturing process except wind mills is 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**.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

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 six directors of whom four are independent directors. During the year, the Board of Directors met **6 times**.

During the year Shri Chand Datwani retires by rotation and has offered himself 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 Independent Directors Data Bank.

The non-executive director namely Shri S.V. Jain has waived his sitting fee. Sitting Fee paid to Shri S. Bhyrappa and Shri T.S. Phaniraj has been disclosed in the Corporate Governance Section.

LISTING WITH STOCK EXCHANGES:

The Company continues to be listed on BSE Limited, Mumbai.