

# **39<sup>th</sup> ANNUAL REPORT**

**2022-23**

**VENLON ENTERPRISES LIMITED**

**CIN: L24231KA1983PLC015089**

## Venlon Enterprises Limited

CIN: L24231KA1983PLC015089

### NOTICE OF 39<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that Thirty Ninth Annual General Meeting of the Members of Venlon Enterprises Limited will be held on Friday, the 29<sup>th</sup> day of September 2023 at 4 p.m. at the Registered Office of the Company at 26(P) Belavadi Industrial Area, Hunsur Road, Mysuru-570 018 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2023, 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 Saroj Chandru Datwani (DIN: 00355148) , 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 consent of the members, be and is hereby accorded for the appointment of M/s. Laxminiwas & Co., Chartered Accountants, FRN: 011168S as the Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 43<sup>rd</sup> Annual General Meeting on the terms of remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditors”.

#### **Special Business:**

##### **4. Approval for Related Party Transactions with Dechem Resins Limited**

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 Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Dechem Resins Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, whether by way of continuation(s) or renewal(s) or extension(s) or modification(s) of earlier arrangements / transactions or as fresh and independent transaction(s) or otherwise as mentioned hereunder:

Sl No.	Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Value of transaction (in Rs.)	Period for which shareholders' approval is sought
1.	Dechem Resins Limited	Entities with common directors	Sale and purchase of goods and services	25 crores	Financial year 2023-24 and 2024-25 (For a period of one year from the date of Annual General meeting)

notwithstanding the fact that all such transactions during financial year 2023-24 and 2024-25, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company's last audited financial statements, or any other materiality threshold as may be applicable under law/ regulations from time to time;

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

#### 5. Approval for Related Party Transactions with Krishna Enterprises Limited

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 Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Krishna Enterprises Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for adjustment of debt, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.50 Crore for the financial year 2023-24, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

Sl No.	Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Value of transaction (in Rs.)	Period for which shareholders' approval is sought
1	Krishna Enterprises Limited	Holds more than 20% shares in the Company	Transfer of Resources (Unsecured Loan/ Exchange fluctuation)	50 crores	Financial year 2023-24 and 2024-25 (For a period of one year from the date of Annual General meeting)

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

By Order of the Board of Directors

Date: 14.08.2023

Sd/-

Place: Mysore

G. D. RAMA RAO  
Company Secretary

**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. Members holding shares in physical form are requested to dematerialise them pursuant to Gazette notification by SEBI, dated June 8, 2018.
4. Members/Proxies should bring this Notice. The attendance register will be provided at the entrance of the hall.
5. 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 which is Friday, 22<sup>nd</sup> September 2023.
6. Any person who acquires the shares and becomes a member of the Company after the dispatch 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).
7. The Chairman shall, at the AGM, at the end of discussion on the resolution 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.
8. 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.
9. 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.

10. Explanatory Statement as required under section 102(1) of the Companies Act, 2013 is annexed with the notice for the items referred in the notice.

By Order of the Board of Directors

Date: 14.08.2023

Sd/-

Place: Mysuru

G. D. RAMA RAO

Company Secretary

**Explanatory Statement as required under section 102 of the Companies Act 2013**

**Item 4:**

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm’s length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. Also, as per SEBI circular, the approval of the Related party transaction taken at the Annual General meeting shall be valid for a period of one year and hence the financial years 2023-24 and 2024-25 are covered.

In light of provisions of Section 188(1) of Companies Act, 2013 and rules made thereunder and SEBI(LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial years 2023-24 and 2024-25.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in table appended below:

Name of the related party	Dechem Resins Limited
Name of the Director or Key Managerial personnel who is related, if any	Chand D.Datwani and Saroj Datwani are common directors
Nature of relationship	Company in which directors are interested
Nature, material terms, monetary value and particulars of the contract or arrangement	Sale and purchase of goods and services; value not to exceed Rs.25 crores
Any other information relevant or important for the members to take the decision on the proposed resolution	None

The Audit Committee has approved the proposed transaction, being in the interest of the Company, between related parties of the Company in their meeting. The same is being placed before the members of the Company as item no. 4 for their approval.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for approval of the members.

The members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 4.

#### **Item 5:**

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm’s length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) Rs. 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. Also, as per SEBI circular, the approval of the Related party transaction taken at the Annual General meeting shall be valid for a period of one year and hence the financial years 2023-24 and 2024-25 are covered.

In light of provisions of Section 188(1) of Companies Act, 2013 and rules made thereunder and SEBI(LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial years 2023-24 and 2024-25.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in table appended below:

Name of the related party	Krishna Enterprises Limited
Name of the Director or Key Managerial personnel who is related, if any	None
Nature of relationship	Shareholder holding more than 20% of the paid up capital
Nature, material terms, monetary value and particulars of the contract or arrangement	Exchange fluctuation adjustment on the Debt outstanding
Any other information relevant or important for the members to take the decision on the proposed resolution	None

The Audit Committee has approved the proposed transaction, being in the interest of the Company, between related parties of the Company in their meeting. The same is being placed before the member of the Company as item no. 5 for their approval.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 5.



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

- i. The voting period begins on Tuesday, the 26th September 2023 at 9.00 a.m. and ends on Thursday, the 28th September 2023 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 (Friday, 22<sup>nd</sup> September 2023) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and hence, remote e-voting shall not be allowed beyond the time mentioned above.
- 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
  1. For CDSL: 16 digits beneficiary ID,
  2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  3. 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:

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> <p>▫ 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 PANfield.</p> <p>▫ 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.</p>

Dividend Bank Details <b>OR</b> 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. □ 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).
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- 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 <Resolution of Venlon Enterprises Limited> 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.