



**25th
ANNUAL
REPORT
2008-09**



VENLON ENTERPRISES LIMITED

(formerly known as : Venlon Polyester Film Limited)

25th ANNUAL GENERAL MEETING :

Date :----- 30 September 2009

Day :----- Wednesday

Time :----- 4.30 p.m.

**Venue :-- Hotel DasaPrakash Paradise
Yadavagiri, Mysore 570 020**

BOARD OF DIRECTORS :

Chand D. Datwani --- Chairman & Managing Director

Saroj C. Datwani ----- Executive Director

K.V. Chitalia ----- Independent Director

S.V. Jain ----- Independent Director

S. Bhyrappa ----- Independent Director

AUDITORS : ----- **Rau & Nathan**
Chartered Accountants

BANKERS : ----- State Bank of India
----- Corporation Bank

REGISTRAR AND -
TRANSFER AGENTS : **Ms. Computech Sharecap Limited**
147, 3rd Floor, M.G. Road
Opp. Jehangir Art Gallery
Fort, Mumbai 400 023

REGD. OFFICE : Plot No.26(P)
Belavadi Industrial Area
Hunsur Road, Mysore 570 018
Karnataka



VENLON ENTERPRISES LIMITED



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VENLON ENTERPRISES LIMITED



Plot No. : 26(P), Belavadi Industrial Area
Hunsur Road, MYSORE 570 018, Karnataka

Notice of Annual General Meeting :

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Venlon Enterprises Limited will be held on Wednesday the 30th September 2009 at 4.30 p.m. at HOTEL DASAPRAKASH PARADISE, Yadavagiri, MYSORE - 570 020 to transact the following business :

Ordinary Business :

01. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, audited Profit and Loss Account for the year ended as on that date and reports of the Board of Directors and Auditors thereon.
02. To appoint a Director in place of Sri S.V. Jain who retires by rotation and being eligible offers himself for re-appointment.
03. To appoint a Director in place of Sri S. Bhyrappa who retires by rotation and being eligible offers himself for re-appointment.
04. To appoint Statutory Auditors to hold Office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board

Chand D. Datwani
Chairman

Date : 30th June 2009



VENLON ENTERPRISES LIMITED



NOTES :

01. 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 himself 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.
02. The Register of members and the Share Transfer Books in respect of the equity shares of the Company will remain closed from 23.09.2009 to 30.09.2009 (both days inclusive).
03. 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, Opposite Jahangir Art Gallery, Fort, Mumbai 400 023, quoting folio number / demat particulars.
04. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 10.00 a.m. and 1.00 p.m. on all working days upto the day of the Annual General Meeting.
05. Shareholders desiring any information as regards Accounts are requested to write to the Registered Office at an early date so as to enable the Management to keep the information ready.
06. Members / Proxies, should bring the Attendance Slip sent herewith duly filled in for attending the meeting and hand it over at the entrance of the hall.
07. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
08. Provision of Section 192A of the Companies Act, 1956 is complied as and where applicable.

By Order of the Board

Chand D. Datwani
Chairman

Date : 30th June 2009



VENLON ENTERPRISES LIMITED



DIRECTORS' REPORT

Dear Members...

Your Directors have pleasure in presenting the 25th Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2009.

Financial Results :

	RUPEES IN LAKHS	
	CURRENT YEAR 31 Mar 09	PREVIOUS YEAR 31 Mar 08
Net Sales	8 059.06	6 043.15
Profit before interest and depreciation	97.89	117.25
Interest and financial charges	368.18	138.67
Profit before depreciation	(270.29)	(21.42)
Depreciation	318.69	267.42
Net Profit	(588.98)	(288.84)
Provision for Fringe Benefit Tax	4.50	1.75
Provision for Deferred Tax	278.49	144.36
Profit after Tax	(314.99)	(434.96)

Dividend :

To conserve the financial resources, the Directors have not recommended any dividend for the year.

Profitability :

There is no major change in the scenario of polyester and metallised film market conditions. However, the film segment has contributed a turnover to the extent of 68% in terms of value and balance is by Formaldehyde and generation of Wind Energy.

Finance and Taxation :

Existing Working Capital limits with State Bank of India and Corporation Bank are operative during the current year. The working capital limits sanctioned by the aforesaid banks are adequate.

Income Tax Assessment for the Assessment Years 2006-07 and 2007-08 is completed and that of 2008-09 is in progress.

Current Operations :

The product mix of manufacture of film, formaldehyde and generation of wind energy have been so regulated to optimize financial contribution from each segment to ensure stabilized conditions of the company.

Future Plans :

With the global energy equation in turmoil, it is prudent to stabilize and ride over the present situation.



VENLON ENTERPRISES LIMITED



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 :-----

As required by the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in the Annexure forming part of this Report.

Industrial Relations :-----

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.

Directors :-----

The Board consists of Five Directors of whom 3 are Independent Directors.

Listing Agreement with Stock Exchanges :-----

Listing Agreement with Bangalore Stock Exchange Limited, Bangalore and The Bombay Stock Exchange Limited, Mumbai continue to be listed and the Company has been regular in paying requisite fees to them.

Company Secretary :-----

The Company advertised for a suitable candidate in a leading English Newspaper in Mysore on 25.05.2009. Only one candidate applied for the interview. He did not possess the requisite qualification. Upon calling for interview he did not appear. Continuous efforts are being made in this respect to identify a suitable candidate.

Auditors :-----

M/s. Rau & Nathan, Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Particulars of employees under Section 217(2A) of the Companies Act, 1956 :-----

The particulars are furnished in Annexure ' B ' and forms part of Directors' Report.

Directors' Responsibility Statement :-----

As required under Section 217(2AA) of the Companies Act 1956 (this act), it is hereby declared:

- i) That in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- ii) That 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 at the end of the financial year and of the loss of the company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts on a going concern basis.



VENLON ENTERPRISES LIMITED



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 narration contained under the Caption " FUTURE PLANS ".

B) Outlook for the Company :-----

Within the current economic situation 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 procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw-materials including components, plant and machinery, equipment and other assets and for the sale of goods".

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

The company's sales (gross) have increased by 31.6%. The company has incurred a loss of Rs.589.06 Lakhs.

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 Assistant General Manager (HR). There is a Weekly Manager's Meet to co-ordinate the activity.

Number of Employees : 110 permanent.



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----- 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.

Dematerialisation of Company's Equity Shares :-----

The Company's Equity Shares have been activated for dematerialisation with Central Depository Services (India) Limited and with that of National Securities Depository Limited.

Particulars of the Registrar and Share Transfer Agent (RTA) where dematerialization request forms along with the physical certificates will be accepted is as follows :

M/s. **CompuTech Sharecap Limited**
147, Mahatma Gandhi Road, 3rd Floor,
Jehangir Art Gallery, Fort, Mumbai 400 023

THE ISIN NUMBER OF THE
SCRIP IS: **INE 204D01022**

Acknowledgements :-----

Your Directors place on record their sincere appreciation of the services rendered by State Bank of India, Corporation Bank and ICICI Bank. Your Directors wish to place on record the valued support and co-operation of Shareholders, Customers and Suppliers of the Company.

for and on behalf of the Board of Directors

Mysore

Date : 30th June 2009

Chand D. Datwani

CHAIRMAN

Annexure 'A' to Directors' Report :

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report Rules, 1988).



VENLON ENTERPRISES LIMITED



A. Conservation of Energy :-----

The entire power requirement of the Plant is being met by Captive Power Generation. During January 2004, the company has commissioned 1.9MW Captive Power Generation Furnace Oil based Power Plant replacing the Generators run on high cost fuels. This change has resulted in reduction of energy costs. Total energy consumption and consumption of energy per unit of production is given in the prescribed Form 'A' annexed to this Report.

B. Technology Absorption :-----

Extension Research and Development activity has enabled the Company to further improve the Polyester Film (both in Sheet and Roll form) and PET chips quality conforming to International specifications.

C. Foreign Exchange Earnings & Outgo :-----

Foreign Exchange Earnings : Rs. 2.50 Lakhs
Foreign Exchange Outgo : Rs.6.48 Lakhs

Form 'A' (See Rule 2)		
Form of Disclosure of particulars with respect to Conservation of Energy		
	CURRENT YEAR 2008-09	PREVIOUS YEAR 2007-08
A. Power Purchased from Electricity Board	Nil	Nil
Total Cost	Nil	Nil
Cost per KWH (rupees)	N.A.	N.A.
B. Captive Power Generation by Gensets (unit KWH Lakhs)	67.91	68.82
Total Cost (rupees in Lakhs)	492.80	655.99
Cost per KWH (rupees)	7.26	9.58
C. Furnance Oil Consumed (KL)	2196	1287
Cost of Furnance Oil Consumed (Rupees in Lakhs)	532.70	328.74

Annexure 'B' to Directors' Report :

Particulars of Employees Under 217(2A) read with Companies (particulars of Employees Rules, 1975) as amended.

There are no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.24,00,000/- per annum or Rs.2,00,000/- per month in respect of part of the year during the year under audit.

for and on behalf of the Board of Directors

Mysore
Date : 30th June 2009

Chand D. Datwani
CHAIRMAN



VENLON ENTERPRISES LIMITED



Corporate Governance Report for the year 2008-09

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

01. 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 shareholder's value
- Caring for people and environment
- Integrity including intellectual honesty, openness, fairness and trust
- Socially valued enterprise

02. Board of Directors : -----

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the year is given below :

Name	Category	Date of last A.G.M.	No. of Board Meetings held/attended	No. of other Directorship (in public Companies]	No. of other Committee Membership
Mr. Chand D. Datwani	Chairman & Managing Director Non-Independent Executive	Present	5/5	Nil	2
Mrs. Saroj C. Datwani	Wholetime Director Non-Independent Executive	Present	3/5	Nil	Nil
Mr. K.V. Chitalia	Independent Non-Executive	Present	5/5	1	2
Mr. S.V. Jain	Independent Non-Executive	Present	5/5	1	2
Mr. S. Bhyrappa	Independent Non-Executive	Present	4/5	Nil	2

Brief Resume of Managing and Wholetime Directors : -----

Mr. Chand D. Datwani - financially literate promoter director and is the Managing Director of the Company.

Smt. Saroj Datwani - She is a Post-Graduate in M.A. Psychology and is in charge of administration of Mumbai Office and HRD of the Company as a whole.

03. Retiring Director eligible for re-appointment : -----

Sri S.V. Jain and Sri S. Bhyrappa retire. They are eligible for re-appointment. Their brief resume and Directorship in Public Companies are as follows:

Sri S.V. Jain is an accute Businessman. His Directorship on the Board is off immense help to the Company.

Sri S. Bhyrappa is a Senior Advocate in Practice he guides the Board on legal matters.

04. Audit Committee : -----

The Board reconstituted the Audit Committee on 30 June 2008. 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.
- 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, including the Audit Report.
- e. Recommending the appointment of Statutory Auditors.
- f. Others (as covered in Clause 49 (II)(D) of the Listing Agreement).



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

Name of Member	Category	Number of Committee Meetings Held	
		Held	Attended
Mr. K.V. Chitalia	Member	4	4
Mr. S.V. Jain	Member	4	4
Mr. S. Bhyrappa	Member	4	4
Mr. Chand D. Datwani	Invitee	4	4

Four Audit Committee Meetings were held during the year 2008-09. The said Meetings were held on the following dates :

- 30 June 2008
- 31 July 2008
- 31 October 2008
- 31 January 2009

Audit Committee Meetings are attended by Managing Director, Statutory Auditor, Internal Auditor and the Deputy Officer (Accounts) of the Company.

05. Remuneration Committee :

The Board reconstituted the Remuneration Committee on 30 June 2007. The terms of reference to the Committee are as per the requirements of Clause 49 of the Listing Agreement.

The composition of the revised Remuneration Committee is given below :-

Name of Member	Category
Mr. K.V. Chitalia	Chairman
Mr. S.V. Jain	Member
Mr. S. Bhyrappa	Member

Remuneration Policy :

The Company has adhered to provisions of Schedule XIII of the Companies Act, 1956 while fixing the remuneration package to its Managing Director and Executive Director.

Details of Remuneration for 2008-09 :

Name of the Director	Remuneration (p.a.)	Sitting fee	Tennure
Mr. Chand D. Datwani Chairman & Managing Director Director Promoter	Rs.11.76 Lacs	Nil	Upto 30 March 2012
Mrs. Saroj C. Datwani Promoter - Non Executive	Rs.6.72 Lacs	Nil	Upto 30 March 2012
Mr. K.V. Chitalia Independent Non-Executive	Nil	Nil	Liable for retirement by rotation
Mr. S.V. Jain Independent Non-Executive	Nil	Nil	Liable for retirement by rotation
Mr. S. Bhyrappa Independent Non-Executive	Nil	Rs.22,000	Liable for retirement by rotation

Disclosure of Shares held by Non-Executive Directors in the Company as on 31 March 2009.

Mr. K.V. Chitalia 12908 Shares of Rs.5/- each. Mr. S.V. Jain 18000 Shares of Rs.5/- each.



VENLON ENTERPRISES LIMITED



06. Shareholders & Grievances Committee :-----

An Investor Grievance Committee was re-constituted on 31 May 2005 to specifically look into the redressal of Investors Complaints.

THE COMPOSITION OF THE INVESTOR GRIEVANCE COMMITTEE WHICH ALSO APPROVES SHARE TRANSFER IS GIVEN BELOW :

NAME OF MEMBERS	CATEGORY
Mr. S. Bhyrappa	Chairman Independent Non-Executive
Mr. Chand D. Datwani	Member Promoter & Managing Director

Scope :

- i) To approve Transfer & Transmission of Shares.
- ii) To oversee redressal of complaints.
- iii) To approve Remat of Shares.

Meetings were held on :

20 May 2008 25 Jul 2008 22 Sep 2008
11 Oct 2008 21 Mar 2009 30 Mar 2009
both attended these Meetings.

For the following Meetings held on 18 Feb 2009, 28 Feb 2009 and 10 Mar 2009 Sri K.V. Chitalia and Sri S.V. Jain - Independent Directors were co-opted and attended the meeting. As Sri Chand D. Datwani, Managing Director of the Company could not attend these meetings.

Name & Designation of Compliance Officer (External Agency) :-

Sri G.D. Rama Rao, FCA., Acs,

07. General Body Meetings :-----

a) Location and Time, where last three Annual General Meeting (AGM) were held :

Date of AGM	Type of Meeting	Location & Time
30 Sep 2006	AGM	Hotel Dasaprakash Paradise, Yadavagiri, MYSORE-20, at 4.30 p.m.
29 Sep 2007	AGM	Hotel Dasaprakash Paradise, Yadavagiri, MYSORE-20, at 4.30 p.m.
20 Jun 2008	EGM	Hotel Dasaprakash Paradise, Yadavagiri, MYSORE-20, at 4.30 p.m.
30 Sep 2008	AGM	Hotel Dasaprakash Paradise, Yadavagiri, MYSORE-20, at 4.30 p.m.

b) Investor Complaints :

No. of Complaints received from Shareholders from 01.04.2008 to 31.03.2009	nil
No. of Complaints not solved to the satisfaction of the Shareholders	nil
No. of Pending Share Transfers	nil

Resolutions passed through Postal Ballot :-----

During the year, one special resolution contained in the EGM Notice dated 12th May 08, were passed by the shareholders of the Company through Postal Ballot. The results of the Postal Ballot were declared on 20th June 2008. 2.16% votes were polled 'for' and 'none' against. The resolution was unanimously carried.



VENLON ENTERPRISES LIMITED



08. 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 etc., that may have potential conflict with the interest of company at large. - nil -
- Details of non-compliance by the Company, penalties, 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 -

09. Means of Communication :-----

- Quarterly Results are normally published in The Financial Express and Mysore Diganta.
- Any Website, where displayed - None
- Whether it also displays official news release and presentation made to intuitional investors or to the analysts - N.A.
- Whether MD & A is a part of Annual Report or not - Yes

10. General Shareholder Information :-----

AGM : (Date, Time and Venue) :

30 Sep 2009 at Hotel Dasaprakash Paradise, Yadavagiri, Mysore-20 at 4.30 p.m.

Financial Calendar :

Year ending - March 31st; AGM - September

Book Closure :

23 Sep 2009 to 30 Sep 2009 (both days inclusive)

Listing on Stock Exchanges :

01. Bombay Stock Exchange Limited, Mumbai :
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
02. Bangalore Stock Exchange Limited :
51, Stock Exchange Towers, 1st Cross, J.C. Road, Bangalore 560 027.

Stock Code :

Stock Exchange Mumbai : 524038

Market Price Data :

Month	High	Low
	(Rupees)	
Apr 2008	5.20	4.96
May 2008	5.57	4.91
Jun 2008	5.48	5.05
Jul 2008	4.32	3.99
Aug 2008	4.19	4.04
Sep 2008	4.24	3.77
Month	High	Low
	(Rupees)	
Oct 2008	2.94	2.69
Nov 2008	2.14	1.90
Dec 2008	1.83	1.74
Jan 2009	1.81	1.68
Feb 2009	1.84	1.43
Mar 2009	2.13	1.71

Registrar and Transfer Agents :-----

(common for physical and electronic transfers)

M/s. Computech Sharecap Limited

147, 3rd Floor, M.G. Road, Opp. Jehangir Art Gallery, Fort, Mumbai 400 023

Share Transfer System :-----

Share Transfer in physical form can be lodged with the Share Transfer Agents at the above mentioned address.



VENLON ENTERPRISES LIMITED



The Transfers are normally processed within the stipulated time from date of receipt if the documents are complete in all respects. Share Transfer Committee of the Board approves the transfers.

Insider trading norms are adhered and reported to stock exchanges upon information from the concerned.

Distribution Schedule :

Number of Shares	Number of Shareholders	Shareholders Percentage	Number of Shares held	Shareholding Percentage
0001 - 0050	104	2.11 %	2305	0.01 %
0051 - 0100	175	3.54 %	16645	0.08 %
0101 - 0200	767	15.53 %	141967	0.65 %
0201 - 0300	96	1.84 %	24891	0.11 %
0301 - 0400	2161	43.92 %	783039	3.59 %
0401 - 0500	273	5.49 %	134425	0.62 %
0501 - 1000	685	13.87 %	557356	2.56 %
1001 & above	677	13.71 %	20149476	92.39 %
TOTAL	4938	100.00 %	21810104	100.00 %

De-materialization of Shares and Liquidity :

Shares in physical form can be de-materialized and dealt on NSDL / CDSL.

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

Shareholding Pattern i:.....

Category	Number of Shares held	Shareholding Percentage
Promoters holding		
PROMOTERS		
Indian Promoters	11 09 520	5.09 %
Foreign Promoters	1 53 75 128	70.50 %
Sub-Total	1 64 84 648	75.79 %
Non-Promoters holding		
Institutional Investors		
Mutual Fynds & UTI	5 000	0.02 %
Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Govt. Institutions)	6 840	0.03 %
Foreign Institutional Investors	72 193	0.33 %
Sub-Total	84 033	0.39 %
Others		
Private Corporate Bodies	6 50 975	2.98 %
Indian Public (NRI)	44 63 578 1 26 870	20.46 % 0.58 %
Sub-Total	52 41 423	24.02 %
GRAND TOTAL	2 18 10 104	100.00 %

DECLARATION :

I, Chand D. Datwani, Chairman and Managing Director hereby declares that all the Board Members and Senior Management Personnel have complied with Code of Conduct adopted by the Company.

for and on behalf of the Board of Directors

Mysore

Date : 30th June 2009

Chand D. Datwani
CHAIRMAN



VENLON ENTERPRISES LIMITED



CEO/CFO CERTIFICATION

- a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2009 and to the best of our knowledge and belief :
- i) These statements do not contain any materially untrue statement or any material fact or 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 and we that we have evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the audit committee, deficiencies in design or operation of internal control, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies are adequate.
- d) We have indicated to the auditors and the audit committee :
- i) Significant changes in the internal control during the year .
 - ii) Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements : and
 - iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee have a significant role in the company's internal control system, if any.

CHAND D DATWANI

Chairman and Managing Director

Place : Mysore

Date : 30 June 2009

M.K. Shivegowda

Deputy Officer (Accounts)



VENLON ENTERPRISES LIMITED



RAU & NATHAN

Chartered Accountants

3046, Gokulam Park Road, V.V. Mohalla
Mysore-570 002; Tel : 0821-4263314
email : 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 (the company) for the year ended March 31, 2009 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 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 the 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 March 31, 2009, no investor grievances are pending against the Company as at June 30, 2009 as per the records maintained by the Company and presented to the Investor / Shareholders Grievance 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

Place : Mysore

Date : 30/06/2009

N. Vaidyanathan — Partner

Membership : 22573



VENLON ENTERPRISES LIMITED



AUDITORS' REPORT

TO THE MEMBERS OF VENLON ENTERPRISES LIMITED

01. We have audited the attached Balance Sheet of VENLON ENTERPRISES LIMITED as at 31st March 2009, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
02. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
03. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Sec. 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matter specified in Paragraphs 4 and 5 of the said Order.
04. Further to our comments in the Annexure referred to in Paragraph 3 above :
 - a. We have obtained all the information and explanations, which to 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 the law have been kept by the company so far as appears from our examination of those books.



VENLON ENTERPRISES LIMITED



RAU & NATHAN

Chartered Accountants

3046, Gokulam Park Road, V.V. Mohalla
Mysore-570 002; Tel : 0821-4263314
email : envee2006@gmail.com

AUDITORS' REPORT

TO THE MEMBERS OF VENLON ENTERPRISES LIMITED

- >
- c. The attached Balance Sheet, the Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement comply with the requirement of Accounting standards referred to in sub section 3(c) of Sec.211 of the Companies Act 1956 except treatment of inter divisional transfers as referred to in serial number 6 Schedule 20 - Notes on Accounts.
 - e. On the basis of the written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as directors in terms of Clause (g) of Sub Sec. (1) of Sec. 274 of the Companies Act, 1956.

Further to the above, in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2009;
- ii) in the case of Profit and Loss Account, of the loss for the year ended on that date and
- iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for RAU & NATHAN ----- Chartered Accountants

Place : Mysore

Date : 30/06/2009

N. Vaidyanathan ----- Partner
Membership : 22573



VENLON ENTERPRISES LIMITED



ANNEXURE :

AUDITORS' REPORT TO THE MEMBERS OF VENLON ENTERPRISES LIMITED

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Venlon Enterprises Limited on the financial statements for the year ended 31st March 2009.

01. 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.
 - c. In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.

02. 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.

03. a. The Company has not granted unsecured loans to Companies covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b. The Company has taken unsecured loans from Companies/other parties covered in the register maintained under Section 301 of the Act. The number of such companies/other parties is 3. The maximum amount involved during the year is Rs.2,850.10 Lacs and the year-end balances of such loan aggregates to Rs.197.36 Lacs respectively.
 - c. In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
 - d. The company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.



VENLON ENTERPRISES LIMITED



04. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. 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.
05. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements have been made at prices are reasonable having regard to the prevailing market prices at the relevant time.
06. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other Relevant Provisions of the Companies Act, 1956 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.
07. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
08. 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 the Clause (d) of sub section (1) of Section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained in respect of Formaldehyde & Polyester Chips. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
09. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities, except income tax (TDS) where there has been 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 Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.



VENLON ENTERPRISES LIMITED



10. The Company has accumulated losses as at March 31, 2009 and it has incurred cash losses in the financial year ended on that date. The Company has incurred cash losses in the immediately preceding financial year.
11. 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.
12. The Company has not granted any loans and advances on the basis of security by the way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our opinion, the Company is not a dealer or trader or trader in shares, securities, debentures and other investments.
15. In our opinion, 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.
16. In our opinion, 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.
17. On the basis of overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties & companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. 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 instances 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

Place : Mysore
Date : 30/06/2009

N. Vaidyanathan — Partner
Membership : 22573



VENLON ENTERPRISES LIMITED



RAU & NATHAN

Chartered Accountants

3046, Gokulam Park Road, V.V. Mohalla
Mysore-570 002; Tel : 0821-4263314
email : envee2006@gmail.com

**Chartered Accountants'
Certificate**

Rule 4 (a) of the Companies (dis-qualification fo Directors Under Section 274(1)(g)
of the Companies Act, 1956 Rules 2003.

To :
The Board of Directors
of
Venlon Enterprises Limited

In terms of Rule 4(a) of the Companies (Dis-qualification of Directors Under Section 274(1)(g) of the Companies Act, 1956 Rules, 2003, we M/s. Rau & Nathan, Chartered Accountants, based on our examination of the Books and Records of the Company, carried out in accordance with the requirements of the Guidance Note on Section 227(3)(e) and (f) of the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, do hereby Certify that none of the Directors of the Company, i.e., Venlon Enterprises Limited as at March 31, 2009 is disqualified for appointment as a Director in the aforementioned company in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

for RAU & NATHAN — Chartered Accountants

Place : Mysore

Date : 30/06/2009

N. Vaidyanathan — Partner

Membership : 22573



VENLON ENTERPRISES LIMITED



Balance Sheet as at 31 March 2009

	Schedule number	AS AT 31 Mar 2009 Rupees	AS AT 31 Mar 2008 Rupees
SOURCES OF FUNDS :			
Shareholder's Funds :			
Share Capital	01	109,050,520	109,050,520
Share Application Money - Pending Allotment		152,161,958	99,007,626
RESERVES AND SURPLUS :			
Loan Funds :	02	188,376,667	204,083,101
Secured Loans	03	120,044,460	117,293,659
Un-Secured Loans	04	655,792,092	700,766,260
Deferred Tax Liability		28,105,277	55,954,415
TOTAL		1,253,530,974	1,286,155,581
APPLICATION OF FUNDS :			
Fixed Assets : Gross Block	05	1,368,067,649	1,366,762,419
Less : Depreciation		374,413,437	331,572,633
Net Block		993,654,212	1,035,189,786
Capital Work-in-Progress		67,085,870	59,333,397
		1,060,740,082	1,094,523,183
Investments	06	3,058,468	3,058,468
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	07	148,701,919	211,748,019
Sundry Debtors	08	18,592,558	27,704,845
Cash and Bank Balances	09	19,792,222	13,706,589
Loans and Advances	10	29,721,980	66,241,001
		216,808,678	319,400,454
Less : Current Liabilities & Provisions			
a) Current Liabilities	11	53,304,540	128,400,605
b) Provisions		552,668	2,425,921
Net Current Assets		162,951,471	188,573,928
Miscellaneous Assets :			
Profit and Loss Account		26,780,954	-
TOTAL		1,253,530,974	1,286,155,581

for and on behalf of the Board of Directors

As per our Report attached :

For **RAU & NATHAN**
Chartered Accountants

Chand D Datwani
Chairman & Managing Director

Place : Mysore
Date : 30 June 2009

N. Vaidyanathan
Partner
Membership # 22573

S. Bhyrappa
Director



VENLON ENTERPRISES LIMITED



Profit & Loss Account

for the year ended 31 March 2009

	Schedule number	AS AT 31 Mar 2009 Rupees	AS AT 31 Mar 2008 Rupees
A. SALES & OTHER INCOME :			
Gross Sales		848,241,634	644,750,223
Less : Excise Duty		42,335,020	40,435,389
Net Sales		805,906,614	604,314,834
Other Income	12	1,794,023	18,275,440
Increase / (Decrease) in Finished Goods	13	(56,089,959)	18,926,653
Increase / (Decrease) in Goods-in-Transit	14	-	(12,616)
Increase / (Decrease) in Work-in-Progress	15	(26,200,998)	21,761,794
Profit on Exchange of Windmill		-	14,593,595
TOTAL		725,409,680	677,859,700
B. EXPENSES :			
Manufacturing Expenses	16	682,284,730	645,231,217
Administrative Expenses	17	15,201,069	6,981,477
Selling Expenses	18	16,482,308	11,729,519
Financial Charges	19	36,818,724	13,867,438
Insurance Charges		1,652,725	2,192,220
Depreciation	05	31,869,044	26,742,210
TOTAL		784,308,600	706,744,081
C. NET PROFIT / (LOSS) BEFORE TAX		(58,898,920)	(28,884,381)
D. PROVISION FOR CURRENT TAX		-	-
E. PROVISION FOR DEFERRED TAX-Current year		-	14,435,338
Reversal of Deferred Tax		27,849,138	-
F. FRINGE BENEFIT TAX PAID-earlier years		274,939	1,325
G. PROVISION FOR FRINGE BENEFIT TAX		175,000	175,000
H. PROFIT / (LOSS) AFTER TAX		(31,499,721)	(43,496,044)
I. INCOME / (EXPENSES) OF EARLIER YEARS		-	33,293
J. PROFIT / (LOSS) FOR THE PERIOD		(31,499,721)	(43,462,751)
K. BALANCE BROUGHT FORWARD-FROM PREVIOUS YEAR		4,718,767	48,181,518
L. BALANCE CARRIED TO BALANCE SHEET		(26,780,954)	4,718,767

for and on behalf of the Board of Directors

As per our Report attached :

For **RAU & NATHAN**
Chartered Accountants

Chand D Datwani
Chairman & Managing Director

Place : Mysore
Date : 30 June 2009

N. Vaidyanathan
Partner
Membership # 22573

S. Bhyrappa
Director



VENLON ENTERPRISES LIMITED



Schedule 01 to 20 forming part of Accounts

Schedule - 01 Share Capital

	Rupees	as at 31 Mar 2009 Rupees	Rupees	as at 31 Mar 2008 Rupees
Authorised : 2,20,00,000 Equity Shares of Rs.5 each		110,000,000		110,000,000
Issued, Subscribed and Paid-up : 2,18,10,104 Equity Shares of Rs.5 each		109,050,520		109,050,520

Schedule - 02 Reserves and Surplus

	Rupees	as at 31 Mar 2009 Rupees	Rupees	as at 31 Mar 2008 Rupees
Capital Reserve		76,500		76,500
Capital Reserve on Revaluation	166,774,210		174,364,590	
Less: Depreciation for the year	10,987,667		7,590,380	
		155,786,543		166,774,210
Investment allowance utilisation reserve				
Central Subsidy				
State Subsidy				
Securities premium		32,513,624		32,513,624
General Reserve			11,877,249	
Add: Investment allowance utilisation reserve			17,402,051	
Add: Central subsidy			1,500,000	
Add: State subsidy			1,000,000	
			31,779,300	
Less: Deferred Tax Liability upto 31st March 2001			31,779,300	
Balance as per Profit and Loss Account				4,718,767
Total		188,376,667		204,083,101

Schedule - 03 Secured Loans

	Rupees	as at 31 Mar 2009 Rupees	Rupees	as at 31 Mar 2008 Rupees
01. Term Loan from ICICI Limited against hypothecation of Vehicle		577,387		1,372,595
02. Working Capital Loans from Banks		107,898,689		115,921,064
03. SBI Corporate Loan		2,693,332		-
04. Term Loan from TATA Capital Limited against hypothecation of Vehicle		875,052		-
05. Loan on Fixed Deposit		8,000,000		-
TOTAL		120,044,460		117,293,659

NOTES: 01. Cash Credit Account with SBI / Corporation Bank is secured against hypothecation of Raw-materials, Semi-finished Goods, Finished Goods, Packing Materials, Spares, Tools, Jigs and Fixtures and Book Debts of the Company both present and future.

02. Loan from ICICI Limited is secured against hypothecation of Vehicles.

03. Loan from TATA Capital Limited is secured against hypothecation of Vehicles.

04. The above Loans are also personally guaranteed by some of the Directors.

Schedule - 04 Un-Secured Loans

	Rupees	as at 31 Mar 2009 Rupees	Rupees	as at 31 Mar 2008 Rupees
01. Inter Corporate Loan		33,159,457		25,374,016
02. Loan from Directors		19,735,870		298,209,799
03. Un-secured Loans from Promoters		602,896,765		377,182,445
TOTAL		655,792,092		700,766,260



VENLON ENTERPRISES LIMITED



Schedule - 05 Schedule of Fixed Assets

Figs. in rupees

PARTICULARS Description of Assets	GROSS BLOCK					DEPRECIATION BLOCK					NET BLOCK	
	as on 01.04.2008	Additions during the year	Disposals / Transfer	Additions due to Revaluation	as on 31.03.2009	Depreciation upto 31.03.2008	Depreciation for the year	Depreciation Withdrawn	Prior Period Dep. allowed	Depreciation upto 31.03.2009	as on 31.03.2009	as on 31.03.2008
Land - Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
Land - Freehold	5,607,335	-	-	-	5,607,335	-	-	-	-	-	5,607,335	5,607,335
Building	155,393,384	-	-	-	155,393,384	46,373,912	5,181,545	-	-	51,555,457	103,837,928	109,019,472
Plant and Machinery	1,176,303,076	62,900	26,500	-	1,176,339,476	261,736,353	36,454,125	15,904	-	298,174,574	878,164,902	914,566,723
Electrical Installation	15,104,971	-	-	-	15,104,971	14,633,549	56,566	-	-	14,690,115	414,856	471,422
Furniture and Fittings	4,436,617	-	-	-	4,436,617	3,667,447	260,429	-	-	3,869,876	566,741	827,170
Vehicles	9,917,036	1,268,830	-	-	11,185,866	5,219,372	904,046	-	-	6,123,418	5,062,448	4,697,664
TOTAL	1,366,762,419	1,331,730	26,500	-	1,368,067,649	331,572,633	42,856,711	15,904	-	374,413,440	993,654,210	1,035,189,787
Previous Year	1,323,703,574	185,554,314	142,495,469	-	1,366,762,419	319,219,476	34,332,592	21,989,064	9,629	331,572,633	1,035,189,786	1,004,484,098
CAPITAL WORK-IN-PROGRESS												
Building - Paraformaldehyde	-	-	-	-	-	-	-	-	-	-	169,001	-
Building - YAM	-	-	-	-	-	-	-	-	-	-	25,050	-
Building - Film Plant	-	-	-	-	-	-	-	-	-	-	411,953	319,694
Building - Others	-	-	-	-	-	-	-	-	-	-	37,390,853	37,390,853
Machinery - Paraformaldehyde	-	-	-	-	-	-	-	-	-	-	826,331	-
Machinery - Metalizing Plant	-	-	-	-	-	-	-	-	-	-	131,744	141,220
Machinery - YAM	-	-	-	-	-	-	-	-	-	-	6,346,725	-
Machinery - Film Plant	-	-	-	-	-	-	-	-	-	-	262,970	-
Machinery - Chips Plant	-	-	-	-	-	-	-	-	-	-	39,614	-
Machinery - Others	-	-	-	-	-	-	-	-	-	-	21,481,630	21,481,630
Expenditure During Construction Period	-	-	-	-	-	-	-	-	-	-	-	-
Pending Allocation / Apportionment	-	-	-	-	-	-	-	-	-	-	67,085,871	59,333,397
Grand Total	-	-	-	-	-	-	-	-	-	-	1,060,740,081	1,094,523,184
PREVIOUS YEAR - GRAND TOTAL	1,170,107,405	197,502,806	847,792	-	1,366,762,419	297,231,720	34,787,323	446,410	-	331,572,633	1,094,523,184	1,153,856,581

1) Gross Block includes Rs.27,35,70,775/- which represents additions due to revaluation :
 Year of revaluation : 1992-93 Additions on Revaluation Rs.83,948,258 (a)
 Year of revaluation : 1997-98 Additions on Revaluation Rs.134,709,985 (b)
 Year of revaluation : 2001-02 Additions on Revaluation Rs.54,912,531 (c)

Rs.273,570,774

(a) Revaluation of Factory Building and Plant & Machinery at Mysore.
 (b) Revaluation of Imported Plant & Machinery of Polyester Film Plant at Mysore.
 (c) Revaluation BOPP plant of Polyester Film Plant at Mysore.

2) Depreciation on Original Cost (including additions) is Rs.31,869,044. Depreciation on Revalued Portion - Rs.10,987,667 is debited to Capital Reserve for Revaluation.

3) Depreciation is provided on Straight Line Method at rates specified in Schedule XIV, Companies Act, as amended.

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 06 <<<<<< >>>>>> Long Term Investments (at cost)		
Non-Trade Investments (Un-quoted) at Cost in Government Securities :		
National Savings Certificate	5,000	5,000
Kisan Vikas Patra	10,000	10,000
Indira Vikas Patra	1,000	1,000
Trade Investments (Quoted)	2,936,468	2,936,468
Trade Investments (Un-quoted)		
Equity Shares in		
Dechem Resins Limited		
9000 Shares of Rs.10 each	90,000	90,000
Equity Shares in		
Sakamachi Tapes Limited		
800 Shares of Rs.10 each	16,000	16,000
TOTAL	3,058,468	3,058,468

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 07 <<<<<< >>>>>> Inventories		
Raw-material	23,486,802	5,422,279
Stock-in-Progress	50,874,753	77,075,751
Packing Materials, Loose Tools, Stores, Spares, Consumables, etc.	42,695,179	41,503,949
Finished Goods	31,579,066	87,669,025
Goods-in-Transit	66,119	77,015
TOTAL	148,701,919	211,748,019

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 08 <<<<<< >>>>>> Sundry Debtors		
(Un-Secured - Considered Good)		
Over 6 Months	7,518,858	12,731,433
Other Debts	11,073,700	14,973,412
TOTAL	18,592,558	27,704,845

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 09 <<<<<< >>>>>> Cash & Bank Balances		
Cash on Hand	354,043	190,889
Balance with Scheduled Bank :		
in Current Accounts	1,388,423	2,477,307
in Fixed Deposits	17,919,790	10,310,000
Balance with Other Banks :		
in Current Account		
with HDFC Bank Limited	52,214	650,640
in Current Account		
with HSBC Bank Limited	77,753	77,753
TOTAL	19,792,222	13,706,589



VENLON ENTERPRISES LIMITED



As at
31.03.2009
Rupees

As at
31.03.2008
Rupees

Schedule - 10 <<<<>>>> Loans & Advances

(Un-Secured - considered good)	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Advances Recoverable in Cash or in kind or for Value to be received	24,163,775	48,041,385
Advances to suppliers for Capital Works	-	3,486,032
Advances for Expenses	1,026,210	114,071
Advances to Suppliers for Goods	-	5,935,527
Advances with Excise Authorities	756,840	2,986,722
Deposits	3,775,155	5,677,264
TOTAL	29,721,980	66,241,001

Note : Deposits includes Security Deposits of Rs.34,76,160/- due from the company, in which Directors are interested.
(Previous Year Rs.34,76,160/-) Maximum Balance Outstanding at any time during the year
Rs.34,76,160/- (previous year Rs.40,76,160/-)

Schedule - 11 <> Current Liabilities & Provisions

(a) Current Liabilities :		
Creditors for Supplies	44,915,672	87,586,833
Creditors for Capital Works	-	9,840,074
Credit Balance in Customer's Accounts	878,201	4,359,156
Other Liabilities	7,510,667	26,614,542
TOTAL	53,304,540	128,400,605
(b) Provisions		
Provision for Taxation	-	1,563,094
Provision for Fringe Benefit Tax	175,001	175,000
Provision for Bonus and Gratuity	377,667	687,827
TOTAL	552,668	2,425,921

Schedule - 12 <<<<>>>> Other Income

Miscellaneous Income	588,525	69,507
Sundry Credit balances written back	-	188
Interest on FD (TDS-Rs.2,13,565/- Previous Year Rs.1,81,086/-)	1,194,498	1,320,634
Claims Received	11,000	16,870,000
Profit on Sale of Assets	-	15,111
TOTAL	1,794,023	18,275,440



VENLON ENTERPRISES LIMITED



	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 13 ◀ ▶	Increase / (Decrease) in FINISHED GOODS...	
Stock as at 31 March 2009 (includes goods sent on consignment Rs.34,92,117/-) (Previous Year Rs.19,98,984/-)	31,579,066	79,284,861
Less : Opening Stock	87,669,025	60,358,208
TOTAL	(56,089,959)	18,926,653

Schedule - 14 ◀ ▶	Increase / (Decrease) in GOODS-IN-TRANSIT...	
Stock as at 31 March 2009	66,119	66,119
Less : Opening Stock	66,119	78,735
TOTAL	-	(12,616)

Schedule - 15 ◀ ▶	Increase / (Decrease) in WORK-IN-PROGRESS...	
Stock as at 31 March 2009	50,843,480	77,044,478
Less : Opening Stock	77,044,478	55,282,684
TOTAL	(26,200,998)	21,761,794

Schedule - 16 ◀ ▶	Manufacturing Expenses	
Raw-Materials consumed	552,714,273	521,105,868
Cost of Traded Goods	18,058	3,122,432
Stores, Spares & Tools etc	4,720,165	4,976,287
Consumables	6,392,674	6,200,628
Power, Fuel & Water Charges	78,045,601	65,999,637
Packing Materials	4,539,503	3,032,284
Freight inward & Labour charges	18,531,755	15,244,291
Repairs to Plant and Machinery	1,475,982	670,709
Testing Charges	64,465	73,326
Excise Duty Expenses	28,157	19,906
Human Resources Cost :		
Salaries, Wages, Bonus, Allowances	21,944,392	20,502,343
Contribution to PF & other Funds	2,468,259	2,684,899
Excise Duty on Closing Stock of Finished Goods at Plant (Net)	(8,658,553)	1,598,607
TOTAL	682,284,730	645,231,217

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Schedule - 17 ADMINISTRATIVE-EXPENSES...		
Travelling Expenses	2,147,621	755,609
Rates and Taxes	782,662	373,332
Legal and Professional Fees	824,513	441,458
Directors Sitting Fees	22,000	23,000
Communication Expenses	740,942	557,655
Local Conveyance	711,818	465,056
Printing and Stationery	280,732	130,691
Security Charges	747,773	389,528
Rent	2,284,081	1,447,896
Motor Vehicle Expenses	588,216	416,328
Repairs & Maintenance :		
Building	497,059	63,483
Others	963,944	519,899
Payment to Auditors	107,500	64,685
Miscellaneous Expenses	4,375,578	1,332,857
Books and Periodicals	118,924	-
Loss on Sale of Assets	7,707	-
TOTAL	15,201,069	6,981,477

Schedule - 18 SELLING EXPENSES...		
Freight and Forwarding	8,750,295	5,970,161
Advertisement and Sales Promotion	159,237	64,332
Commercial Taxes Paid	2,111,276	1,117,063
Sales Commission	1,983,198	647,460
Discount	3,478,302	3,930,503
TOTAL	16,482,308	11,729,519

Schedule - 19 FINANCIAL CHARGES...		
Interest - Term Loans	957,821	1,495,469
Interest - Cash Credit Account	16,686,105	6,405,450
Interest - Others	17,640,738	3,227,742
Bank Charges	1,534,061	2,738,776
TOTAL	36,818,724	13,867,437


VENLON ENTERPRISES LIMITED


RUPEES IN LACS

31.03.2009 31.03.2008

A. Cash flow from Operating Activities :

Net Profit after Tax and Extra-Ordinary items	(315)		(435)
Adjustments for :			
Provision for Deferred Tax	(279)		144
Depreciation	319		267
Interest and Financial Charges	368		139
Operating Profit before Working Capital Changes	93		116
Increase-in-Trade and Other Receivables	(457)		(103)
Increase-in-inventories	(630)		355
Decrease-in-Trade Payables	670		(625)
Cash Generated from Operations	510		489
Direct Taxes Paid	-		-
Cash flow before ExtraOrdinary items	510		489
Extra-Ordinary items	-		-
Net Cash from Operating activities		510	489

B. Cash flow from Investing Activities :

Purchase of Assets / WIP	92		(983)
Purchase of Investments	-		-
Withdrawal of Provision for Depreciation	-		220
	(92)		763
Increase-in-Creditors for Capital Goods	(98)		(1,420)
Net Cash used in Investing Activities		(190)	(657)

C. Cash flow from Financing Activities :

Increase in Share Capital-including premium	-		-
Increase in State Subsidy	-		-
Share Application Money	532		990
Defer Payment Credit	-		-
Increase in Capital Reserve for Revaluation	-		-
Receipts from Long Term Borrowings	(370)		(458)
Interest and Financial Charges	(308)		(139)
Dividends Paid (incl. Dividend Tax)	-		-
	(206)		393
Increase in Cash Credit Account with Bank	(53)		(207)
		(259)	187
Net Increase in Cash and Cash Equivalents (A+B+C)		61	19
Opening Cash Balance as on 01.04.2008	137		118
Closing Cash Balance as on 31.03.2009	198		137
		61	19

The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

for and on behalf of the Board of Directors

As per our Report attached :

For **RAU & NATHAN**
Chartered Accountants

Chand D Datwani
Chairman & Managing Director

Place : Mysore
Date : 30 June 2009

N. Vaidyanathan
Partner
Membership # 22573

S. Bhyrappa
Director



VENLON ENTERPRISES LIMITED



01. SIGNIFICANT ACCOUNTING POLICIES :**a. Basis of Presentation :**

The accounts have been prepared in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant presentations requirement of the Companies Act, 1956.

b. Fixed Assets :

Fixed Assets are stated at Cost or Revaluation net of accumulated depreciation. Cost comprises of the purchase price and any directly attributable costs of bringing the assets to working condition for its use including interest and other incidental expenses upto the date of commercial production. Surplus on revaluation of fixed assets is credited to Capital Reserve Account.

c. Depreciation :

Depreciation is provided on straight-line method as per rates specified in Schedule XIV of Companies Act, 1956, as amended from time to time.

d. Inventories :

Inventories are valued at lower of Average Cost or Net Realisable Value. Other items are valued at cost. The Pro-forma price at which goods are transferred to various depots from the Main Plant is considered as Cost for the purpose of valuation of finished goods lying at depots.

e. Investments :

Investments are stated at cost of acquisition.

f. Revenue Recognition :

- i) Revenue and Cost are accrued as they are earned or incurred.
- ii) Premium Paid to LIC in respect of Employees Group Gratuity Scheme is charged to Profit and Loss Account. Provision for gratuity liability has been made in the account in respect of employees at Mumbai Office, who have put in qualifying period of service.

g. Foreign Currency Transactions :

Transactions in Foreign Currency are recorded at the exchange rates prevailing at the time of transaction and Exchange differences arising from Foreign Currency Transactions are dealt with in Profit and Loss Account and adjusted where they relate to fixed assets. Current Assets and Liabilities at the year end are converted at closing rates and exchange losses are dealt with in the Profit and Loss Account or adjusted in Cost of Fixed Assets.

h. Borrowing Costs :

Borrowing costs that are attributable to the acquisition or construction of a qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

i. Deferred Taxation :

Deferred Tax resulting from Timing differences between book and tax profits is accounted for under the liability method, at the current rates of tax, to the extent that the timing differences are expected to crystallise.

**VENLON ENTERPRISES LIMITED**

02. Contingent liability not provided for in Accounts. (As Certified by the Management) - Nil.

03. Share Application Money pending allotment of Rs.9,90,07,626/- as on 31.03.2008 represents Foreign Inward Remittance Received from Mr. Dasu Daulatram Datwani and Mr. Arun Daulatram Datwani. At the Extra-Ordinary General Meeting of the Company held on 20th June 2008, the Resolutions for increase in authorised capital and allotment of shares to the aforesaid applicants were unanimously passed and the Board of Directors were authorised to issue and allot shares. The Management has decided not to implement the same.

04. Particulars of Investments of Equity Share (Quoted) :

Name of the Company	Number of Equity Shares Fully Paid-up	Face Value rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
Ester Industries Ltd.	100	10	2 388	2 388
Polyplex Corporation Ltd.	100	10	5 486	5 486
Flex Industries	100	10	13 106	13 106
Pan Electronics Ltd.	1 88 700	10	28 30 500	28 30 500
Garware Ployester Ltd.	50	10	10 000	10 000
Rollainers Ltd.	50	10	6 950	6 950
TamilNadu TeleCommunications Ltd.	100	10	750	750
ITC Ltd.	1 500	10	27 500	27 500
Mukund Felxipack Ltd.	100	10	725	725
Canbay PolyFilms Ltd.	100	10	450	450
Leela Packaging Ltd.	100	10	500	500
Annapurna Foils Ltd.	100	10	900	900
Upcom Cables Ltd.	100	10	2 700	2 700
Finolex Cables Ltd.	50	10	11 900	11 900
Essel Propack Ltd.	250	10	9 500	9 500
Gujarath Telephone Cables Ltd.	100	10	1 750	1 750
RPG Cables Ltd.	100	10	5 900	5 900
EID Parry (India) Ltd.	50	10	5 100	5 100
MM Rubber Company Ltd.	50	10	363	363
TOTAL			29 36 468	29 36 468
Aggregate Market Value of Investments			Rs.18,30,430/-	(PY.Rs.19,04,296/-).

05. 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.

06. Inter Division Transfers of Goods aggregating to a Value of Rs.3,413 Lacs for internal use as captive consumption are disclosed as contra-items in the Profit and Loss Account to reflect the true economic value of production inter-se the divisions. This treatment of intra-division transfers differs from the treatment recommended by Accounting Standard - 9 (Revenue Recognition) prescribed by the Institute of Chartered Accountants of India. Accordingly the sales and Raw-material consumption figures are higher by Rs.3,413 Lacs. This accounting treatment has no impact on the results of the Company.



VENLON ENTERPRISES LIMITED



07. In respect of Share Application Money pending Allotment of Rs.15,21,61,958/- as on 31.03.2009, the company has issued a notice calling for Extra-Ordinary General Meeting on 14th July 2009 to offer, issue and allot Shares pursuant to the Provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956.

08.(a) Excise Duty approximately Rs.21.38 Lacs (PY. Rs.108.08 Lacs) on stock awaiting clearance have been considered in valuation of finished goods.

(b) The increase (decrease) in finished goods - Schedule-13, includes opening stock of Paraformaldehyde Rs.83.59 Lacs and MF Solution Rs.0.25 Lacs. The Paraformaldehyde Plant was capitalized as on 31.03.2008. Hence, the finished goods are reckoned as opening stock in the Profit and Loss Account for the year 31.03.2009

09. Earning per Share (EPS) :

Name of the Company	2008-09	2007-08
a) Net Profit available for Equity Shareholders (Rs. in Lacs) (Used as Numerator for calculating EPS)	(315.00)	(434.96)
b) Number of Equity Shares (Used as Denominator for calculating EPS)	2,18,10,104	2,18,10,104
c) Earning per Share (Basic & diluted EPS) (not annualized)	(1.44)	(1.99)

10. Directors' Remuneration : rupees in Lacs

	2008-09	2007-08
Salaries	16.50	16.50
Contribution to Provident and other Funds	1.98	1.98
Sitting Fees	0.22	0.23
Total	18.70	18.71

(a) During the current year, the timing differences, (depreciation and other components) on account of the Deferred Tax Liability has been computed at Rs.281.05 Lacs as against the Opening Balance as at 01.04.2008 of Rs.559.54 Lacs. An amount of Rs.278.49 Lacs has been transferred to the credit of the Profit and Loss Account.

(b) Major components of deferred tax liabilities arising on account of timing differences is Depreciation Rs.281.05.

(c) The Company has provided a sum of Rs.1.75 Lacs towards Fringe Benefit Tax for the year.

12. Advance Recoverable in Cash or in kind or for value to be received (Schedule-10 ---- Loans and Advances) includes Rs.168.70 Lacs recoverable / to be adjusted over the period of contract with the supplier of Windmill. The Management has certified that the amount is considered good.

13. The Company's leasing arrangements are mainly in respect of Office premises. The aggregate lease rental payable on these leasing arrangements is charged as rent under " Administrative Expenses " in Schedule-17. These leasing arrangements are for a period not exceeding 5 years and are in most cases renewable by mutual consent, on mutually agreeable terms. The company has placed a refundable Security Deposit of Rs.34.76 Lacs in respect of these leasing arrangements.

14. Auditors' Remuneration : rupees in Lacs

	Statutory Auditors	
	2008-09	2007-08
a) For Audit	80,000	80,000
b) Other Services	10,000	10,000
c) For Audit Under KVAT Act	7,500	7,500
d) Out of Pocket Expenses	10,000	10,000
e) Sub-Total	1,07,500	1,07,500
f) Service Tax	11,073	13,287
TOTAL	1,18,573	1,20,787

Note : the amount in item (e) includes Rs.Nil/- capitalized during the year (PY.Rs.42,815/-).



VENLON ENTERPRISES LIMITED



15. Payments to Suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006, (The Act) are generally made in accordance with agreed Credit Terms. The amount, if any, overdue as on 31.03.2009 has not been ascertained, and hence no disclosure has been made.

16. In view of the Company's Long Term Investment strategy no Provision is considered necessary in respect of diminution in the Market Value of Shares held by the Company.

17. Previous Year's Figures have been re-grouped, re-arranged, re-classified and re-stated wherever necessary.

18. There are no employees who are in receipt of remuneration in the aggregate at the rate of not less than Rs.24,00,000/- per annum or Rs.2,00,000/- per month in respect of part of the year during the year.

19. The Company is mainly engaged in following segments :

a) Film, b) Formaldehyde, c) WindMill, d) Paraformaldehyde.

The Summary of Segment-wise Results is given as below :

RUPEES IN LACS				
	Film	Formaldehyde and Paraformaldehyde	WindMill	Total
Segment Revenue	2805	1651	190	4646
Add : Inter-segment Transfers	2743	671	—	3413
Total Revenue	5548	2322	190	8059
Segment Results (before Interest, Tax and after-Depreciation)	(486)	142	124	(221)
Less : Interest				(368)
Total Profit before Tax				(589)
Net Assets (Segment-wise)	5849	1375	2712	9936

20. Disclosure on related party transactions :

a. Description of relationship and Names of related parties :

KEY MANAGEMENT PERSONNEL : **Mr. Chand D. Datwani**
Chairman and Managing Director

b. Transactions for the year ended 31.03.2009 with Key Management Personnel :

	RUPEES IN LACS	
	31 Mar 2009	31 Mar 2008
Remuneration	11.76	11.76
Interest Paid	86.73	308.16
Loans Outstanding (Cr.)	159.00	2,779.24

21. Schedule 01 to 20 form an intergal part of the Balance Sheet and Profit & Loss Account.

22. Additional information required under Part II of Schedule VI of the Companies Act, 1956 (As certified by the Management) :



VENLON ENTERPRISES LIMITED



A. Capacity / Production :

	Units	2008-09	2007-08
Film Plant :			
Installed capacity	Tonnes	2,700	2,700
Actual Production	Tonnes	2,540	2,145
Chips Plant :			
Installed capacity	Tonnes	8,000	8,000
Actual Production	Tonnes	1,919	2,724
Metalising Plant :			
Installed capacity	Tonnes	3,000	3,000
Actual Production	Tonnes	965	1,064
Job Work	Tonnes	nil	nil
Formaldehyde Plant :			
Installed capacity	Tonnes	12,000	12,000
Actual Production	Tonnes	16,648	10,542

B. Sales Turnover :

	2008-09		2007-08	
	Quantity Tonnes	Value Rs. in Lacs	Quantity Tonnes	Value Rs. in Lacs
Polyester Film includes samples / wastage of Nil Kgs. (P.Y. Nil Kgs) Polyester Film includes 770 Tonnes (P.Y. 1,283 Tonnes) of Film Valued Rs.872 Lacs (P.Y. Rs.1,267 Lacs) which are captively produced and consumed.	2,545	2,953	2,245	2,226
PET Chips PET Chips includes 2,446 Tonnes (P.Y. 2,348 Tonnes) of Chips valued Rs.1,870 Lacs (P.Y. Rs.1,564 Lacs) which are captively produced and consumed.	2,446	1,870	2,348	1,564
Metalized Film includes samples / wastage of Nil Kgs. (P.Y. Nil Kgs)	1,046	898	1,042	1,191
Formaldehyde Formaldehyde includes 6,429 Tonnes (P.Y. 3,009 Tonnes) of Formaldehyde valued Rs.670 Lacs (P.Y. Rs.331 Lacs) - which are captively produced and consumed.	15,120	1,780	10,277	1,304
WindMill	-	190	-	61
Others	-	791	-	101

C. Closing Stock of Finished Goods :

	2008-09		2007-08	
	Quantity Tonnes	Value Rs. in Lacs	Quantity Tonnes	Value Rs. in Lacs
Polyester Film	51	62	56	63
PET Chips	118	97	645	492
Metalized Film	54	80	135	199
Formaldehyde	-	-	-	-
Others	-	76	-	104



VENLON ENTERPRISES LIMITED



D. Consumption of Raw-materials (as verified & certified by the Management):

	2008-09		2007-08	
	Quantity Tonnes	Value Rs. in Lacs	Quantity Tonnes	Value Rs. in Lacs
Polyester Film Polyester Film includes 770 Tonnes (P.Y. 1,283 Tonnes) of Film Valued Rs.872 Lacs (P.Y. Rs.1,267 Lacs) which are captively produced and consumed.	770	872	1,283	1,267
PET Chips PET Chips includes 2,446 Tonnes (P.Y. 2,348 Tonnes) of Chips valued Rs.1,870 Lacs (P.Y. Rs.1,564 Lacs) which are captively produced and consumed.	2,446	1,870	2,348	1,564
Methanol Methanol includes NIL tonnes (P.Y. Nil Tonnes) of Methanol valued at Rs.Nil (P.Y. Rs.Nil Lacs) which are captively produced and consumed.	6,306	1,022	4,635	936
DMT	-	-	-	-
MEG	692	313	974	479
PTA	1,669	745	2,358	942

E. Percentage of Consumption of Imported / Indigenous Raw-Materials, Stores, and Spareparts (as verified & certified by the Management):

	2008-09		2007-08	
	Raw materials	Consumables, Stores, Spares, etc.	Raw materials	Consumables, Stores, Spares, etc.
Imported (Rupees in Lacs)	-	25.16	938.81	14.84
Percentage	-	22.64%	18.02%	13.28%
Indigenous (Rupees in Lacs)	5,527	85.97	4,272.30	96.92
Percentage	100%	77.36%	81.98%	86.71%

F. CIF Value of Imports (Rupees in Lacs):

	2008-09	2007-08
i) Capital Goods	Nil	Nil
ii) Components, Consumables and Spare Parts	50.22	45.61

G. Expenditure in Foreign Currency by way of foreign travel Rs.6.48 Lacs (P.Y. Rs.7.12 Lacs).**H. Earnings in Foreign Currency:****FOB value of exports Rs.2.50 Lacs (P.Y. Rs.9.38 Lacs)**

VENLON ENTERPRISES LIMITED



Information pursuant to Part IV of Schedule VI to the Companies Act, 1956

I. Balance Sheet Abstract and Company's General Business Profile :

Registration Details :

Registration Number : 15089

Registration State Code : 08

Balance Sheet Date : 31 March 2009

II. Capital Raised during the year (Amount in Rs.'000) :

Public Issue : Nil

Right Issue : Nil

Bonus Issue : Nil

Private Placement : Nil

III. Position of Mobilisation and Deployment of Funds (Amount in Rs.'000) :

Total Liability : 12,53,531

Total Assets : 12,53,531

Sources of Funds :

Paid-up Capital	1,09,051
Share Application Money	1,52,162
Reserves & Surplus	1,88,377
Net Deferred Tax Liability	28,105
Secured Loans	1,20,044
Un-Secured Loans	6,55,792

Application of Funds :

Net Fixed Assets	10,60,740
Investments	3,059
Net Current Assets	1,62,951
Profit & Loss Account	26,781

IV. Performance of Company (Amount in Rs.'000) :

Turnover / Valuation of Stock / Income	7,25,409
Total Expenditure.....	7,84,308
Profit before Tax	(58,899)
Profit after Tax.....	(31,500)
Earnings per Share (Basic & diluted) Rs.....	(1.44)

V. Generic Names of Principal Products of Company (As per Monetary Terms) :

Sl.No.	Item Code (ITC code)	Product Description
01.....	392069.01	Polyester Chips
02.....	392069.02.....	Polyester Film
03.....	392010.09	Metalised Polyester Film
04.....	291211.00	Formaldehyde
05.....	291260.00	Paraformaldehyde

Signatures to Schedule Number : 01 to 20 :

As per our Report attached :

for and on behalf of the Board of Directors

For **RAU & NATHAN**

Chartered Accountants

N. Vaidyanathan
Partner

Membership # 22573

Chand D Datwani
Chairman & Managing Director

Place : Mysore
Date : 30 June 2009

S. Bhyrappa
Director



VENLON ENTERPRISES LIMITED





VENLON ENTERPRISES LIMITED



Regd. Office : 26(P), Belavadi Industrial Area, Hunsur Road, Mysore 570 018

25th Annual General Meeting

...Attendance Slip...

Folio :

Number of Shares :

(to be filled by the Shareholders)

I hereby record my Presence at the 25th Annual General Meeting of the Company to be held at Hotel DasaPrakash Paradise, Yadavagiri, Mysore-20 on 30th September 2009.

NOTE :

- 01. A Member / Proxy attending the Meeting must complete this attendance and hand it over at entrance.
- 02. Member intending to appoint a PROXY, should complete the Proxy Form below and deposit at the company's Registered Office not later than 48 Hours before Commencement of the Meeting.

Member's Signature

Proxy's Signature



VENLON ENTERPRISES LIMITED



Regd. Office : 26(P), Belavadi Industrial Area, Hunsur Road, Mysore 570 018

...Proxy Form...

Folio :

Number of Shares :

(to be filled by the Shareholders)

DP ID / Client ID :

I / We being Member / Members of Venlon Enterprises Limited, hereby appoint of in the district of or failing him of

..... as my / our PROXY to VOTE for me / us on my / our behalf at 25th Annual General Meeting of the Company to be held on 30th September 2009 and at any adjournment thereof.

Signed this day of2009.

Name & Address :
.....
.....
.....

**Affix Re.1
Revenue
Stamp**

NOTE :

The PROXY should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

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**25th
ANNUAL
REPORT
2008-09**

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(formerly known as : Venlon Polyester Film Limited)

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