NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirtyfirst Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Wednesday the 30th September, 2015 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 2015, 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 who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Smt Saroj C. Datwani who retires by rotation and being eligible offers herself for re-appointment.

4. To ratify the appointment of Statutory Auditors to hold office from the conclusion of this meeting till the conclusion of the Second consecutive Annual General Meeting.

Place: Mysore
Date: 31/07/2015

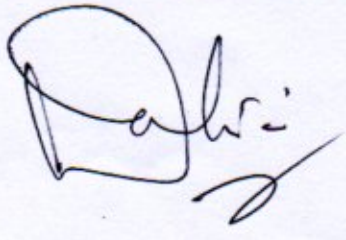
By Order of the Board

Chand D. Datwani
Chairman

Registered Office:
Plot No: 26(P)
Belavai Industrial area
Hunsur Road,
Mysore -570018

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 23/09/2015 to 30/09/2015 (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 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 23rd September 2015.
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 or ballot 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 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 Exchanges.

Place: Mysore
Date: 31/07/2015

By Order of the Board

C. D.Datwani
Chairman

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

Instructions for E-voting:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 27th September 2015 at 9.00 a.m. and ends on 29th September 2015 at 5 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 (record date) of 23rd September 2015, 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) • 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • 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 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 for VENLON ENTERPRISES LIMITED.

(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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

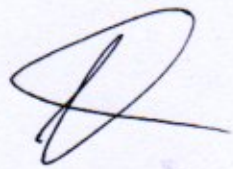
(xviii) Note for Non - Individual Shareholders and Custodians.

- 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 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.

(xix) 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.



BOARD'S REPORT

Dear Members,

Your Directors hereby present the 31st Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2015.

	FINANCIAL RESULTS	As At 31st March 2015 Rupees	As At 31st March 2014 Rupees
01	**REVENUE FROM OPERATIONS**	661,493,362	626,146,903
	Less : Excise Duty	54,584,824	49,642,698
	Net Revenue from Operations	606,908,538	576,504,205
02	**OTHER INCOME**	13,904,701	13,076,674
03	**TOTAL REVENUE [1 + 2]**	**620,813,239**	**589,580,879**
04	**EXPENSES**		
	Cost of Material Consumed	397,106,972	456,740,902
	Purchases of Stock in Trade	21,070,489	3,227,419
	Changes in Inventories of Finished Goods, WIP & Stock in Trade	26,071,287	(51,607,054)
	Employee Benefit Expenses	54,714,574	48,646,149
	Finance Cost	27,790,483	25,766,124
	Depreciation and Amortization Expenses	62,010,320	32,839,825
	Other Expenses	100,977,752	102,451,523
	Total Expenses	**689,741,876**	**618,064,899**
05	**PROFIT / (LOSS) BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]**	(68,928,637)	(28,484,020)
06	**EXCEPTIONAL ITEMS**	-	1,594,170
07	**PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX [5-6]**	(68,928,637)	(30,078,190)
08	**EXTRAORDINARY ITEMS**	-	-
09	**PROFIT / (LOSS) BEFORE TAX [7 - 8]**	(68,928,637)	(30,078,190)
10	**TAX EXPENSES**		
	1. Current Tax [MAT]	-	-
	Less: MAT Credit entitlement	-	-
	Net Current Tax	-	-
	2. Deferred Tax: Asset/(Liability)	4,157,847	45,261,946
11	**PROFIT / [LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [9-10]**	(64,770,791)	15,183,756
12	**PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS**	-	-
13	**TAX EXPENSES OF DISCOUNTINUING OPERATIONS**	-	-
14	**PROFIT / [LOSS] FROM DISCONTINUING OPERATIONS [AFTER TAX] [12-13]**	-	-
15	**PROFIT / [LOSS] FOR THE PERIOD [11+14]**	(64,770,791)	15,183,756
16	**EARNING PER EQUITY SHARE (Basic and Diluted)**	(1.24)	0.29

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 increase in the reserves in comparison to the previous year is due to the additions to revaluation reserve.

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 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.

Income tax assessment for the assessment years 2012-13 is complete. That of 2013-4 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:

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. The Company, however, is willing to take up CSR activities but due to continued losses, year after year, CSR activities could not be taken up.

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 harrassment 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 4 times.

On 30th March 2015, the shareholders have approved the re-appointment of Mr. C.D.Datwani as the Managing Director and Ms. Saroj Datwani as the Whole time Director, for a period of 3 years.

Ms. Saroj Datwani has also been appointed as the Chief Financial Officer of the Company by the Board of Directors with effect from financial year 2014-15.

The Independent Directors have given a declaration that they fulfill the crieterial of independence as specified u/s 149 (6) of the Companies Act, 2013 and the clause 49 of the Listing agreement with the Bombay Stock Exchange Limited.

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.

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:

Due to continued losses the Company could not financially afford appointment of a wholetime company secretary. 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 of Chartered Accountancy, 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 framework. 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:

M/s Rau & Nathan, Chartered Accountants, (Firm No: 003178S) Statutory Auditors of the Company were appointed at the previous 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 doesnot contain any adverse remark/qualification.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors state that:

a) in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with reqirements 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 judgements 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, 2015 and of the profit 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.

MANAGEMENT DISCUSSION & ANALYSIS

A) Industry structure and development:

As reported last year the polyester film industry is well developed in the country. Despite the fact that the Company is a small player, the built in structure is stable and steady. Shareholders kind attention is invited to "Profitability" para in Board's Report.

B) Outlook for the Company:

With the current economic situation being unstable, the Company is targeting stabilization and upon improvement of global energy equation further suitable path shall be carved out.

C) Segment-wise or product wise performance:

The Company has the following major segments:

- Film
- Formaldehyde and Para Formaldehyde
- Wind Mill

Performance Results are indicated in Audited Notes on Accounts

D) Risks and concerns:

Since the Plants are steady, the Company foresees no threats.

E) Internal Control systems and their adequacy:

The external auditors in their report have been observing as under:

"In our opinion and according to the information and explanation given to us there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods."

F) Discussion on financial performance with respect to operational performance:

During the year, the Company has incurred cash loss and the loss for the current year is Rs.(647.70) lakhs. Financial and operational performance have been disclosed in Board's report.

G) Material developments in Human Resources/ Industrial Relations front, including number of people employed:

The Company continues to give thrust for human resource development, team building and skill development.

A full-fledged personnel department is functioning under Executive Director. There is a weekly manager's meet to co-ordinate the activity.

Number of employees: 91 permanent.

Cautionary Statement

Statements in this "Management Discussion and Analysis" contain forward looking statements which may be identified by the use of words in that directions or connoting the same. All statements that address expectations or projections about the future, including, but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

These are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements, on the basis of any subsequent development, information or events.

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 party have been provided in the Form AOC-2 which is provided as **Annexure D.**

ACKNOWLEDGEMENTS:

Your Directors place on record their sincere appreciation of the services rendered by the Corporation Bank. Your Directors wish to place on record the valued support and cooperation of Shareholders, Customers and Suppliers of the Company.

For and on behalf of the Board of Directors

C. D. DATWANI
Chairman

Mysore
31st July 2015

Annexure 'A' to Directors Report

Disclosure of particulars as per section 134 of the Companies Act read with Rule 8(3) of Companies (Accounts) Rules, 2014

A. Conservation of Energy:

i) The steps taken or impact on conservation of energy: The Company currently generates energy through the use of furnace oil and diesel. To improve the energy requirement, conserve energy and decrease the cost of energy, the Company has invested for implementation of direct power line from KPTCL electricity grid.

ii) The steps taken by the Company for utilizing alternate sources of energy: under active consideration of Management.

iii) The capital investment on energy conservation equipment; details below:

(Amount Rs. In lakhs)

Particulars	2014-15	2013-14
New Electricity Installation (Direct connection from KPTCL)	141.39	14.21

B. Technology Absorption:

i) The efforts made towards technology absorption: The Company has added a new product Chemical coated films in its line of production. Company expended Rs. 23.95 lakhs towards setting up and installation of chemical coating units. The Company has purchased Turbo cool chillers for Rs. 29.58 lakhs.

ii) The benefits derived like product improvement, cost reduction, product development, or import substitution: The Company which has made aforesaid investment has developed a new product in its line of production.

iii) In case of imported technology (imported during the last three years): Not applicable

iv) The expenditure incurred on research and development: Nil

C. Foreign Exchange earnings and outgo:

i) Foreign exchange earnings: Rs. 238.62 lakhs

ii) Foreign exchange outgo: Rs. 39.03 lakhs

For and on behalf of the Board of Directors

C .D. DATWANI
Chairman

Mysore
31st July 2015

Annexure 'B' to Directors' Report

Information to be provided under section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The shareholders are requested to kindly go through the following factual preamble from which it can be noticed that whole of the affairs of the company is managed by the Managerial personnel themselves and in compliance related matters through external professional.

Factual preamble:

The Managing Director Shri.C.D.Datwani and Whole time Director (WTD) & CFO of Smt. Saroj Datwani between themselves, under the control and superintendence of the Board of Directors of the Company manage the whole of the activities of the company. SEBI, Corporate Laws, FEMA 1999, Taxation is handled by a senior external professional as discussed in Director's Report.

(i) the ratio of the remuneration of Whole Time Director, to the median remuneration of the employees of the company for the financial year;	Remuneration is as per section 196 of the Companies Act, 2013 read with Schedule V. Please refer the factual preamble.
(ii) the percentage increase in remuneration of : (a) Whole-time Director (b) CFO & CS;	NA
(iii) the percentage increase in the median remuneration of employees in the financial year;	As per Standarding Orders of the Company, as approved by the Labour Department of Government of Karnataka
(iv) the number of permanent employees on the rolls of company as on 31st March 2015;	91
(v) the explanation on the relationship between average increase in remuneration and company performance;	NA. Replies to (i) and (iii) are self-explanatory
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	NA.Please peruse the factual preamble
(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	There is no material variation. Due to adverse market conditions the company is suffering losses year after year.
(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Please refer (i)and (iii) above. Managerial Remuneration is as per item (i) above. Please also see factual preamble.

(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	NA as Remuneration is as per item (i) above.
(x) the key parameters for any variable component of remuneration availed by the Whole Time Director;	There is no variable component.
(xi) the ratio of the remuneration of the Whole Time Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	No employee is receiving higher Salary compared to highest paid Directors.
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration is as per Central and State Government policies as adopted in Standing Orders by the Company as agreed to between Management and employees and workers in respect of them.

Further as required under rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, we hereby state that there are no employees who are in receipt of remuneration in the aggregate of more than Rs.60,00,000/- per annum or Rs.5,00,000/- per month in respect of part of the year.

For and on behalf of the Board of Directors

C .D. DATWANI
Chairman

Mysore
31st July 2015

ANNEXURE 'C' TO BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	**L24231KA1983PLC015089**
ii.	Registration Date	24-10-1983
iii.	Name of the Company	VENLON ENTERPRISES LIMITED
iv.	Category / Sub-Category of the Company	Public Company
v.	Address of the Registered office and contact details	26-P,Belavadi Indl.Area hunsur Road, Mysore-570018
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Computech Sharecap Limited, 147, 3rd Floor, M.G. Road, Fort, Mumbai – 400 001

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Film	99885200	**40.3**
2	Formaldehyde and Para Formaldehyde	99612710	**50.5**
3	Wind Mills	99833243	**9.2**

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	**Nil**				

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) **Individual/ HUF**	1109520	-	1109520	2.12	1109520	-	1109520	2.12	-
b) **Central Govt**	-	-	-	-	-	-	-	-	-
c) **State Govt(s)**	-	-	-	-	-	-	-	-	-
d) **Bodies Corp**	-	-	-	-	-	-	-	-	-
e) **Banks / FI**	-	-	-	-	-	-	-	-	-
f) **Any Other**	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	1109520	-	1109520	2.12	1109520	-	1109520	2.12	-
2) Foreign									
g) **NRIs-Individuals**	30432390	-	30432390	58.25	30432390	-	30432390	2.12	-
h) **Other-Individuals**	-	-	-	-	-	-	-	-	-
i) **Bodies Corp.**	-	-	-	-	-	-	-	-	-
j) **Banks / FI**	-	-	-	-	-	-	-	-	-
k) **Any Other....**	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	30432390	-	30432390	58.25	30432390	-	30432390	58.25	-
B. Public Shareholding									
1. *Institutions*									
a) Mutual Funds	5000	-	5000	0.01	5000		5000	0.01	-
b) Banks / FI	5400	**1440**	6840	0.01	5400	**1440**	6840	0.01	-
c) Central Govt	-	-	-	-	-61	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Cap. Fund	-	-	-	-	-	-	-	-	-
f) Insurance Cos.	-	-	-	-	-	-	-	-	-
g) FIIs	4695	-	4695	0.01	4695	-	4695	0.01	-
h) FV Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	15095	1440	16535	0.03	15095	-	15095	0.03	-
2. Non Institutions									
a) Bodies Corp. (i) Indian	15514560	171100	15685660	30.02	15514560	171100	15685660	30.02	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(i) Individuals holding shares upto Rs. 1 lakh	2208887	1291210	3500097	6.17	2208887	1291210	3500097	6.17	
(ii) Individuals holding shares in excess of Rs 1 lakh	1354640	84520	1439160	2.75	1354640	84520	1439160	2.75	
b) Others (Specify)									
Sub-total (B)(2)	19134219	1549830	20684049	39.59	19134219	1549830	20684049	39.59	
Total Shareholding (B)=(B)(1)+ (B)(2)	19149314	1556270	20700584	39.62	19149314	1556270	20700584	39.62	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total			52242494		50691224	1556270		100.00	

ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Co.	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	%of Shares Pledged / encumbered to total shares	
1.	C.D.Datwani	220575	0.42	-	220575	0.42	-	**No Change**
2.	Abha Chandru Datwani	529665	1.01		529665	1.01		**No Change**
3.	Arun Daulatram Datwani	15216195	29.13		15216195	29.13		**No Change**
4.	Dasu Daulatram Datwani	15216195	29.13		15216195	29.13		**No Change**
5.	Saroj Chandru Datwani	359280	0.69		359280	0.69		**No Change**
	Total	**31541910**	**60.38**	**-**	**31541910**	**60.3**	**-**	

iii.Change in Promoters' Shareholding (please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	**31541910**	**60.38**	**31541910**	**60.38**
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	No change			
At the End of the year	**31541910**	**60.38**	**31541910**	**60.38**

iv.Shareholding pattern of Top 10 shareholders

Sl. No.		Shareholdingatthe beginningoftheyear		CumulativeShareholding duringtheyear	
	For Each of theTop10 Shareholders	No. of sh are s	%oftotal sharesof the company	No.of shares	%oftotal sharesof the company
	At the beginningof theyear				
1.	Krishna Enterprises Limited	15375128	29.43%	15375128	29.43%
2.	Kirti Parashar	180000	0.34%	180000	0.34%
3.	PAN Electonics (I) Ltd	123120	0.24%	123120	0.24%
4.	Veena Jain	108000	0.21%	108000	0.21%
5.	Fairwealth Securities Limited	90625	0.17%	90025	0.17%
6.	Mohini Motiram Kirpalani	86480	0.17%	86480	0.17%
7.	Imtiaz Ahmaed Sait	77100	0.15%	77100	0.15%
8.	Uma Sharma	69321	0.13%	69321	0.13%
9.	Jinesh Chand Jain	63712	0.12%	63712	0.12%
10.	Ramesh Vishindas Mathrani	54811	0.10%	54811	0.10%
2	Date wise increase and decrease in shareholding during the year specifiying reason for increase/decrease allotment/Transfer of shares etc				
1.	Krishna Enterprises Limited	NIL	NIL	NIL	NIL
2.	Kirti Parashar	NIL	NIL	NIL	NIL
3.	PAN Electonics (I) Ltd	NIL	NIL	NIL	NIL
4.	Veena Jain	NIL	NIL	NIL	NIL
5	Fairwealth Securities Limited	(600)	0.0%	(600)	0.0%
6.	Mohini Motiram Kirpalani	NIL	NIL	NIL	NIL
7.	Imtiaz Ahmaed Sait	NIL	NIL	NIL	NIL
8.	Uma Sharma	(54333)	0.24%	(54333)	0.24%
9.	Jinesh Chand Jain	NIL	NIL	NIL	NIL
10.	Ramesh Vishindas Mathrani	NIL	NIL	NIL	NIL
1.	AttheEnd of theyear(or onthedateof separation,if separated duringthe year)				
1.	Krishna Enterprises Limited	15375128	29.43%	15375128	29.43%
2.	Kirti Parashar	180000	0.34%	180000	0.34%
3.	PAN Electonics (I) Ltd	123120	0.24%	123120	0.24%
4.	Veena Jain	108000	0.21%	108000	0.21%
5	Fairwealth Securities Limited	90625	0.17%	90025	0.17%
6.	Mohini Motiram Kirpalani	86480	0.17%	86480	0.17%
7.	Imtiaz Ahmaed Sait	77100	0.15%	77100	0.15%
8.	Uma Sharma	69321	0.13%	54333	0.24%
9.	Jinesh Chand Jain	63712	0.12%	63712	0.12%
10.	Ramesh Vishindas Mathrani	54811	0.10%	54811	0.10%

v.Shareholding of Directors and KMPs

Particulars of each Directors and KMPs	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1. C.D. Datwani	220575	0.42	220575	0.42
2. Saroj Datwani	359280	0.69	359280	0.69

V. Indebtedness

(Rupees)

	Secured Loans excl. deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	23,719	80,01,66,960	-	-
ii) Interest due but not paid			-	-
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	23,719	80,01,66,960	-	80,01,90,679
Change during the FY			-	-
- Addition	2,70,13,817	3,17,30,280	-	-
- Reduction			-	-
Net Change	2,70,13,817	3,17,30,280	-	-
Indebtedness at the end of the FY			-	-
i) Principal Amount	2,70,37,536	83,18,97,240	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,70,37,536	83,18,97,240	-	85,89,34,776

VI. Remuneration of Directors &\Key Managerial Personnel :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	C.D.Datwani
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission & Others	-
5.	Total (A)	3,00,0000
	Ceiling as per the Act	3,00,000

B. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Saroj.C.Datwani
6.	**Gross salary**	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	**3,00,000**
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
7.	Stock Option	-
8.	Sweat Equity	-
9.	Commission & Others	-
10.	Total (A)	3,00,0000
	Ceiling as per the Act	3,00,000

C. Remuneration to other directors:

Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
Independent Directors	-	-	-	-	-
- **Sitting Fee**	-	-	-	-	-
- **Commission & others**	-	--	-	--	--
Total (1)	-	-	-	-	-
Other Non-Executive Directors	-	-	-	-	-
- **Sitting Fee**	-	-	-	-	--
- **Commission & others**	-	-	-	-	-
Total (2)	--	-	-	-	-
Total (B)=(1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act					

D. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

	Particulars of Remuneration	Amount
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission & Others	-
5.	Total (A)	-

VII. Penalties/Punishment/Compounding of Offences :

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A. Company					
Penalty			Nil		
Punishment					
Compounding					
B. Directors					
Penalty			Nil		
Punishment					
Compounding					
C. Other Officers In Default					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Mysore
31st July 2015

C .D. DATWANI
Chairman

ANNEXURE D TO BOARD'S REPORT
RELATED PARTY TRANSACTIONS

(Amount in Lakhs)

Sl.No	Related Party	Nature of Relationship	The Nature of contract	Duration of the contract	Salient terms of the contracts or arrangements or transactions	Approved by Board On 30.05.2015	Value
1	Mr.C.D.Datwani	KMP & Relatives	Interest Paid	Mutual		31.07.2015	93.29
2	Mrs. Saroj C Datwani	KMP & Relatives	Interest Paid	Mutual		31.07.2015	2.7
3	Ms. Abha Datwani	KMP & Relatives	Interest Paid	Mutual		31.07.2015	6.5
4	Companies in which directors are interested	Other related parties	Interest Paid	Mutual		31.07.2015	170.65
5	Mr.C.D.Datwani	KMP & Relatives	Salary			31.07.2015	36
6	Mrs. Saroj C Datwani	KMP & Relatives	Salary			31.07.2015	36
7	Mr.C.D.Datwani	KMP & Relatives	Provident fund			31.07.2015	4.32
8	Mrs. Saroj C Datwani	KMP & Relatives	Provident fund			31.07.2015	4.32
9	Mr.C.D.Datwani	KMP & Relatives	Loan			31.07.2015	904.22
10	Mrs. Saroj C Datwani	KMP & Relatives	Loan			31.07.2015	16.5
11	Ms. Abha Datwani	KMP & Relatives	Loan			31.07.2015	48.28

* Amount Paid as Advance : NIL

For and on behalf of the Board of Directors

C .D. DATWANI
Chairman

Mysore
31st July 2015

Annexure E to Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Venlon Enterprises Limited
CIN: L24231KA1983PLC015089

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Venlon Enterprises Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2015 , complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31/03/2015 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(vi).Air Pollution Control Act, 1981.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: NIL

S. Viswanathan

S. VISWANATHAN,
COMPANY SECRETARY
ACS No: 780 C. P. 2021

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has not ventured any specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Signature:
S. Viswanathan
ACS No.780
C P No.2021
No.9, SaiBhavan
1st A Main, BTM - MICO Layout
II Stage, NS Pallya,
Bangalore - 560076

S. VISWANATHAN,
COMPANY SECRETARY
ACS No: 780 C.P. 2021

Place: Bangalore

Date: 31st July 2015

Corporate Governance Report for the year 2014-15

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's philosophy on Corporate Governance

Corporate Governance is an integral part of the values, ethics and the best business practices followed by the Company. The core values of the Company are :

- Commitment to excellence and customer satisfaction
- Maximizing long-term shareholders' value
- Socially valued enterprise
- Caring for people and environment
- Integrity including intellectual honesty, openness, fairness and trust

2. Board of Directors:

During the year, 4 Board meetings were held on 30.05.2014, 31.07.2014, 31.10.2014 and 30.01.2015 The names and categories of the Directors on the Board, and their attendance at the Board Meetings during the year is given below:

Name	Category	Date of last A.G.M	No. of Board Meetings	No. of other Directorship	No. of other Committee Membership
		30.09.14	Attended/ Held	(In public Companies)	
Shri. Chand D Datwani DoB: 17.12.1952 DoA: 13.11.1986	Chairman & Managing Director Non-Independent-Executive	Present	4/4	NIL	1
Smt. Saroj C Datwani DoB: 02.04.1953 DoA: 27.11.1995	Whole Time Director Non-Independent - Executive	Absent	4/4	NIL	1
Shri. K.V.Chitalia DoB: 12.08.1939 DoA: 31.08.1994	Independent Non-Executive	Absent	4/4	1	2
Shri. S.V.Jain DoB: 27.03.1952 DoA: 31.03.2005	Independent Non-Executive	Absent	4/4	NIL	2
Shri.S.Bhyrappa DoB: 27.05.1928 DoA: 29.09.2007	Independent Non-Executive	Absent	2/4	NIL	2

Note: No significant queries were raised on Accounts at the AGM held on 30.09.14.
DoB: Date of Birth; DoA: Date of Appointment

3. Audit Committee

The Board reconstituted the Audit Committee on 30th June 2009. The terms of reference of the Audit Committee broadly are as under:

a) To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the Accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors and its redressal.
b) To review compliance with internal control systems
c) To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board
d) To make recommendations to the Board on any matter relating to the financial management of the Company.
e) Recommending the appointment of Statutory Auditors.
f) Others (As covered in Clause 49 (III)(D) of the listing agreement)

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

Name of Member	Category	No. Of meetings	
		HELD	ATTENDED
Shri. K.V. Chitalia, Chairman	Independent Non-Executive	4	4
Shri. S.V.Jain, Member	Independent Non-Executive	4	4
Shri. S. Bhyrappa, Member	Independent Non-Executive	4	2

Four Audit Committee Meetings were held during the year 2014-15. The said meetings were held on the following dates: 30/5/2014, 31/7/2014, 31/10/2014 and 31/01/2015.

Audit Committee meetings are attended by Managing Director, Statutory Auditor, Internal Auditor and the Accounts Officer of the Company.

4. Nomination and Remuneration Committee

The Board reconstituted the Remuneration Committee on 30/06/2007. The terms of reference to the committee are as per the requirements of Clause 49 of the Listing Agreement and section 178 of the Companies Act, 2013.

The composition of the revised Remuneration Committee is given below:

NAME OF MEMBER	CATEGORY
Shri. K.V. Chitalia, Chairman	Independent Non-Executive
Shri. S.V. Jain, Member	Independent Non-Executive
Shri. S. Bhyrappa, Member	Independent Non-Executive

The Nomination and Remuneration Committee met on 30/01/2015 and recommended revised Remuneration package to Managing Director and Executive Director per notice of meeting dated 30/03/2015 for three years from 30/03/2015.

Remuneration Policy

The Company has adhered to provisions of Schedule V of the Companies Act, 2013 while fixing the remuneration package to its Managing Director and Executive Director.

Details of remuneration for 2014-15 and Tenure:

Name Of The Director	Remuneration (PA)	Sitting fee	TENURE
Shri. Chand D Datwani Chairman & Managing Director. Promoter.	Rs.36 lacs	Nil	Reappointment and Revised remuneration approved w.e.f 30.03.2015 for 3 yrs by appropriate authorities.
Smt. Saroj C Datwani Promoter-Non Executive	Rs.36 lacs	Nil	Reappointment and Revised remuneration approved w.e.f 30.03.2015 for 3 yrs by appropriate authorities.
Shri. S.V. Jain Independent-Non Executive	Nil	Nil	Re-appointment has been done for 5 years wef 30.09.2014
Shri. K.V. Chitalia Independent-Non Executive	Nil	Nil	Re-appointment has been done for 5 years wef 30.09.2014
Shri. S.Bhyrappa Independent-Non Executive	Nil	Nil	Re-appointment has been done for 5 years wef 30.09.2014

Disclosure of shares held by Non -Executive Directors in the Company as on 31/03/2015.

Shri. K.V.Chitalia 12,908 Shares of Rs 5/- each.
Shri. S.V.Jain 22,320 Shares of Rs 5/- each.
Shri. S. Bhyrappa - Nil.

***5.* Stakeholders' Relationship and Risk Management Committee**

The Stakeholders' Relationship Committee also manages Risks and Threats to the Company if any.

NAME OF MEMBERS	CATEGORY
Shri. Chand D Datwani, Member	Promoter & Managing Director
Smt Saroj Datwani Member	Promoter & WTD/CFO

Scope:

i) To approve transfer and transmission of shares in Physical form.

ii) To oversee redressal of complaints.

iii) To approve Remat of Shares / consolidations / issue of fresh certificate upon surrendering old one.

Meetings were held on: 05.04.2014, 06.09.2014, 16.09.2014, 31.10.2014, 22.01.2015, 30.01.2015, 12.02.2015, 20.02.2015

Name & designation of Compliance Officer :

Smt. Saroj Datwani, Wholetime Director and CFO

Investor Complaints:

No. of complaints received from Shareholders from 1.4.2014 to 31.3.2015	Nil
No. of complaints solved to the satisfaction of the Shareholders	Nil
Pending	Nil

6.General Body Meetings:

a) Location and time, where last three Annual General Meetings (AGM) were held:

Date of A.G.M.	Type of Meeting	Location and Time
30/09/2012	AGM	Hotel Dasaprakash Paradise, Mysore, 4-30 pm
29/09/2013	AGM	Hotel Dasaprakash Paradise, Mysore, 4-30 pm
30/09/2014	AGM	Hotel Dasaprakash Paradise, Mysore, 4-30 pm

b) 5 Special resolutions were passed during the previous AGM

c) No resolutions were passed at the previous AGM through postal ballot

d) At the ensuing AGM, no special resolution is proposed.

7. Disclosures

- Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of Company at large: Nil.
- Details of non -compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: Nil.
- Whistle Blower policy: Free access has been given to employees to approach the management.

8. Means of communication:

1) Quarterly Results are normally published in Financial Express and Mysore Diganta.

Any website, where displayed - On company website: www.venlonenterprises.com

Whether it also displays official news releases and presentation made to intuitional investors or to the analysts - N.A.

2) Company's Email ID to receive complaints and grievances from investors is gdrvenlon@gmail.com.

9. General Shareholder information

AGM: Date, time and venue: 30.09.2015 at 4-30 pm at Hotel Dasaprakash Paradise, Yadavagiri, Mysore - 570 020, which itself is a land mark and route maps and guides at City Rly Stn, Central Bus Stand and all Police Stations are available.

Financial Calendar:

Year ending - March 31st

Book Closure: 23/09/2015 to 30/09/2015 (both days inclusive)

Listing on Stock Exchanges:

Bombay Stock Exchange Limited, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Stock Code:

Stock Exchange Mumbai: 524038

Market Price Data:

Month	High (Rs.)	Low (Rs.)
Apr - 14	5.34	4.71
May - 14	4.84	3.44
Jun - 14	5.02	3.27
Jul - 14	5.04	4.75
Aug - 14	5.00	4.43
Sep - 14	4.65	4.06
Oct - 14	4.25	3.30
Nov - 14	3.34	2.90
Dec - 14	8.25	3.25
Jan - 15	10.40	7.36
Feb - 15	7.10	4.26
Mar - 15	5.75	3.72

Registrar and Transfer Agents:

M/s Computech Sharecap Limited
147, 3rd Floor, M.G. Road,
Fort, Mumbai - 400 001

Share Transfer System:
Share Transfer in physical form can be lodged with the Share Transfer Agents at the abovementioned address.

The transfers are normally processed within the stipulated time from the date of receipt of the documents if complete in all respects. Share Transfer Committee of the Board approves the transfers, if the shares are in Physical Form.
Insider trading norms are adhered and reported to stock exchanges upon information from the concerned.

DISTRIBUTION SCHEDULE

Number of Shares	Number of Shareholders	Share Holders Percentage	Number of shares held	Shareholding Percentage
1-50	149	3.20%	2504	0.00%
51-100	182	3.91%	16780	0.03%
101-200	780	16.74%	144850	0.28%
201-300	86	1.85%	23377	0.04%
301-400	2027	43.50%	731773	1.40%
401-500	196	4.21%	96808	0.19%
501-1000	584	12.53%	464826	0.89%
1001 & above	656	14.08%	50761576	97.17%
TOTAL	**4660**	**100.00%**	**52242494**	**100.00%**

Dematerialization of shares and liquidity:

Shares in physical form can be de-materialized and dealt on NSDL/CDSL. As on 31st March, 2015, 97% of Shares were held in dematerialized form and the rest in physical form.

Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

None

Plant Locations:

Plot No. 26(P), Belavadi Industrial Area, Hunsur Road, Mysore - 570 018

Address for correspondence:

Plot No. 26(P), Belavadi Industrial Area, Hunsur Road, Mysore - 570 018

Share Holding Pattern as on 31/03/2015 :

	Category	No of Shares Held	Percentage of Share Holding
A	**Promoters Holding**		
1	Promoters		
	Indian Promoters	11,09,520	2.13
	Foreign Promoters	3,04,32,390	58.25
	Sub-Total	**3,15,41,910**	**60.38**
B.	**Non-Promoters Holding**		
3	Institutional Investors		
	a. Mutual Funds & UTI	5,000	0.01
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non Government Institutions)	6,840	0.01
	c. Foreign Institutional Investors	4,695	0.01
	Sub-Total	**16,535**	**0.03**
	Others		
	a. Indian and foreign Corporate Bodies	156,85,660	30.02
	b. Indian Public	49,39,257	9.46
	c. NRI	59,132	0.11
	Subtotal	**2,06,84,049**	**39.59**
	Grand Total	**5,22,42,494**	**100.00**

Adoption of Mandatory and Non-Mandatory requirements of Clause 49:

The company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

Audit Qualification:

The company is in the regime of unqualified audit report.

Reporting of Internal Auditor:

The Internal Auditor directly reports to the Audit Committee

Declaration:

I, C D. Datwani Chairman and Managing Director hereby declare that all the Board Members and Senior Management personnel have complied with code of conduct adopted by the Company.

Place: Mysore
Date: 31/07/2015

For and on behalf of Board of Directors

C. D. Datwani
Chairman

CEO/CFO CERTIFICATION

a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief:

   i. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls. We have indicated to the Auditors and the Audit Committee:

   i. That there are no Significant changes in the internal control over financial reporting during the year ;

   ii. That there are no Significant changes in the accounting policies during the year and

   iii. That there are no instances of significant fraud of which we have become aware.

C. D. Datwani
Managing Director

Saroj C. Datwani
Chief Financial Officer

Place: Mysore
Date: 30/05/2015

VENLON ENTERPRISES LIMITED
(CIN: **L24231KA1983PLC015089**)
Regd Office: 26-P,Belavadi Indl.Area hunsur Road, Mysore-570018
www.venlonenterprises.com e-mail: gdrvenlon@gmail.com

PROXY FORM
(Pursuant to Section (105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member (s):

Registered address:

eMail id: Folio No.

I/We, being the member(s) of _____ shares of the above mentioned Company, hereby appoint:

1. Name: _____

   Address:

   _____

   e-mail :

   _____

   Signature: _____, or failing him/her

2. Name: _____

   Address:

   _____

   e-mail :

   _____

   Signature: _____, or failing him/her

3. Name: _____

   Address:

   _____

   e-mail :

   _____

Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General meeting of the Company, to be held on 30th September 2015 at 4.30 p.m. at Hotel Dasaprakash Paradise, Yadavagiri, Mysore-570 020 at any adjournment thereof in respect of such resolutions set out in the notice convening the meeting, as are indicated below:

Item No.	Resolution	Vote* (Optional -See Notes)		
		For	Against	Abstain
1.	Adoption of Financial Statements			
2.	Ratification of Appointment of Auditors			

Signed this_____ day of _____ 2015

Affix Revenue Stamp

_____ _____

Signature of Member Signature of Proxy holder

Notes:

1. This form of proxy in order to be effective should be duly completed, stamped and signed by Member and proxy and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. *It is optional to indicate your preference. If you leave the 'For', 'Against' or Abstain column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

VENLON ENTERPRISES LIMITED
(CIN: **L24231KA1983PLC015089**)
Regd Office: 26-P,Belavadi Indl.Area hunsur Road, Mysore-570018
www.venlonenterprises.com e-mail: gdrvenlon@gmail.com

Attendance slip

I/We hereby record my/own presence at the 31st Annual General meeting of the Company on 30th September 2015 at 4.30 p.m. at Hotel Dasaprakash Paradise, Yadavagiri, Mysore-570 020

Name of the Member(In case of Proxy/ authorized Representative, please write the name of the Member also)	
Registered address of the Member/Proxy/authorized representative	
Folio No. of member	
Signature of the Member/Proxy/authorized representative	

Note: Please hand over the slip at the venue of the Annual General meeting.

Rau & Nathan
CHARTERED ACCOUNTANTS
3046, Gokulam Park Road,
V.V. Mohalla, Mysore - 570 002
Ph. : 0821 - 4263314
email : envee@bsnl.in:
envee2006@gmail.com

Independent Auditor's Report
To the Members of Venlon Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Venlon Enterprises Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's

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judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015 and its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

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(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RAU & NATHAN
Chartered Accountants
Firm registration # 003178S

Vaidyanathan

N.VAIDYANATHAN
Partner
Membership # 022573

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

Mysuru
30 May, 2015

Annexure to the Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date to the members of Venlon Enterprises Limited on the financial statements for the year ended 31 March 2015.

We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets are physically verified by the management according to a phased program designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records which has been properly dealt with in the books of account were not material.

3. (a) The Company has not granted unsecured loans to Companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').

   (b) Accordingly, paragraph 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems which commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

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5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other Relevant Provisions of the Companies Act, 2013 and the rules framed there under. No order has been passed by National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

6. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuance to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained in respect of the products manufactured by the Company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

7. (a) According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues including provident fund, employees' state insurance, sales tax, wealth tax, service tax, customs duty, value added tax, excise duty, cess and other material statutory dues as applicable with the appropriate authorities, except income tax (TDS) where there has been a slight delay. The Company has since remitted the income tax (TDS).

   (b) According to the information and explanations given to us, there are no dues of Provident Fund, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Value added tax, Excise duty and Cess which have not been deposited on account of any dispute.

   (c) According to the information and explanations given to us, no amounts were required to be transferred to the investor education and protection fund in accordance with relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under. Accordingly, paragraph 7(c) of the Order is not applicable to the Company in respect of amounts being transferred to such fund within time.

8. In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit. However the company had not incurred cash loss during the immediately preceding financial year.

9. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. The Company has not issued any debentures.

10. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.

11. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained

12. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor we have been informed of any such case by the management.

For RAU & NATHAN
Chartered Accountants
Firm Registration # 003178S

Vaidyanathan

N.VAIDYANATHAN
Partner,
Membership # 022573

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

Place : MYSURU
Date : 30 May, 2015

Rau & Nathan
CHARTERED ACCOUNTANTS
3046, Gokulam Park Road,
V.V. Mohalla, Mysore - 570 002
Ph. : 0821 - 4263314
email : envee@bsnl.in:
envee2006@gmail.com

Compliance Certificate on Corporate Governance

To the Members of Venlon Enterprises Limited

We have examined the compliance of the conditions of Corporate Governance by Venlon Enterprises Limited for the year ended 31 March, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the guidance note on certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31 March, 2015, no investor grievances are pending against the Company as at 30 May, 2015 as per the records maintained by the Company and presented to the Investor/Shareholders Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAU & NATHAN
Chartered Accountants
Firm Registration # 003178S

Vaidyanathan

N. VAIDYANATHAN
Partner
Membership No.022573

RAU & NATHAN • MYSORE • CHARTERED ACCOUNTANTS

Place: Mysuru
Date: 30 May, 2015

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
BALANCE SHEET AS AT 31 MARCH 2015

PARTICULARS	Note No.	As At 31 March 2015 Rupees	As At 31 March 2014 Rupees
A. EQUITY AND LIABILITIES			
1. SHARE HOLDERS FUNDS			
(a) Share capital	2	26,12,12,470	26,12,12,470
(b) Reserves and surplus	3	19,24,53,154	1,05,66,367
2. NON CURRENT LIABILITIES			
(a) Long term borrowings	4	83,18,97,240	80,01,66,960
(b) Long term provisions	5	42,26,175	36,62,909
3. CURRENT LIABILITIES			
(a) Short term borrowings	6	25,90,58,599	18,17,82,617
(b) Trade payables	7	1,61,37,322	4,47,06,555
(c) Other current liabilities	8	95,78,580	72,84,035
(d) Short term provisions	9	23,37,324	25,89,467
TOTAL		**1,57,69,00,865**	**1,31,19,71,380**
B. ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	10	1,10,52,66,404	90,98,74,805
(ii) Intangible assets	11	31,530	35,071
(iii) Capital work in progress	11A	9,74,68,420	46,52,978
(iv) Foreign currency monetary item translation difference A/c		7,16,39,763	5,33,75,723
(b) Non current investments	12	27,27,968	27,27,968
(c) Deferred tax assets (net)		4,94,19,793	4,52,61,946
(d) Long term loans and advances	13	40,86,058	12,76,058
2. CURRENT ASSETS			
(a) Inventories	14	16,45,39,711	21,27,40,565
(b) Trade receivables	15	2,16,00,095	65,89,628
(c) Cash and bank balances	16	4,22,49,228	5,96,07,240
(d) Short term loans and advances	17	1,08,53,289	79,09,299
(e) Other current assets	18	70,18,607	79,20,099
TOTAL		**1,57,69,00,865**	**1,31,19,71,380**

Significant accounting policies and notes on financial statements 1 to 28

As per our report of even date attached
For RAU & NATHAN
Chartered Accountants
Firm Registration No 003178S

N. VAIDYANATHAN
Partner, Membership No. 022573
Mysuru
30 May 2015

RAU & NATHAN • MYSORE • CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

C. D. DATWANI
Chairman & Managing Director
DIN: 00355181

SAROJ C. DATWANI
Director
DIN: 00355148

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

PARTICULARS	Note No.	As At 31 March 2015 Rupees	As At 31 March 2014 Rupees
1. REVENUE FROM OPERATIONS	19	66,14,93,362	62,61,46,903
Less : Excise duty		5,45,84,824	4,96,42,698
Net revenue from operations		60,69,08,538	57,65,04,205
2. OTHER INCOME	20	1,39,04,701	1,30,76,674
3 . TOTAL REVENUE [1 + 2]		**62,08,13,239**	**58,95,80,879**
4. EXPENSES			
Cost of material consumed	21	39,71,06,972	45,67,40,902
Purchases of stock in trade	22	2,10,70,489	32,27,419
Changes in inventories of finished goods, WIP & stock in trade	23	2,60,71,287	(5,16,07,054)
Employee benefit expenses	24	5,47,14,574	4,88,09,788
Finance cost	25	2,77,90,483	2,57,66,124
Depreciation and amortization expenses	10 & 11	6,20,10,320	3,28,39,835
Other expenses	26	10,09,77,752	10,22,87,884
Total expenses		**68,97,41,876**	**61,80,64,899**
5. LOSS BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX [3-4]		(6,89,28,637)	(2,84,84,020)
6. EXCEPTIONAL ITEMS		-	15,94,170
7. LOSS BEFORE TAX [5 - 6]		(6,89,28,637)	(3,00,78,190)
8. TAX EXPENSES			
1. Current tax		-	-
2. Deferred tax		41,57,847	4,52,61,946
9. PROFIT / [LOSS] FOR THE PERIOD FROM CONTINUING OPERATIONS [7-8]		(6,47,70,791)	1,51,83,756
10. PROFIT / [LOSS] FOR THE PERIOD		(6,47,70,791)	1,51,83,756
11. EARNINGS PER EQUITY SHARE (Basic and Diluted)	27	(1.24)	0.29

Significant accounting policies and notes on financial statements 1 to 28

As per our report of even date attached
For RAU & NATHAN
Chartered Accountants
Firm Registration No 003178S

N. VAIDYANATHAN
Partner, Membership No. 022573
Mysuru
30 May 2015

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

C. D. DATWANI
Chairman & Managing Director
DIN: 00355181

SAROJ. C. DATWANI
Director /C f o
DIN: 00355148

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
Cash flow statement for the year ended 31 March, 2015 -47-

Particulars	Note	For the year ended 31 March, 2015	For the year ended 31 March, 2014
Cash flow from operating activities			
Profit before tax from continuing operations			
Loss before Tax and Extra-ordinary items		(6,89,28,637)	(3,00,78,190)
Adjustments for :			
Depreciation/ amortization		6,20,10,320	3,28,39,835
Finance costs		2,16,58,692	2,13,18,147
Interest income		(38,71,018)	(38,77,180)
Dividend income		(450)	(708)
Loss/ (profit) on sale of fixed assets		19,11,161	(2,07,000)
Amortization of unrealized foreign exchange loss / (gain)		61,31,791	44,47,977
Short term provisions		(2,52,143)	3,23,236
Long term provisions		5,63,266	3,78,909
Operating profit before working capital changes		**1,92,22,981**	**2,51,45,027**
Movements in working capital :			
Increase/ (decrease) in trade payables		(4,44,38,411)	2,88,88,192
Increase/ (decrease) in other current liabilities		22,94,545	(54,50,904)
Decrease/ (increase) in trade receivables		(1,50,10,467)	20,30,215
Decrease / (increase) in inventories		4,82,00,854	(6,37,53,921)
Decrease / (increase) in other current assets		9,01,492	(79,10,099)
Decrease / (increase) short term loans and advances		(29,43,990)	1,62,68,293
Cash generated from /(used in) operations		**82,27,005**	**(47,83,197)**
Direct taxes paid (net of refunds)		-	-
Net cash flow from/ (used in) operating activities (A)		**82,27,005**	**(47,83,197)**
Cash flows from investing activities			
Purchase of fixed assets, including CWIP and capital advances		(8,30,47,518)	(58,74,770)
Proceeds from Long term Loans and Advances		(28,10,000)	750
Proceeds from sale of fixed assets		6,10,843	8,60,833
Redemption/ maturity of bank deposits		77,10,551	82,89,169
Interest received		30,21,165	58,26,022
Dividends received		450	708
Net cash flow from/ (used in) investing activities (B)		**(7,45,14,509)**	**91,02,712**
Cash flows from financing activities			
Interest paid		(2,16,58,692)	(2,13,18,147)
Proceeds from short term borrowings		7,74,48,882	1,68,66,462
Net cash flow from/ (used in) in financing activities (C)		**5,57,90,190**	**(44,51,685)**
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(1,04,97,314)	(1,32,171)
Cash and cash equivalents at the beginning of the year		18,48,666	19,80,837
Cash and cash equivalents at the end of the year		**(86,48,648)**	**18,48,666**
Components of cash and cash equivalents			
Cash on hand		33,116	25,217
With banks- on current account		(86,81,764)	18,23,449
Total cash and cash equivalents		**(86,48,648)**	**18,48,666**
Summary of significant accounting policies			

As per our report of even date attached
For RAU & NATHAN
Chartered Accountants
Firm Registration No 003178S

N. VAIDYANATHAN
Partner, Membership No. 022573
Mysuru
30 May, 2015

For and on behalf of the Board of Directors

C. D. DATWANI
Chairman & Managing Director
DIN: 00355181

SAROJ C. DATWANI
Director
DIN: 00355148

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements are prepared on the historical cost convention (except for revaluation of plant and machinery, building and land), in accordance with applicable Accounting Standards and the relevant provisions of the Companies Act, 2013.

Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialised.

Revenue Recognition

All income and expenditure are accounted on accrual basis.

Fixed Assets

All tangible assets are stated at acquisition cost or revalued amounts, as the case may be, net of accumulated depreciation and impairment losses, if any. The cost includes expenditure incurred in the acquisition and construction / installation and other related expenses in bringing the asset to working condition for its intended use. In respect of qualifying assets, related pre operational expenses including borrowing costs are also capitalized. In case of revaluation of fixed assets, the original cost as written up by the valued, is considered in the account and the differential amount is transferred to revaluation reserve. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Loss arising from retirement of, and gains or losses from disposal of fixed assets are recognised in the Statement of Profit and Loss.
Costs relating to acquisition of Software are capitalised as "Intangible Assets"

Depreciation

Depreciation on Fixed Assets has been provided on Straight Line Method over the estimated useful lives of the asset prescribed in Schedule II to the Companies Act, 2013 which are as follows:

Factory Building	-	30 Years
Office Building	-	60 Years
Plant & Equipment	-	25 Years
Furniture & Fixtures	-	10 Years
Electrical Installations	-	10 Years
Vehicles	-	8 Years
Windmill	-	22 Years
Roads	-	10 Years

Investments

Long Term Investments are stated at cost. Provision for diminution in value is made if the decline in value is other than temporary.

R.NU & NATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Contd)

Foreign Currency Transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.
Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss statement of the year.

a) Transaction

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss statement. Non monetary items are stated in the balance sheet using the exchange rate at the date of the transaction.

b) The Exchange differences arising on reporting of long term foreign currency monetary items at rate different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital assets is added to or deducted from the cost of the assets and shall be depreciated over the balance life of the assets , and in other cases is accumulated in a "Foreign Currency monetary item Translation difference account " In the companies financial statements and amortized over the balance period of such long term assets or liabilities, by recognition as income or expense in each of such periods.

Derivative instruments

The Company's exposure to foreign currency fluctuations relates to foreign currency assets, liabilities and forecasted cash flows. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.

Inventories

(i) Inventories are valued as follows:
Stores, Spares, Packing Materials, Raw Materials, Finished Goods and Stock in Process - at lower of cost and net realizable value.

(ii) Cost of Raw Materials, Stores, Spares and Packing Materials is determined on weighted average basis. Cost of Finished Goods and Stock in Process is determined by considering materials, labour and other related direct expenses.

Customs Duty and Excise Duty

Customs Duty and Excise Duty have been accounted for on the basis of both payments made in respect of goods cleared as well as provision made for goods lying in bonded warehouse. Such provision is included in the valuation of closing stocks of respective materials and goods.

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Contd)

Retirement & other employee benefits

Short term employee benefits are accounted in the period during which the services have been rendered.
Eligible employees receive benefits from provident fund, superannuation fund, employee state insurance and other funds which are defined contribution plans. Both the eligible employee and the company make monthly contributions to the respective government administered funds equal to the specified percentage of the covered employee's salary. The company has no further obligation beyond its monthly contributions.

Income Taxes

Tax expense comprises of both current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods are recognized using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred Tax assets are recognized only to the extent there is a virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax assets can be realized.

Borrowing costs

Interest and other borrowing costs attributable to the acquisition of or construction of qualifying assets till the date of commercial use of the assets are capitalized. All other borrowing costs are charged to revenue.

Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED
CIN:L24231KA1983PLC015089
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	As At 31 March 2015 Rupees	As At 31 March 2014 Rupees
2. SHARE CAPITAL		
Authorized Share Capital		
5,30,00,000 Equity Shares of Rs.5 each		
(Previous Year 5,30,00,000 Equity Shares of Rs.5 each)	26,50,00,000	26,50,00,000
Issued, Subscribed and Paid up capital	26,12,12,470	26,12,12,470
5,22,42,494 Equity Shares of Rs.5 each		
(Previous Year 5,22,42,494 Equity Shares of Rs.5 each)		
Total Issued, Subscribed and Paid up capital	**26,12,12,470**	**26,12,12,470**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	31-Mar-15		31-Mar-14	
	Nos.	Amount	Nos.	Amount
Equity shares				
At the beginning of the period	5,22,42,494	26,12,12,470	5,22,42,494	26,12,12,470
Outstanding at the end of the period	5,22,42,494	26,12,12,470	5,22,42,494	26,12,12,470

(b) Terms/ rights attached to equity shares

i. The Company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of equity share is entitled to one vote per share.

ii. During the current year, the amount of dividend per share recognized as distribution to equity shareholders was Rs.NIL (Previous year Rs.NIL)

iii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv. Of the above, 3,04,32,390 equity shares of Rs.5/- each fully paid up has been allotted to non-residents on non-repatriation basis.

(c) Details of shareholders' holding more than 5% shares in the Company

	31-Mar-15		31-Mar-14	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.5/- each fully paid				
Arun Daulatram Datwani (Non-resident Indian)	1,52,16,195	29.13%	1,52,16,195	29.13%
Dasu Daulatram Datwani (Non-resident Indian)	1,52,16,195	29.13%	1,52,16,195	29.13%
Krishna Enterprises Limited	1,53,75,128	29.43%	1,53,75,128	29.43%

3. RESERVES AND SURPLUS	31 March, 2015	31 March, 2014
(a) Capital reserve	76,500	76,500
(c) Securities premium account	3,25,13,632	3,25,13,632
(e) Revaluation reserve	36,80,58,422	12,01,61,051
(h) Surplus / (Deficit) in Profit and Loss Statement		
As per last year financial statement	(14,21,84,816)	(15,73,68,572)
Add :Surplus / (deficit) for the year	(6,47,70,791)	1,51,83,756
	(20,69,55,607)	(14,21,84,816)
Less: Old assets written off	12,39,794	-
	(20,81,95,401)	(14,21,84,816)
Total Reserves and surplus	**19,24,53,154**	**1,05,66,367**

4. LONG TERM BORROWINGS	31 March, 2015	31 March, 2014
(ii) Term loans		
(a) Banks	-	-
(b) Other Parties - Unsecured	83,18,97,240	80,01,66,960
Total long term borrowings	**83,18,97,240**	**80,01,66,960**

(a) The interest free unsecured external commercial borrowing from other parties is repayable in 10 equated annual installments commencing from 31 March 2017.

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

5. LONG TERM PROVISIONS	31 March, 2015	31 March, 2014
(a) Provisions for employee benefits	42,26,175	36,62,909
(b) Others	-	-
Total long term provisions	**42,26,175**	**36,62,909**

6. SHORT TERM BORROWINGS	31 March, 2015	31 March, 2014
(a) Loans repayable on demand from		
(i) Banks		
- Secured	2,70,37,536	23,719
(b) Loans and advances from related parties	23,20,21,063	18,17,58,898
Total short term borrowings	**25,90,58,599**	**18,17,82,617**

(i) Cash credit from banks are secured:

(a) by way of first Paripassu charge on hypothecation of Company's entire stock-in-trade consisting of raw materials, stock-in-process, finished goods, consumables stores and spares and receivables/book debts, both present and future,

(b) by way of first paripassu charge, on hypothecation of all existing and future movable assets and other fixed assets i.e.., the plant and machinery at the company's existing plant at Belavadi Industrial Area, Mysuru.

(c) by way of first paripassu charge by Equitable mortgage of factory Land and Building belonging to the company at Belavadi Industrial Area, Mysuru, and

(d) further secured by personal guarantee of the Chairman & Managing Director and the Executive Director.

(e) Cash credit from banks carry interest rate @ 15.35% p.a.

(ii) The Loans from other parties are received from Chairman & Managing Director , Executive Director of the Company and other entities in which the directors are interested at the interest rate of 13.5% p.a. and is repayable on demand.

7. TRADE PAYABLES	31 March, 2015	31 March, 2014
Goods indigenous	1,22,43,993	4,33,03,496
Services	38,93,329	14,03,058
Total trade payables	**1,61,37,322**	**4,47,06,555**

Payments to Suppliers as defined under the Micro, Small & Medium Enterprise Development Act, 1996, (The Act) are generally made in accordance with the agreed credit terms. The amount, if any, overdue as on 31.03.2015 has not been ascertained, and hence no disclosure has been made.

8. OTHER CURRENT LIABILITIES	31 March, 2015	31 March, 2014
Other current liabilities	95,78,580	72,84,035
Total current liabilities	**95,78,580**	**72,84,035**

9. SHORT TERM PROVISIONS	31 March, 2015	31 March, 2014
Provisions for employee benefits	23,37,324	25,89,467
Total short term provisions	**23,37,324**	**25,89,467**

VENLON ENTERPRISES LIMITED
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NOTE 10 & 11: FIXED ASSETS 2014-15

Figs. In Rupees

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2014	Additions	Re valuation Additions	Disposal	As at 31.03.2015	Up to Last Year	For the year	Withdrawn	Written of	Total	As at 31.03.2015	As at 31.03.2014
10. TANGIBLE ASSETS												
Land-Freehold	56,07,335		26,27,44,122	-	26,83,51,457	-	-	-		-	26,83,51,457	56,07,335
Buildings	19,88,66,305	-	-	-	19,88,66,305	8,27,02,627	65,90,757	-	8,81,474	9,01,74,859	10,86,91,446	11,61,63,677
Plant and Machinery	1,23,92,15,756	1,34,32,254	-	32,62,000	1,24,93,86,010	45,65,39,350	7,00,73,641	7,39,996	1,76,424	52,60,49,419	72,33,36,590	78,26,76,405
Electrical Installation	1,93,85,592	-	-	-	1,93,85,592	1,49,53,405	1,73,604	-	1,75,909	1,53,02,918	40,82,674	44,32,187
Furniture & Fixtures	44,74,142	3,450	-	1,311	44,76,281	43,33,618	7,792	-	5,987	43,47,398	1,28,883	1,40,523
Vehicles	54,63,945	-	-	4,42,958	50,20,987	46,07,957	7,735	2,70,058		43,45,634	6,75,352	8,55,988
TOTAL	**1,47,30,13,074**	**1,34,35,704**	**26,27,44,122**	**37,06,269**	**1,74,54,86,631**	**56,31,36,958**	**7,68,53,530**	**10,10,054**	**12,39,794**	**64,02,20,227**	**1,10,52,66,404**	**90,98,76,116**
Previous Year	1,45,89,16,026	1,86,06,240	-	45,09,192	1,47,30,13,074	52,92,67,506	3,77,26,121	3,85,670	-	56,31,36,958	90,98,76,116	92,96,48,301
11. INTANGIBLE ASSETS												
Computer Software	60,000	-	-	-	60,000	24,929	3,541	-	-	28,470	31,530	35,071
TOTAL	**60,000**	-	-	-	**60,000**	**24,929**	**3,541**	-	-	**28,470**	**31,530**	**35,071**
Previous Year	60,000				60,000	16,517	8,412	-	-	24,929	35,071	51,895
11A. CAPITAL WORK-IN-PROGRESS												
Chemical Plant 3	10,79,385	5,73,77,623	-	-	5,84,57,008	-	-	-	-	-	5,84,57,008	10,79,385
Chemical Plant 4	16,04,372	2,12,56,128	-	-	2,28,60,500	-	-	-	-	-	2,28,60,500	16,04,372
New Electrical Installation	14,21,282	1,41,38,802	-	-	1,55,60,084	-	-	-	-	-	1,55,60,084	14,21,282
Paraformaldehyde Bagging Plant	5,47,939	42,889	-	-	5,90,828	-	-	-	-	-	5,90,828	5,47,939
	46,52,978	9,28,15,442	-	-	9,74,68,420	-	-	-	-	-	9,74,68,420	46,52,978
GRAND TOTAL	**1,47,77,26,052**	**10,62,51,146**	**26,27,44,122**	**37,06,269**	**1,84,30,15,051**	**56,31,61,887**	**7,68,57,070**	**10,10,054**	**12,39,794**	**64,02,48,698**	**1,20,27,66,354**	**91,45,64,165**
PREVIOUS YEAR GRAND TOTAL	1,45,89,76,026	1,86,06,240	-	45,09,192	1,47,30,73,074	52,92,84,024	3,77,34,534	38,56,670	-	53,61,61,887	91,45,64,165	92,97,00,414

1) Gross block includes Rs.53,63,14,896/- which represents additions due to revaluation.

Year of Revaluation	Additions on Revaluation (Rs.)	
1992-93	8,39,48,258	(a)
1997-98	13,47,09,985	(b)
2001-02	5,49,12,531	(c)
2014-15	26,27,44,122	(d)
	53,63,14,896	

(a) Revaluation of Factory building and Plant and machinery at Mysuru
(b) Revaluation of Imported Plant and Machinery of Polyester Film Plant at Mysuru.
(c) Revaluation BOPP plant of Polyester Film Plant at Mysuru.
(d) Revaluation of Free hold land at Mysuru.

2) Depreciation on original cost (including additions) is Rs.6,20,10,320/-
3) Depreciation on revalued portion- Rs.1,48,46,751/- is debited to capital Reserve for revaluation.

RAJU & NATHAN MYSORE CHARTERED ACCOUNTANTS

12. NON CURRENT INVESTMENTS	31 March, 2015	31 March, 2014
(a) Equity instruments	2,27,968	2,27,968
Total Equity Instruments	**2,27,968**	**2,27,968**
(b) Mutual funds		
S B I Mutual funds	25,00,000	25,00,000
Total Mutual funds	**25,00,000**	**25,00,000**
Total non current investments	**27,27,968**	**27,27,968**

(a) Particulars of Investments in Equity Shares (Quoted ans unquoted, Non Trade at cost)

Name of the Company	Number of Equity Shares Fully Paid up
Quoted	
Garware Polyester Limited	50
Rollatainers Limited	55
Tamilnadu Telecommunication Limited	100
ITC Limited	3,100
Canbay Polyfilms Limited	100
Leela Packaging Limited	100
Annapurna Foils Limited	100
Finolex Cables Limited	600
Essel Propack Limited	80
Gujarath Telephone Cables Limited	85
RPG Cables Limited	50
EID Parry (I) Limited	750
MM Rubber Company	50
Elpro Packaging Limited	100
Cormandal International Limited	176
	5296
Unquoted	
Canbay Polyfilms Limited	100
Leela Packaging Limited	100
Sakamichi Tapes Limited	800
Total	**6296**

(a) Book value (cost) of investment in equity shares is Rs.2,27,968/- (PY Rs.2,27,968/-)

(b) The Aggregate Market Value of Investments in quoted Equity Shares as at 31.03.2015 is Rs.13,99,820/- (PY Rs.13,19,302)

(c) Net Asset Value of SBI Capital Protection Oriented Fund Series II as at 31.03.2015 is Rs.36,47,975/- (PY Rs.31,32,025/-)

(d) In view of the Company's long term investment strategy no provision is considered necessary in respect of diminution, if any, in the Market value of securities held by the Company

13. LONG TERM LOANS AND ADVANCES	31 March, 2015	31 March, 2014
(a) Security Deposits		
Secured, considered good	40,86,058	12,76,058
Unsecured, considered good		
Doubtful	-	-
Total Long term loans and advances	**40,86,058**	**12,76,058**

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

14. INVENTORIES (Valued at lower of cost and net realizable value)	31 March, 2015	31 March, 2014
(a) Raw materials	3,92,64,486	1,49,87,491
(b) Work in progress	4,76,95,779	6,55,90,479
(c) Finished goods	1,88,73,979	2,70,50,566
(d) Stores & spares	5,66,41,324	5,59,64,344
(e) Loose tools	3,20,150	3,14,816
(f) Others	17,43,993	4,88,32,869
Total Inventories	**16,45,39,711**	**21,27,40,565**

15. TRADE RECEIVABLES	31 March, 2015	31 March, 2014
(i) Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good		
Unsecured, Considered Good	2,47,10,949	97,00,522
Doubtful	13,98,558	13,98,518
Sub Total	**2,61,09,507**	**1,10,99,040**
Less : Provision for bad and doubtful debts	45,09,412	45,09,412
Total trade receivables	**2,16,00,095**	**65,89,628**

16. CASH AND BANK BALANCES	31 March, 2015	31 March, 2014
(i) Cash and cash equivalents		
a) Balances with banks - In current accounts	(86,81,764)	18,23,449
b) Cash on hand	33,116	25,217
(ii) Other bank balances		
(a) In deposit account with original maturity of more than 3 months but less than 12 months	4,52,28,652	5,22,03,242
(b) Balances with banks - held as margin money or security deposit against borrowings, guarantee / other commitments	56,69,224	55,55,332
Total Cash and Bank Balances	**4,22,49,228**	**5,96,07,240**

(a) The balance in operative bank accounts have been reconciled, while the balance in non-operative bank accounts are subject to reconciliation.

17. SHORT TERM LOANS AND ADVANCES	31 March, 2015	31 March, 2014
(a) Loans and advances to related parties	-	-
(b) Others		
Secured, considered good	-	-
Unsecured, considered good	1,08,53,289	79,09,299
Doubtful	-	-
Total short term loans and advances	**1,08,53,289**	**79,09,299**

18. OTHER CURRENT ASSETS	70,18,607	79,20,099
Total Other current assets	**70,18,607**	**79,20,099**

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

19. REVENUE FROM OPERATIONS	31 March, 2015	31 March, 2014
Other than finance company		
i) Sale of products	66,14,93,362	62,61,46,903
ii) Sale of services	-	-
iii) Other operating revenues	-	-
Total	66,14,93,362	62,61,46,903
Less: Excise duty	5,45,84,824	4,96,42,698
Total revenue from operations	**60,69,08,538**	**57,65,04,205**

20.OTHER INCOME	31 March, 2015	31 March, 2014
(i) Interest income	39,73,847	43,37,904
(ii) Dividend income	450	708
(iii) Net gain or loss on sale of investments\fixed assets	(19,11,161)	2,07,000
(iv) Other non operating income	1,18,41,565	85,31,062
Total other income	**1,39,04,701**	**1,30,76,674**

21. COST OF MATERIALS CONSUMED	31 March, 2015	31 March, 2014
RAW MATERIALS		
Opening stock	6,31,11,119	5,02,88,135
Add: Purchases	37,44,66,766	46,95,63,886
Less: Closing stock	4,04,70,913	6,31,11,119
Total Cost of Materials consumed	**39,71,06,972**	**45,67,40,902**

22. PURCHASE OF STOCK IN TRADE	31 March, 2015	31 March, 2014
Cost of traded goods	2,10,70,489	32,27,419
Total Purchase of stock in trade	**2,10,70,489**	**32,27,419**

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE	31 March, 2015	31 March, 2014
FINISHED GOODS		
Closing stock	1,88,73,979	2,70,50,566
Less: Opening stock	2,70,50,566	1,19,61,182
(Decrease) / Increase in finished goods	(81,76,587)	1,50,89,384
WORK IN PROGRESS		
Closing stock	4,76,95,779	6,55,90,479
Less: Opening stock	6,55,90,479	2,90,72,809
(Decrease) / Increase in work in progress	(1,78,94,700)	3,65,17,670
Total changes in inventories of finished goods & work in progress	**(2,60,71,287)**	**5,16,07,054**

24. EMPLOYEE BENEFITS EXPENSES	31 March, 2015	31 March, 2014
(i) Salaries & wages	4,95,32,558	4,31,27,019
(ii) Contribution to provident & other funds	28,20,903	28,75,159
(iii) Staff welfare expenses	23,61,113	28,07,610
Total employee benefit expenses	**5,47,14,574**	**4,88,09,788**

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

25. FINANCE COSTS	31 March, 2015	31 March, 2014
(i) Interest expenses	2,16,58,692	2,13,18,147
(ii) Amortization of net (gain) or loss on foreign currency translations	61,31,791	44,47,977
Total finance cost	**2,77,90,483**	**2,57,66,124**

26. OTHER EXPENSES	31 March, 2015	31 March, 2014
(i) Consumption of stores and spares parts	1,26,22,436	1,14,50,229
(ii) Power and fuel	3,88,04,172	4,59,38,112
(iii) Packing material consumed	48,64,665	36,50,367
(iv) Freight Charges	2,85,72,041	2,29,52,408
(v) Rent	4,60,000	4,63,600
(vi) Repairs to buildings	1,24,062	3,90,124
(vii) Repairs to machinery	15,85,253	18,36,405
(viii) Insurance	15,27,375	15,52,354
(ix) Rates and taxes excluding taxes on income	35,03,407	57,60,772
(x) Administration and selling expenses	86,10,294	79,08,905
(xi) Miscellaneous expenses	1,74,047	2,54,608
(xii) Remuneration to statutory auditors - for audit	1,30,000	1,30,000
Total other expenses	**10,09,77,752**	**10,22,87,884**

27. EARNINGS PER SHARE	31 March, 2015	31 March, 2014
Profit / (Loss) after taxation, refund of income tax and exceptional item	(6,47,70,791)	1,51,83,756
Number of equity shares (Face Value Rs.5/-)	5,22,42,494	5,22,42,494
Earnings per share in Rupees	(1.24)	0.29

VENLON ENTERPRISES LIMITED

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

A Contingent Liability & Commitments not provided for:

a. Bank Guarantee furnished to court in respect of pending legal matter Rs.28 lakhs.

B Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for is Nil.

C Proposed Dividends;

		Figures in Rs
The amount of dividends proposed to be distributed to;	31 March, 2015	31 March, 2014
Equity Shareholders	Nil	Nil

D There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

E

(i) The Company has not entered into any forward contracts to mitigate its risks associated with foreign currency fluctuations having underlying transactions and relating to firm commitments or highly probable forecast transactions. The company does not enter into any forward contract which is intended for trading or speculative purposes.

(ii) As required by Para 46A of the Accounting Standard AS 11 issued by The Institute of Chartered Accountants of India " The Effects of Changes in Foreign Exchange rates", during the current financial year translation loss arising on account of variation in external commercial borrowing outstanding at the year end has been capitalized to the extent of Rs 73,34,449 utilized in acquiring capital assets. Further the Foreign Exchange translation loss of Rs 2,43,95,831 arising there on has been accounted under "Foreign Currency Monetary Item Translation Difference Account". Accordingly, the balance in the said account will be amortized over the balance tenor of loan (upto 31st March 2026). Due to the change in accounting practice, in accordance with Accounting Standard AS-11 of The Institute of Chartered Accountants of India, the loss is lower by Rs 3,12,14,098 after current year amortization of Rs 5,16,182.

F

(i) The company has taken steps to receive consistently quality power from the power grid, resulting in economically viable production activity. Further, the Company has incurred capital expenditure that will increase the capacity of the Formaldehyde and Para Formaldehyde plants to twice its present capacity. Accordingly, the management is of the view that virtual certainty exists regarding sufficient future income/taxable income accruing to the company and consequently the past losses are expected to be wiped off. Therefore the company has recognized the Deferred Tax Asset in the books of Account.

The breakup of Deferred Tax Asset / (Liability) as on 31 March, 2015 is as given below:

Arising on account of timing difference in:	Figures in Rs	Figures in Rs
- Depreciation	(18,47,82,652)	(18,79,51,779)
- Accrued Expenses allowable on Actual Payments	3,39,900	-
- Unabsorbed Business Loss	23,38,62,545	23,32,13,724
Deferred Tax Asset/(liability) (Net)	4,94,19,793	4,52,61,946

Deferred Tax Asset (net) on account of the timing differences, (depreciation and other components) has been computed at Rs. 518.28 Lacs(P.Y.452.61) lacs, which are considered adequate. This is in accordance with the Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Accounting Standards) Rules,2006.

G Borrowing costs capitalised during the year is Rs.72,87,761/- (PY NIL)

H Foreign currency translation difference capitalised during the year is Rs. 73,34,449/-

I There are no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.6,000,000/- per annum or 500,000/- per month in respect of part of the year during the year.

J ,Inter-division transfers of goods aggregating to a value of Rs 11,88,78,108/- for internal use as captive consumption are disclosed as contra-,items in Profit and Loss Statement to reflect the true economic value of Production inter-se the divisions. This treatment of i,ntra-division transfers differs from the treatment recommended by Accounting Standard - 9 (Revenue Recognition) prescribed by the Companies (Accounting Standards) Rules, 2006. Accordingly, the sales and raw material consumption figures are higher by Rs11,88,78,108/- accounting treatment has no impact on the results of the company.

RAU & RATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

K The Company is mainly engaged in the following segments:

a. Film
b. Formaldehyde
c. Wind Mill
d. Paraformaldehyde

Rs.in Lakhs

Segment Revenue	Film	Formaldehyde, Paraformaldehyde & MF Solution	Windmill	Others	Total
Sales	1,830	2,568	239	242	4,880
Inter-segment Transfer	374	815	-	-	1,189
Total	2,204	3,383	239	242	6,069
Segment Results	(663)	60	155		(447)
Less: Interest					(278)
Less: Other Unallocable expenditure/income					36
Profit before tax					(689)
Net assets	7,080	2,802	1,170		11,053

L Statutory Auditors' Remuneration

	2014-15	2013-14
a. Audit fees	1,30,000	1,30,000
b. Other Services	-	-
c. Out of Expenses	-	-
Sub-total	1,30,000	1,30,000
e. Service tax	16,068	16,068
TOTAL	1,46,068	1,46,068

M Confirmation from certain parties for amounts due to them/amount due from them as per accounts of the Company has not been received. Necessary adjustment, if any will be made when the accounts are reconciled/settled.

N Excise Duty approximately Rs.20.97 lacs (Previous year Rs.29.76 lacs) on stock awaiting clearance has been considered in valuation of finished goods.

O The Income tax assessments of the company have been completed upto the Assessment year 2012-13. There are no demands outstanding. In view of loss for assessment year 2015-16, the company has been advised that there is no liability to income tax and accordingly no provision has been made.

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

P Sales Turnover

	2014-15		2013-14	
	Quantity (in Tonnes)	Value (Rs in lakhs)	Quantity (in Tonnes)	Value (Rs in lakhs)
Polyester Film* $	1,352	1,174	1,143	789
PET Chips	-	-	-	-
Metalised Film**	482	659	368	539
Formaldehyde $$	14,752	1,216	14,577	1,466
Paraformaldehyde $$$	2,381	1,300	2,121	1,232
Windmill	-	239	-	280
Others***	128	291	-	44

* Includes scrap sales amounting to Rs.1.98 Lacs. (P.Y. Rs. 3.43 Lacs)

** Includes scrap sales amounting to Rs.1.06 Lacs (P.Y. Rs.1.29 Lacs)

*** Includes scrap sales amounting to Rs.0.62 Lacs (P.Y. Rs. 0.31 Lacs)

$ Polyester film turnover for the current year includes 315 tonnes (P.Y 544 Tonnes) of films valued at Rs. 374.22 lacs (P.Y.Rs 639.90 lacs) which are captively consumed

$$ Formaldehyde includes 6,025 Tonnes (P.Y.5,380 Tonnes) of Formaldehyde valued Rs.775.36 Lacs (P.Y. Rs. 771.68 Lacs) which are captively consumed.

$$$ Paraformaldehyde includes 77 Tonnes valued at Rs.39.20 Lacs which are captively consumed, whereas in the previous year there was no captive consumption

Q Closing Stock of Finished Goods

	2014-15		2013-14	
	Quantity (in Tonnes)	Value (Rs in lacs)	Quantity (in Tonnes)	Value (Rs in lacs)
Polyester Film	105.75	126.43	108.68	148.55
Metalised Film	18.25	25.82	46.02	72.42
Paraformaldehyde	50.07	28.66	67.98	49.53
MF Solution	16.73	7.83	-	-

R Consumption of Raw Materials (As verified, value and certified by management)

	2014-15		2013-14	
	Quantity (in Tonnes)	Value (Rs in lacs)	Quantity (in Tonnes)	Value (Rs in lacs)
PET Chips	1,370	967	1,441	1,305
Methanol	6,718	1,815	6,447	1,851

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

S **Related Party Disclosure:**

A. Relationships:

1. Subsidiaries Nil

2. Key Management Personnel (KMP) and their Relatives

Directors :

Mr. C. D Datwani

Mrs. Saroj C Datwani

Relatives of Directors :

Mrs. Abha Datwani

3. Other Related Parties (in which either of the directors or their relatives have significant influence)

Abha Finance Pvt. Ltd.
C and A Real Estate Pvt. Ltd.
Divine Poly Plastic Pvt. Ltd.
Father & Son Investments Pvt. Ltd.
Father & Son Overseas Pvt. Ltd.
Kamadhenu Residency Pvt. Ltd.
Midtown Realtors Pvt. Ltd.
Sanchay Residency Pvt. Ltd.
Sanchit Realtors Pvt. Ltd.
Sangeet Residency Pvt. Ltd.
Sanjog Residency Pvt. Ltd.
Saroj Residency Pvt. Ltd.
Venlon Investments Pvt. Ltd.

B. Nature of transactions:

The following transactions were carried out with the related parties mentioned in A above, in the ordinary course of business.

Rs in lakhs

	Subsidiaries		KMP & Relatives		Other Related parties	
	2014-15	2013-14	**2014-15**	2013-14	**2014-15**	2013-14
1 Interest Paid		-		-		
a. Mr. C D Datwani			**93.29**	7.52		
b. Mrs. Saroj C Datwani			**2.70**	3.98		
c. Ms. Abha Datwani			**6.05**	5.09		
d. Companies in which directors are interested					**170.65**	156.59
	-	-	**102.05**	**16.60**	**170.65**	**156.59**
2 Remuneration to Directors & their Relatives						-
a. Director's salary						
Mr. C D Datwani	-	-	**36.00**	36.00	-	-
Mrs. Saroj C Datwani	-	-	**36.00**	36.00	-	-
	-	-	**72.00**	**72.00**	-	-
b. Provident Fund (12% of salary)						
Mr. C D Datwani	-	-	**4.32**	4.32		-
Mrs. Saroj C Datwani	-	-	**4.32**	4.32	-	-
	-	-	**8.64**	**8.64**	-	-
	-	-	**80.64**	**80.64**	-	-
3 Outstanding Balances						
a. Loans Payable						
a. Mr. C D Datwani	-	-	**904.22**	511.64	-	-
b. Mrs. Saroj C Datwani	-	-	**16.50**	29.02	-	-
c. Mrs. Abha Datwani	-	-	**48.28**	42.84	-	-
d. Companies in which directors are interested	-	-	-	-	**1,351.20**	1,234.09
	-	-	**969.01**	**583.50**	**1,351.20**	**1,234.09**

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from / to above related parties.

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

		31 March, 2015		31 March, 2014	
T	Value of Raw Materials consumed and percentage to the total: (As certified by management)				
		Rupees in lakhs	**% to Total**	Rupees in lakhs	% to Total
	Indigenous	**2,782.29**	**100.00**	3,155.83	100.00
	Imported	**-**	**-**	-	-
		2,782.29	**100.00**	3,155.83	100.00
U	Value of Stores, Spares & Components consumed and percentage to the total: (As certified by management)				
	Stores & Spare Parts				
	Indigenous	**98.23**	**57.33**	**102.01**	69.43
	Imported	**73.10**	**42.67**	44.92	30.57
		171.34	**100.00**	146.92	100.00

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

VENLON ENTERPRISES LIMITED

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

		Rupees in lakhs	
		31 March, 2015	31 March, 2014
V	**Value of Imports on CIF Basis:**		
	1. Raw Materials	-	-
	2. Stores, Spares & Consumables	26.65	20.55
	3. Capital Goods	12.38	9.63
W	**Expenditure in Foreign Currency:**		
	1. Professional & Consultation Fees	-	0.21
X	**Earnings in Foreign Currency -**		
	1. Export of goods on F.O.B. basis	238.62	43.59
Y	Previous years figures have been regrouped, rearranged, reclassified and restated wherever necessary.		

Signatures to the Notes to the Financial Statements 1 to 28 which form an integral part of the Financial Statements.

As per our Report of even date attached
For RAU & NATHAN
Chartered Accountants
Firm Registration No.003178S

N.Vaidyanathan
Partner
Membership # 022573
Mysuru, Dated: 30 May, 2015

RAU & NATHAN MYSORE CHARTERED ACCOUNTANTS

C. D. DATWANI
Chairman & Managing Director

SAROJ C. DATWANI
Director/C f o