

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Friday the 30th September, 2011 at 4.30 PM 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 2011, audited Profit and Loss account for the year ended as on that date and reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. S V Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri S Bhyrappa who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS :

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION;

“Resolved that pursuant to the provisions of Section 269 and Schedule XIII of the Companies Act, 1956 consent be and is hereby accorded to the reappointment of Shri Chand D Datwani as Managing Director for a period of Three years from 30th March 2012 on the following terms :

A. Remuneration Rs 3,00,000 Per month.

B. Perquisites:

a. Contribution to Provident Fund, Superannuation Fund and / or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

b. Gratuity payable at the rate not exceeding half a month's salary for each of the completed year of service, and

c. Encashment of leave at the end of tenure.

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6. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION;

“Resolved that pursuant to the provisions of Section 269 and Schedule XIII of the Companies Act, 1956 consent be and is hereby accorded to the reappointment of Smt Saroj C Datwani as Whole Time Director for a period of Three years from 30th March 2012 on the following terms :

A. Remuneration Rs 3,00,000 Per month.

B. Perquisites:

a. Contribution to Provident Fund, Superannuation Fund and / or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

b. Gratuity payable at the rate not exceeding half a month's salary for each of the completed year of service, and

c. Encashment of leave at the end of tenure.

Place: Mysore

Date: 31/05/2011

Note:

Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 is attached:

By Order of the Board


CHAND D. DATWANI
Chairman

Registered Office:

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

Explanatory Statement pursuant to section 173(2) of the Companies Act 1956 :

Item No. 5

Shri Chand D Datwani completes his term of five years on 30th March 2012. The resolution is proposed to comply with the provisions contained in Section 269 of the Companies Act 1956. He is promoter Director. Extension is sought for three years from 30/03/2012.

Smt Saroj Datwani is interested in the resolution.

Item No. 6

Smt Saroj C Datwani completes her term of five years on 30th March 2012. The resolution is proposed to comply with the provisions contained in Section 269 of the Companies Act 1956. She is looking after administration of Mumbai office and HRD functions of the Company as a whole time director. She is also the compliance officer of the Company on whole time basis. Extension is sought for three years from 30/03/2012.

Shri Chand D Datwani is interested in the Resolution

The proposed resolutions are based on the Remuneration Committee Resolutions of even date.

Statement per item (B) of Section II of Part II of Schedule XIII of the Companies Act 1956

I. General Information

- (1) Nature of Industry- Manufacture of PET Chips, Polyester Film, Formaldehyde and Paraformaldehyde. Generation of Wind Energy.
- (2) Date or expected date of commencement of commercial production - Date of commencement of commercial production is 30th March 1987
- (3) In case of new companies , expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus- Not Applicable
- (4) Financial performance based on given indicators- Not Applicable
- (5) Export performance and net foreign exchange collaborations- Rs 2.41 Lacs (Previous Year Rs 23.18 LAcS)
- (6) Foreign investment or collaborations- NIL

II. Information about the appointee :

		<u>Chand D Datwani</u>	<u>Saroj C Datwani</u>
1	Background Details	Statutory Appointment under the Companies Act 1956	Statutory appointment under the Listing Agreement
2	Remuneration – Existing	Rs 1050000 Per Annum Plus PF to the extent not taxable under the income tax Act 1961 Plus Gratuity as applicable Plus Leave encashment per company rules	Rs 600000 Per Annum Plus PF to the extent not taxable under the income tax Act 1961 Plus Gratuity as applicable Plus Leave encashment per company rules
3	Recognition or Awards	Tamra Patra Awardee of Kamataka Government	NIL
4	Job profile & his suitability	Techno commercial executive	Personnel and Compliance of laws expertise
5	Remuneration proposed	Rs 36,00,000 Per Annum Plus PF to the extent not taxable under the income tax Act 1961 Plus Gratuity as applicable Plus Leave encashment per company rules	Rs 36,00,000 Per Annum Plus PF to the extent not taxable under the income tax Act 1961 Plus Gratuity as applicable Plus Leave encashment per company rules
6	Comparitive remuneration profile with respect to industry, size of the company, profile of the position and person (In case of expatriates the relavant details would be w.r.t. the country of his origin	Much lower than Industry size and profile of the position and person. (Not expatriate person)	Much lower than Industry size and profile of the position and person. (Not expatriate person)
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Unsecured loan borrowed by the company from the managerial personnel is Rs 41638000 as on 31.03.2011.	Unsecured loan borrowed by the company from the managerial personnel is Rs 3395320 as on 31.03.2011.

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III Other Information

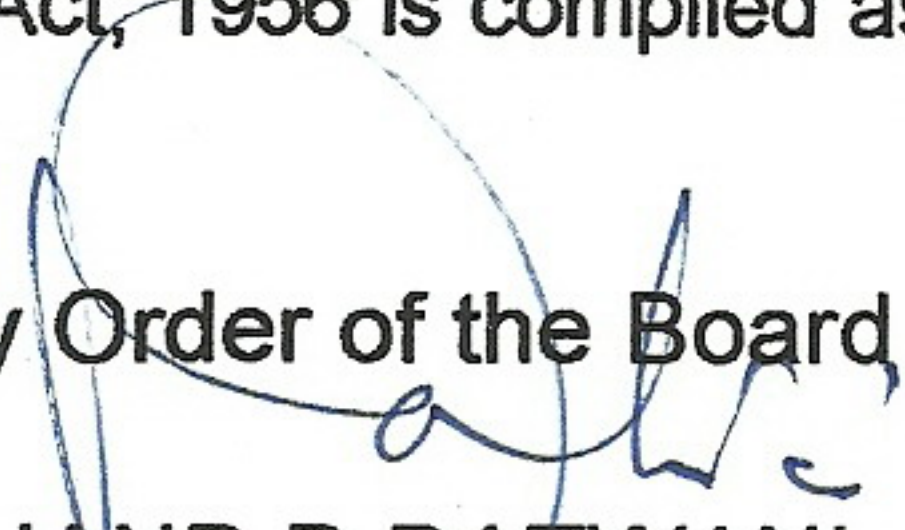
- (1) Reasons of Loss or inadequate profits- Company's product is competitive and price is market driven.
- (2) Steps taken or proposed to be take for improvement- Cost cutting measures in manufacturing process as well as in administration costs.
- (3) Expected increase in productivity and profitability in measurement terms- Plant can work to full capacity. The management regulates productivity and profitability on market demand and price.

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. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from 23/09/2011 to 30/09/2011 (both days inclusive).
3. 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 Jehangir Art Gallery, Fort, Mumbai - 400 023, Quoting folio number / demat particulars.
4. 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.
5. 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.
6. 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.
7. Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
8. Provision of Section 192A of the Companies Act, 1956 is complied as and where applicable.

Place: Mysore

Date: 31th May 2011

By Order of the Board

CHAND D. DATWANI
Chairman

Registered Office:

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

DIRECTORS' REPORT

To the Members of Venlon Enterprises Ltd.,

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report on the Business and Operations of the Company and Financial Results for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rs. In Lacs)

	Current Year	Previous Year
	2010-11	2009-10
Net Sales	10540.60	8771.05
Profit before interest & depreciation	1671.80	448.91
Interest & financial charges	273.75	332.91
Profit before depreciation	1398.05	116.00
Depreciation	643.24	332.29
Net Profit	754.81	(216.29)
Provision for Fringe Benefit Tax	-	0.26
Provision for Deferred Tax	195.02	-
Profit after Tax	403.00	(216.55)
Un absorbed loss	(65.73)	(468.73)

Note: Figures in bracket indicate loss.

DIVIDEND:

Since the unabsorbed loss has not been fully wiped off, the Directors have not recommended any dividend for the year.

PROFITABILITY:

Since the market was favorable during July 2010 to Feb-2011 the Company could post profit. This trend has not continued from March-2011.

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 2008-09 is complete. That of 2009-10 is in progress.

CURRENT OPERATIONS:

The product mix of manufacture of PET film, formaldehyde, paraformaldehyde 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 still unstable, it is prudent to stabilize and ride over the present situation.

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 three are independent directors.

LISTING AGREEMENT WITH STOCK EXCHANGES:

Listing agreement with Bangalore Stock Exchange Ltd., Bangalore and The Bombay Stock Exchange Ltd, 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, (Firm No: 003178S) Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit 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.

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 Directors Report.

B) Outlook for the Company:

With 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 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 and services.

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

The Company has earned a profit of Rs. 403.00 Lacs, after tax. Financial and operational performance have been disclosed in Director'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: 107 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.

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 Gallary
Fort, Mumbai - 400 023.

The ISIN number of the scrip is: INE204D01022

.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 cooperation of Shareholders, Customers and Suppliers of the Company.

For and on behalf of the Board of Directors


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).

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

(i) Extensive 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 AND OUTGO

Foreign exchange earnings : Rs. 2.41 Lacs

Foreign exchange outgo : Rs 16.38 Lacs

FORM A (See Rule 2)**Form of Disclosure of Particulars with respect to Conservation of Energy**

	Current Year	Previous Year
	2010-11	2009-10
A. Power purchased from Electricity Board	NIL	NIL
Total Cost	NIL	NIL
Cost per KWH (Rs.)	N.A.	N.A.
B. Captive power generation by Gensets (Unit KWH Lacs)	91.14	72.98
Total Cost (Rs. Lacs)	666.57	518.35
Cost per KWH (Rs.)	7.31	7.10
C. Furnace Oil Consumed (KL)	2186	1416
Cost of furnace oil consumed (Rs. Lacs)	563.14	353

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


CHAND D. DATWANI
Chairman

Mysore
31st May, 2011

(13)

Venlon Enterprises Limited.,

Corporate Governance Report for the year 2010-11

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

2. Board of Directors

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 DIRECTOR SHIP	NO. OF OTHER COMMITTEE MEMBERSHIP
		30/09/10	Attended/Held	(In public Companies)	
Mr. Chand D Datwani	Chairman & Managing Director Non-Independent-Executive	Present	6/6	NIL	1
Mrs. Saroj C Datwani	Whole Time Director Non-Independent - Executive	Absent	5/6	NIL	NIL
Mr. K.V.Chitalia	Independent Non-Executive	Absent	5/6	1	2
Mr. S.V.Jain	Independent Non-Executive	Present	6/6	1	2
Mr.S.Bhyrappa	Independent Non-Executive	Present	6/6	NIL	3

Note: No queries were raised on Accounts at the AGM held on 30-9-2010.

Brief Resume of Managing and Whole time Directors:

Mr. Chand 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 and she is also Compliance Officer of the Company.

3. Retiring Directors eligible for Re-appointment:

Shri S. V. Jain and Shri S. Bhyrappa. Both are independent Directors and are eligible for re-appointment.

Their brief resume is as follows: Shri S. V. Jain is an acute businessmen and is a member of audit and remuneration committee.

Shri. B. Shyrappa is a Senior Advocate and member of audit and remuneration committee.

4. Audit Committee

The Board reconstituted the Audit Committee on 30/06/2009. 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
- 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)

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
Mr. K.V. Chitalia, Chairman	Independent Non-Executive	4	4
Mr. S.V.Jain, Member	Independent Non-Executive	4	4
Mr. S. Bhyrappa, Member	Independent Non-Executive	4	4
Mr. Chand Datwani Invitee	Chairman & Managing Director	4	4

Four Audit Committee Meetings were held during the year 2010-11. The said meetings were held on the following dates:

29/5/2010, 31/7/2010, 30/10/2010 and 31/1/2011.

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

5. 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.

The composition of the revised Remuneration Committee is given below:

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

Remuneration Committee met on 31/5/2011 and recommended revised Remuneration package to Managing Director and Executive Director per notice of meeting.

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 2010-11

Name Of The Director	Remuneration (PA)	Sitting fee	TENNURE
Mr. Chand D Datwani Chairman & Managing Director. Promoter.	Rs.11.76 lacs	Nil	Upto 30.03.2012
Mrs. Saroj C Datwani Promoter-Non Executive	Rs.6.72 lacs	Nil	Upto 30.03.2012
Mr. S.V. Jain Independent-Non Executive	Nil	Nil	Liabe for retirement by rotation.
Mr. K.V. Chitalia Independent-Non Executive	Nil	Nil	Liabe for retirement by rotation.
Mr. S.Bhyrappa Independent-Non Executive	Nil	Rs. 20000	Liabe for retirement by rotation.

Disclosure of shares held by Non –Executive Directors in the Company as on 31/03/2011

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

Mr. S.V.Jain 22320 Shares of Rs 5/- each.

6. Shareholders and grievances Committee

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 and transmission of shares
- ii) To oversee redressal of complaints.
- iii) To approve Remat of Shares

Meetings were held on: 12/5/2010, 29/5/2010, 6/9/2010, 3/11/2010, 10/1/2011, 11/2/2011, 22/2/2011, 7/3/2011 and 18/3/2011.

For the meeting held on 6/9/2010 Shri K.V Chitalia Independent Director was coopted and attended the meeting. Shri Chand Datwani, could not attend the meeting.

Name & designation of Compliance Officer :

Smt. Saroj Datwani, Executive Director (Compliance)

7. 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
30/09/2008	AGM	Hotel Dasaprakash Paradise, Yadavagiri, Mysore – 570 020 at 4.30 PM.
30/09/2009	AGM	Hotel Dasaprakash Paradise, Yadavagiri, Mysore – 570 020 at 4.30 PM.
30/9/2010	AGM	Hotel Dasaprakash Paradise, Yadavagiri, Mysore – 570 020 at 4.30 PM.

b) Investor Complaints:

No. of complaints received from Shareholders from 1.4.2010 to 31.3.2011	One
No. of complaints not solved to the satisfaction of the Shareholders	One
Pending	Nil

8. 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 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.

9. Means of communication

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

Any website, where displayed – On company website:

wef 1/4/2011

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

Whether MD&A is a part of annual report or not – Yes

2) Company's Email ID to receive complaints and grievances from investors is
. After introduction of SCORES through that website.

10. General Shareholder information

AGM: Date, time and venue: 30.09.2011 at Hotel Dasaprakash Paradise, Yadavagiri, Mysore – 570 020 at 4.30 PM.

Financial Calendar:

Year ending – March 31st

Book Closure: 23/09/2011 to 30/09/2011 (both days inclusive)

Listing on Stock Exchanges:

1. Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai – 400 001

2. 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 (Rs.)	Low (Rs.)
Apr – 10	4.38	3.61
May – 10	4.65	3.95
Jun – 10	4.20	3.45
Jul – 10	4.21	3.65
Aug – 10	8.93	4.42
Sep – 10	10.87	8.04
Oct – 10	17.23	10.97
Nov – 10	14.70	9.55
Dec – 10	12.84	9.28
Jan – 11	12.80	9.24
Feb – 11	10.04	6.86
Mar – 11	8.90	7.00

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 abovementioned address.

The transfers are normally processed within the stipulated time from the date of receipt of 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	Share Holders Percentage	Number of shares held	Shareholding Percentage
1-50	131	2.75	2583	0.00
51-100	188	3.95	17678	0.03
101-200	754	15.83	140349	0.27
201-300	103	2.16	28451	0.05
301-400	2103	44.14	759191	1.45
401-500	220	4.62	108932	0.21
501-1000	599	12.57	476656	0.91
1001 & above	666	13.98	5070654	97.08
TOTAL	4764	100.00	52242494	100

Dematerialization of shares and liquidity:

Shares in physical form can be de-materialized and dealt on NSDL/CDSL. As on 31st March, 2011, 97.13% 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

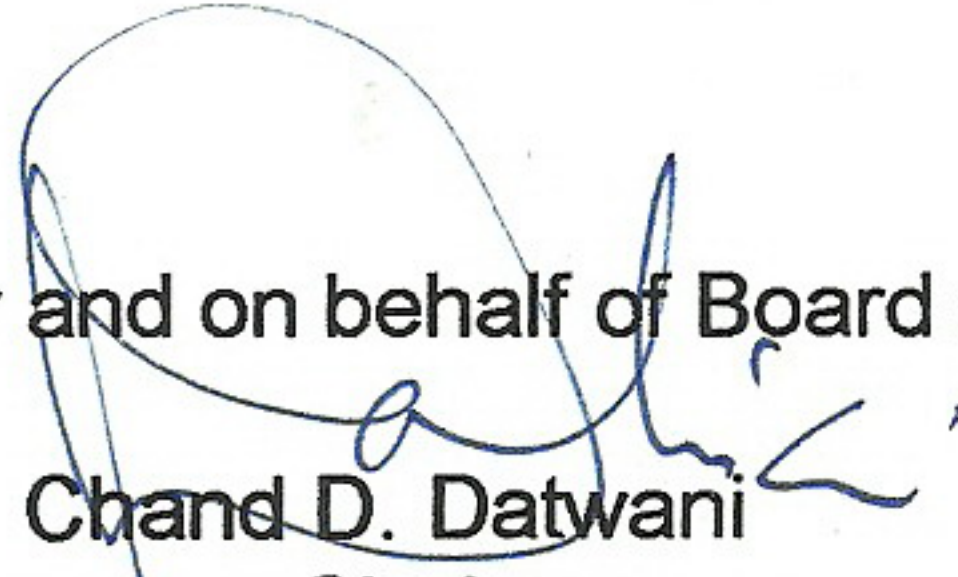
Share Holding Pattern

	Category	No of Shares Held	Percentage of Share Holding
A	Promoters Holding		
1	Promoters		
	Indian Promoters	1109520	2.13
	Foreign Promoters	30432390	58.25
	Sub-Total	31541910	60.38
B.	Non-Promoters Holding		
3	Institutional Investors		
	a. Mutual Funds & UTI	5000	0.01
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt Institutions/ Non Government Institutions)	6840	0.01
	c. Foreign Institutional Investors	4695	0.01
	Sub-Total	16535	0.03
	Others		
	a. Indian and foreign Corporate Bodies	15807716	30.26
	b. Indian Public	4798033	9.18
	c. NRI	78300	0.15
	Subtotal	20700584	39.59
	Grand Total	52242494	100.00

Declaration:

I, Chand 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: 31/05/2011

For and on behalf of Board of Directors

 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 2011 and to the best of our knowledge and belief:
- i) These statements do not contain any materially untrue statements 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 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 systems 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 involving either the management or employees having a significant role in the company's internal control systems, with respect to financial reporting.



CHAND D DATWANI
Chairman and Managing Director



M.K. Shivegowda
Deputy Officer (Accounts)

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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 31 March ,2011 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 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 31st March 2011, no investor grievances are pending against the Company as at 31st May 2011 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

N. Vaidyanathan

N. VAIDYANATHAN
Partner

Membership No.22573

PLACE: Mysore
DATE: 31st May, 2011



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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 (Disqualification of 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 (Disqualification of Directors under section 274(1) (g) of the Companies Act, 1956) Rules, 2003, We Messrs.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 31st March 2011 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
Firm Registration # 003178S

N. Vaidyanathan
N. VAIDYANATHAN
Partner

Membership No 22573

PLACE: Mysore
DATE: 31st May, 2011



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

- 1) We have audited the attached Balance Sheet of VENLON ENTERPRISES LIMITED ('the Company') as at 31st March 2011, 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.
- 2) 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 ('the Act'), we enclose in the Annexure a statement on the matter specified in Paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to in Paragraph 3, we report that:
 - a. We have 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 the law have been kept by the Company so far as appears from our examination of those books.
 - 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 dealt with by this report comply with the Accounting Standards referred to in sub section 3(C) of Section 211 of the Act except Treatment of inter divisional transfers as referred to in serial number 6 Schedule 20 – Notes on Accounts.



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- e. On the basis of the written representation received from the directors, as at 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March 2011 from being appointed as directors in terms of Clause (g) of Sub Section (1) of Section 274 of the Act.

Further to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
- ii) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAU & NATHAN
Chartered Accountants
Firm Registration # 003178S

N. Vaidyanathan
N. VAIDYANATHAN
Partner
Membership # 22573

PLACE: MYSORE
DATE: 31st May 2011



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Venlon Enterprises Limited for the year ended 31st March 2011.

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.

(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. And therefore, do not affect the going concern assumption.
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 301 of the Companies Act, 1956.

(b) The Company has taken unsecured loans from two Companies/other parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year is Rs.453.12 lacs and the year-end balances of such loan aggregates to Rs.450.33 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.



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 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.
5. (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 which are reasonable having regard to the prevailing market prices at the relevant time.
6. 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.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. 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 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.
9. (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 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 Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty and Cess which have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth. Further, the Company has not incurred cash losses during the financial year covered by our audit and 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 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, 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.
 16. 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.
 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 and companies covered in the register maintained under section 301 of the Act during the year.



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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 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 # 22573

PLACE: MYSORE
DATE: 31st May 2011



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VENLON ENTERPRISES LIMITED
BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule No.	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SOURCES OF FUNDS:			
Shareholder's Funds:			
Share Capital	1	261,212,470	261,212,470
Share Application Money - Pending Allotment		-	-
RESERVES AND SURPLUS			
	2	165,699,704	178,792,229
LOAN FUNDS:			
Secured Loans	3	53,733,473	123,761,928
Un Secured Loans	4	710,231,118	661,153,733
Deferred Tax Liability		47,607,700	28,105,277
TOTAL		1,238,484,466	1,253,025,638
APPLICATION OF FUNDS:			
Fixed Assets:			
Gross Block	5	1,420,409,427	1,384,198,673
Less: Depreciation		471,554,576	416,648,989
Net Block		948,854,851	967,549,684
Capital Work In Progress		58,872,482	67,085,871
Opening Balance		3,211,942	8,686,585
Add: Additions During the Year		62,084,424	75,772,456
Less: Capitalisation/Transfers/Write-offs		58,872,482	16,899,574
Closing Balance		3,211,942	58,872,482
Total Fixed Assets		952,066,793	1,026,422,166
Investments	6	2,727,968	3,058,468
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	123,199,969	163,104,650
Sundry Debtors	8	16,552,765	20,626,368
Cash and Bank Balances	9	139,172,306	24,354,355
Loans and Advances	10	30,050,296	41,275,293
		308,975,335	249,360,666
Less: Current Liabilities and Provisions			
(a) Current Liabilities	11	14,456,806	72,143,950
(b) Provisions		17,401,928	545,211
Net Current Assets		277,116,600	176,671,506
Profit & Loss Account		6,573,104	46,873,499
TOTAL		1,238,484,466	1,253,025,638

Notes on Accounts

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As per our report attached
For RAU & NATHAN
Chartered Accountants
Firm Registration # 003178S



N. Vaidyanathan
N. VAIDYANATHAN
Partner, Membership No.22573
Mysore, 31st May 2011

For and on behalf of the Board of Directors

Chand D. Datwani
CHAND D. DATWANI
Chairman & Managing Director
S. Bhyrappa
S. Bhyrappa
Director

VENLON ENTERPRISES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule No.	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
A. SALES & OTHER INCOME:			
Gross Sales		1,136,994,886	905,926,728
Less: Excise Duty		82,933,963	28,985,732
Net Sales		1,054,060,923	876,940,996
Other Income	12	4,010,607	2,632,603
Increase/(Decrease) in Finished goods	13	(6,669,165)	(3,302,638)
Increase/(Decrease) in Goods in transit	14	(491,800)	(1,015,456)
Increase/(Decrease) in Work in progress	15	(4,684,138)	4,481,929
TOTAL		1,046,226,427	879,737,434
B. EXPENSES:			
Manufacturing expenses	16	794,407,640	804,776,054
Administrative expenses	17	27,337,520	17,010,943
Selling expenses	18	55,604,180	11,286,179
Financial charges	19	27,375,171	33,291,367
Insurance charges		1,696,409	1,772,146
Depreciation/Capital Work-in-Progress Written off	5	64,324,167	33,229,409
TOTAL		970,745,088	901,366,098
C. NET PROFIT/(LOSS) BEFORE TAX		75,481,339	(21,628,664)
D. PROVISION FOR CURRENT TAX		15,678,521	-
E. PROVISION FOR DEFERRED TAX		19,502,423	-
F. FRINGE BENEFIT TAX PAID - Earlier years		-	(26,412)
G. PROFIT/(LOSS) AFTER TAX		40,300,395	(21,655,076)
H. PROFIT/(LOSS) FOR THE PERIOD		40,300,395	(21,655,076)
I. BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		(46,873,499)	(25,218,423)
J. BALANCE CARRIED TO BALANCE SHEET		(6,573,104)	(46,873,499)
K. BASIC & DILUTTED EARNINGS PER SHARE		0.77	(0.41)

Notes on Accounts

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As per our report attached
For RAU & NATHAN
Chartered Accountants
Firm Registration # 003178S

N. Vaidyanathan
N. VAIDYANATHAN
Partner, Membership No. 22573
Mysore. 31st May 2011



For and on behalf of the Board of Directors

Chand D. Datwani
CHAND D. DATWANI
Chairman & Managing Director

S. Bhyrappa
S. Bhyrappa
Director

VENLON ENTERPRISES LIMITED
SCHEDULES 1 TO 20 FORMING PART OF ACCOUNTS

	Rupees	As at 31.03.2011 Rupees	Rupees	As at 31.03.2010 Rupees
SCHEDULE - 1. SHARE CAPITAL				
Authorised: 5,30,00,000 Equity Shares of Rs.5 each (Previous year 2,20,00,000 Shares of Rs.5 each)		265,000,000		265,000,000
Issued, Subscribed and Paid up: 5,22,42,494 Equity shares of Rs.5 each (Previous year 5,22,42,494 Shares of Rs.5 each)		261,212,470		261,212,470
SCHEDULE - 2. RESERVES AND SURPLUS				
Capital Reserve		76,500		76,500
Capital Reserve on Revaluation	146,202,097		155,786,543	
Less: Depreciation for the year	13,092,525		9,584,446	
		133,109,572		146,202,097
Securities premium		32,513,632		32,513,632
Total		165,699,704		178,792,229

	Rupees	As at 31.03.2010 Rupees	Rupees	As at 31.03.2009 Rupees
SCHEDULE - 3. SECURED LOANS				
1. Term Loan from ICICI Limited		131,342		195,896
2. Working capital loans from banks		-		104,863,026
3. SBI Corporate Loan		-		10,000,000
4. Term Loan from Tata Capital Limited		509,065		703,006
5. Loan against Fixed Deposit		18,416		8,000,000
6. FCNR Loan from State bank of India		53,074,650		-
Total		53,733,473		123,761,928

Notes:

1. 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.
2. Loan from ICICI Limited is secured against Hypothecation of Vehicle.
3. Loan from Tata Capital Limited is secured against Hypothecation of Vehicle.
4. The above loans are also personally guaranteed by some of the Directors

	Rupees	As at 31.03.2011 Rupees	Rupees	As at 31.03.2010 Rupees
SCHEDULE - 4. UN-SECURED LOANS				
Inter corporate loan		59,716,590		39,286,385
External Commercial Borrowing		602,617,233		601,200,576
Loan from Directors		45,033,320		17,945,322
Loan from Others		2,863,975		2,721,450
Total		710,231,118		661,153,733

SCHEDULE OF FIXED ASSETS

Figs. In Rupees

Particulars Description of Assets	Gross Block					Depreciation Block					Net Block	
	As on 01.04.2010	Additions During the Year	Disposals/ Transfer	Additions due to Revaluation	as on 31.03.2011	Depreciation Upto 31.03.2010	Depreciation for the year	Depreciation withdrawn	prior period dep allowed	Depreciation upto 31.03.2011	As on 31.03.2011	As on 31.03.2010
Land-Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
Land-Freehold	5,607,335	-	-	-	5,607,335	-	-	-	-	-	5,607,335	5,607,335
Building	155,974,338	37,400,911	-	-	193,375,249	56,737,054	6,449,705	-	-	63,186,759	130,188,490	99,237,284
Plant and Machinery	1,192,674,947	3,848,103	5,038,259	-	1,191,484,791	334,752,502	48,468,732	1,029,476	-	382,191,758	809,293,032	857,922,445
Electrical Installation	15,104,971	-	-	-	15,104,971	14,739,678	46,043	-	-	14,785,721	319,250	365,293
Furniture and Fittings	4,436,617	-	-	-	4,436,617	4,028,930	128,133	-	-	4,157,063	279,553	407,687
Vehicles	10,400,466	-	-	-	10,400,466	6,390,828	842,449	-	-	7,233,277	3,167,188	4,009,638
TOTAL	1,384,198,673	41,249,014	5,038,259	-	1,420,409,428	416,648,992	55,935,063	1,029,476	-	471,554,579	948,854,850	967,549,682
Previous Year	1,368,067,649	16,916,425	785,400	-	1,384,198,673	374,413,440	42,813,855	578,303	-	416,648,992	967,549,682	993,654,210
Capital Work-in-Progress												
Building-Others#	37,390,853	-	37,390,853	-	-	-	-	-	-	-	-	37,390,853
Machinery-Others*	21,481,630	-	-	-	21,481,630	-	21,481,630	-	-	-	-	21,481,630
Thermic Fluid Heater-Electrical Plant	-	366,151	-	-	366,151	-	-	-	-	-	366,151	-
Thermic Fluid Heater-Machinery Plant	-	460,431	-	-	460,431	-	-	-	-	-	460,431	-
Thermic Fluid Heater-Project	-	2,385,360	-	-	2,385,360	-	-	-	-	-	2,385,360	-
Expenditure During Construction Period	-	-	-	-	-	-	-	-	-	-	-	-
Pending allocation/apportionment	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	58,872,483	3,211,942	37,390,853	-	24,693,572	-	21,481,630	-	-	-	3,211,942	58,872,483
Previous Year	67,085,871	8,686,585	16,899,973	-	58,872,483	-	77,416,693	-	-	-	58,872,483	67,085,871
GRAND TOTAL	1,443,071,156	44,460,956	42,429,112	-	1,445,103,000	416,648,992	55,935,063	1,029,476	-	471,554,579	952,066,792	1,026,422,165
PREVIOUS YEAR GRAND TOTAL	1,435,153,520	25,603,010	17,685,373	-	1,443,071,156	374,413,440	42,813,855	578,303	-	416,648,992	1,026,422,165	1,060,740,081

#Represents Assets Capitalised.

* Represents Capital work in progress written off.

1) Gross block includes Rs.27,35,70,775/= which represents additions due to revaluation.

Year of Revaluation	Additions on Revaluation (Rs.)
1992-93	83,948,258 (a)
1997-98	134,709,985 (b)
2001-02	54,912,531 (c)
	<u>273,570,774</u>

(a) Revaluation of Factory building and Plant and machinery at Mysore

(b) Revaluation of Imported Plant and 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. 42,842,538

Depreciation on revalued portion- Rs. 13,092,525 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.

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	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE - 6. LONG TERM INVESTMENTS (AT COST)		
1. Non trade investments (Unquoted) 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)	2,605,968	2,936,468
Trade investments (Un Quoted)		
Equity shares in Dechem Resins Private 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	2,727,968	3,058,468
SCHEDULE - 7. INVENTORIES		
Raw Material	5,724,418	13,631,260
Purchase traded goods Stock	726,105	
Stock in Progress	50,672,544	55,356,682
Packing materials, Loose tools, Stores, Spares, Consumables etc	44,348,245	65,227,086
Finished goods	21,607,263	28,276,428
Goods in Transit	121,394	613,194
TOTAL	123,199,969	163,104,650
SCHEDULE - 8. SUNDRY DEBTORS (Unsecured - Considered Good)		
Over Six Months	4,725,292	8,334,012
Other Debtors	11,827,473	12,292,356
TOTAL	16,552,765	20,626,368
SCHEDULE - 9. CASH AND BANK BALANCES		
Cash on Hand	59,479	372,355
Balance with Scheduled Bank:		
a) In Current Accounts#	3,030,074	1,408,247
b) In Fixed deposits	136,005,000	22,496,000
Balance with Other Banks:		
In Current account with HDFC Bank Limited	-	-
In Current account with HSBC Limited#	77,753	77,753
# The balance in the operative bank accounts have been reconciled, while the balance in non-operative bank accounts are subject to reconcillation.		
TOTAL	139,172,306	24,354,355
SCHEDULE - 10. LOANS AND ADVANCES (Unsecured - considered good)		
Advances Recoverable in cash or- in kind or for value to be received	11,575,320	35,187,956
Advances for expenses	1,077,516	1,031,241
Advances with Excise Authorities	1,033,230	1,281,981
Deposits	3,864,230	3,774,115
Advance Income Tax	12,500,000	-
TOTAL	30,050,296	41,275,293
Note: Deposit 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.34,76,160/-)		

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE - 11. CURRENT LIABILITIES & PROVISIONS		
(a) Current Liabilities		
Creditors for Supplies	6,739,370	64,328,120
Credit balance in customer's accounts	1,064,536	1,733,856
Other Liabilities	6,652,901	6,081,974
TOTAL	14,456,806	72,143,950
(b) Provisions		
Provision for Taxation	15,678,521	175,001.00
Provision for Bonus	414,618	370,210
Provision for Gratuity	391,476	-
Provision for Exgratia	917,313	-
TOTAL	17,401,928	545,211
SCHEDULE - 12. OTHER INCOME		
Miscellaneous Income	1,645,389	1,205,501
Interest on FD (TDS Rs.7,57,312/- . Previous year Rs.1,48,084/-)	2,340,799	1,422,164
Claims received	24,419	4,938
TOTAL	4,010,607	2,632,603
SCHEDULE - 13. INCREASE/(DECREASE) IN FINISHED GOODS		
Stock as at 31-03-2011 (Includes goods sent on consignment Rs. Nil (Previous year Rs.27,33,023/-)	21,607,263	28,276,428
Less : Opening Stock	28,276,428	31,579,066
TOTAL	(6,669,165)	(3,302,638)
SCHEDULE - 14. INCREASE/(DECREASE) IN GOODS IN TRANSIT		
Stock as at 31-03-2011	121,394	613,194
Less: Opening Stock	613,194	1,628,650
TOTAL	(491,800)	(1,015,456)
SCHEDULE - 15. INCREASE/(DECREASE) IN WORK IN PROGRESS		
Stock as at 31-03-2011	50,672,544	55,325,409
Less: Opening Stock	55,356,682	50,843,480
TOTAL	(4,684,138)	4,481,929
SCHEDULE - 16. MANUFACTURING EXPENSES		
Raw Materials consumed	600,082,842	656,521,325
Cost of traded goods	213,252	1,976,018
Stores, Spares and Tools etc	45,671,778	9,582,635
Consumables	11,188,627	11,156,748
Power, Fuel and Water charges	80,343,898	75,329,298
Packing Materials	7,692,150	4,920,925
Freight inward and Labour charges	14,074,285	20,151,733
Repairs to Plant and Machinery	9,201,473	1,664,089
Testing Charges	87,911	83,004
Excise duty expense	374,287	646
Human resources cost:-		
Salaries, Wages, Bonus , Allowances and	22,790,525	20,389,661
Contribution to PF and Other funds	3,309,300	2,497,649
Excise duty on closing stock of finished goods at plant (Net)	(622,689)	502,322
Total	794,407,640	804,776,054

	As at 31.03.2011 Rupees	As at 31.03.2010 Rupees
SCHEDULE - 17. ADMINISTRATIVE EXPENSES		
Travelling expenses	3,547,347	2,491,738
Rates and Taxes	2,887,172	1,909,326
Legal and Professional fees	831,350	535,495
Directors Remuneration	1,650,000	1,650,000
Directors sitting fees	20,000	19,000
Communication expenses	698,171	679,182
Local conveyance	516,605	527,491
Printing and Stationery	429,832	17,971
Security Charges	981,582	804,860
Rent	2,805,844	2,534,637
Motor vehicle expenses	850,654	706,846
Repairs and Maintenance - Building	423,681	301,837
Others	939,506	877,307
Payment to Auditors	107,500	107,500
Miscellaneous expenses	4,601,692	3,584,878
Books and Periodicals	126,172	122,445
Loss on sale of assets	3,108,783	140,430
Loss on sale of investment	2,811,630	-
TOTAL	27,337,520	17,010,943
SCHEDULE - 18. SELLING EXPENSES		
Bad and Doubtful debts Written off (net)	46,481,565	-
Freight and forwarding	7,800,685	8,219,457
Advertisement and Sales Promotion	107,084	137,654
Commercial taxes paid	90,828	904,650
Sales commission	943,635	1,148,436
Discount	180,383	875,982
TOTAL	55,604,180	11,286,179
SCHEDULE - 19. FINANCIAL CHARGES		
Interest - Term Loans	1,205,587	201,366
Interest - Cash credit account	2,062,908	16,564,598
Interest on FCNR Loan	3,487,290	-
Forward Exchange Contract Premium on FCNR Loan	2,856,355	-
Loss on exchange fluctuation of ECB Loan	1,416,657	-
Interest - Others	14,021,317	11,689,375
Bank Charges	2,325,057	4,836,028
TOTAL	27,375,171	33,291,367

VENLON ENTERPRISES LIMITED.

SCHEDULE 20 – NOTES ON ACCOUNTS.

1. Significant Accounting Policies.

- a. Basis of Presentation: The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India, provisions of the Companies Act, 1956 (the Act) and comply in material aspects with the Accounting Standards notified under Section 211(3C) the Act, read with Companies (Accounting Standards) Rules, 2006.
- 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 their working condition for their intended 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. All project related expenditure such as civil works, machinery under erection, construction and erection materials and pre-operative expenditure incidental/attributable to the construction of project are shown under Capital Work-In-Progress (CWIP).
- c. Depreciation: Fixed Assets are depreciated under the 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 Proforma price at which goods are transferred to various depots from Mysore 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.

Monetary items denominated in foreign currencies at the year end and covered by forward exchange contracts, are translated at the rate ruling at the date of the transaction as increased or decreased by the proportionate difference between the forward rate and the exchange rate on the date of transaction, such difference having been amortised over the life of the contract.

h. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset 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.

2. Contingent liability not provided for in Accounts: (As certified by the Management) – Nil

3. Particulars of Investments in Equity Shares (Quoted):

Name of the Company	No. of Equity Shares fully paid up	Face value	As at 31.03.2011 INR	As at 31.03.2010 INR
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	188,700	10	Nil*	2,830,500
Garware Polyester Ltd	50	10	10,000	10,000
Rollatainers 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 (I) Ltd	50	10	5,100	5,100
MM Rubber Company Ltd	50	10	363	363
TOTAL			105,968	2,936,468

*(Disposed during the year.)

Investment in Mutual Fund	Amount in INR	NAV in INR	Price in INR	Number of Units
SBI Capital Protection Oriented Fund Series-II	2,500,000	10.00	10.00	250,000

Aggregate Market Value of Investments in Equity Shares as at 31.03.2011 is Rs. 348,858/-
(P.Y Rs. 1,607,393/-)

Net Asset Value of SBI Capital Protection Oriented Fund Series-II as at 31.03.2011 is Rs.10.0674/-

Market Value of Investment in mutual fund as at 31.03.2011 is Rs.2,516,850/-

4. In view of the Company's long term investment strategy no provision is considered necessary in respect of diminution in the Market value of securities held by the Company.
5. 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.
6. Inter division transfers of goods aggregating to a value of Rs.2,416.67 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 Companies (Accounting Standards) Rules, 2006. Accordingly the sales and Raw material consumption figures are higher by Rs.2,416.67 Lacs. This accounting treatment has no impact on the results of the Company.
7. Excise Duty approximately Rs. 20.17(P.Y Rs.26.41 Lacs) on stock awaiting clearance has been considered in valuation of finished goods.

8. <u>EARNING PER SHARE (EPS)</u>	<u>2010-11</u>	<u>2009-10</u>
a) Net profit available for equity shareholders (Rs.in.lacs) (Used as Numerator for calculating EPS)	755	(217.00)
b) Number of equity shares (Used as denominator for calculating EPS)	52,242,494	52,242,494
c) Earning per share (Basic & Diluted) (Rs.) (not annualised)	0.77	(0.41)

9. Directors' Remuneration: Rs. In lacs	2010-2011	2009-2010
Salaries	16.50	16.50
Contribution to Provident and other Funds	1.98	1.98
Sitting Fees	0.20	0.19
Total	18.68	18.67

10. The timing differences, (depreciation and other components) on account of the Deferred Tax Liability has been computed at Rs.195 lacs, which are considered adequate. During the current year, although the Deferred Tax Asset has arisen on account of timing differences it has not been recognised keeping in view the angle of prudence as prescribed in Accounting Standard AS-22 as prescribed by the Companies (Accounting Standards) Rules, 2006. Major components of deferred tax liabilities arising on account of timing differences is Depreciation Rs.195 lacs.

11. 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 five 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.

12. Auditors' Remuneration (Rs.)

	2010-2011 Statutory Auditors	2009-2010 Statutory Auditors
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	107,500	107,500
f) Service Tax	11,073	11,073
Total	118,573	118,573

13. Payments to Suppliers as defined under the Micro, Small & Medium Enterprise Development Act, 2006, (The Act) are generally made in accordance with agreed credit terms. The amount, if any, overdue as on 31.03.2011 has not been ascertained, and hence no disclosure has been made.
14. Capital Work-in-Progress written off amounting to Rs.214.81 Lacs represents write-off of direct costs, borrowing costs and other related expenditure incurred for acquisition of detailed engineering drawings consisting of technical drawings, bill of materials and know-how for fabricating a plant for coatings of polyester films. Though the drawings were acquired during the year 1999, the fabrication of the plant was deferred on account of change in the market conditions and technologies. It was debated whether further funds should be committed. But as the technology changed substantially and rapidly due to advancement of hardware and software of the process by employing computers, thus rendering the said drawings economically obsolete and hence have been written off.
15. Previous year's figures have been regrouped, rearranged, reclassified and restated wherever necessary.
16. 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 Rs. 500,000/- per month in respect of part of the year during the year.
17. The Company is mainly engaged in following segments:
- Film
 - Formaldehyde
 - Wind Mill
 - Paraformaldehyde

The summary of segment wise results is given as below:

	Rs.in.lacs			
	Film	Formaldehyde & Paraformaldehyde	Wind Mill	Total
Segment revenue	6,676	1,461	185	8,322
Add: Inter segment transfers	1,862	357	--	2,219
Total revenue	8,537	1,818	185	10,541
Segment results (before interest, Tax and after depreciation)	650	260	119	1,029
Less: (a) Interest				274
Total Profit before tax				755
Net Assets (Segment wise)	6,020	1,243	2,226	9,489

18. Disclosure on related party transactions:

a. Description of relationship and Names of related parties:

Key Management Personnel: Mr. Chand D. Datwani
Chairman & Managing Director

b. Transactions for the year ended 31.3.2011 with Key Management Personnel

	31.3.2011	31.3.2010
Remuneration	Rs. 11.76 Lacs	Rs. 11.76 Lacs
Interest paid	Rs. 44.38 Lacs	Rs. 22.08 Lacs
Loans Outstanding (Cr)	Rs. 416.38 Lacs	Rs. 168.47 Lacs

19. Schedule 1 to 20 form an integral part of the Balance Sheet and Profit & Loss Account.

20. ADDITIONAL INFORMATION REQUIRED UNDER PART II OF SCHEDULE VI TO THE COMPANIES ACT 1956 (As certified by the Management).

A. Capacity/Production

	Units	2010-11	2009-10
<u>Film Plant</u>			
Installed Capacity	Tonnes	2,700	2,700
Actual Production	Tonnes	4,568	2,934
<u>Chips Plant</u>			
Installed Capacity	Tonnes	8,000	8,000
Actual Production	Tonnes	NIL	2,661
<u>Metalising Plant</u>			
Installed Capacity	Tonnes	3,000	3,000
Actual Production	Tonnes	1,958	1,390
Job work	Tonnes	NIL	NIL
<u>Formaldehyde Plant</u>			
Installed Capacity	Tonnes	12,000	12,000
Actual Production	Tonnes	11,996	14,909

B. Sales Turnover

	2010-2011		2009-2010	
	Quantity Tonnes	Value Rs. In Lacs	Quantity Tonnes	Value Rs. In lacs
Polyester Film *\$	4,509	5,595	2,922	2,934
PET Chips #	17	13	2,759	2,249
Metalised Film **	1,959	3,560	1,393	1,628
Formaldehyde ***	11,676	1,068	14,909	1,224
Paraformaldehyde	2,011	706	1,691	511
Windmill	--	185	--	314
Others	--	243	--	199

* Includes samples/wastage of NIL Kgs (P.Y. nil Kgs)

** Includes samples/wastage of NIL Kgs (P.Y. nil Kgs)

PET Chips includes 17 Tonnes of Opening Stock (P.Y. 2759 Tonnes) of Chips valued Rs.13 Lacs (P.Y. RS.2249 Lacs) which are captively produced and consumed.

\$ Polyester film includes 2046 Tonnes (P.Y.1451 Tonnes) of Film valued Rs. 1848 Lacs (P.Y. RS. 1478 Lacs) which are captively produced and consumed.

*** Formaldehyde includes 4562 Tonnes (P.Y. 6394 Tonnes) of Formaldehyde valued Rs.357 Lacs (P.Y. Rs.497 Lacs) which are captively produced and consumed.

C. Closing Stock of Finished Goods

	2010-2011		2009-2010	
	Quantity Tonnes	Value Rs.in lacs	Quantity Tonnes	Value Rs.in lacs
Polyester Film	124	123	64	72
PET Chips	2	0.48	19	17
Metalised Film	57	78	58	87
Formaldehyde	--	--	--	--
Others	49	143	--	107

D. Consumption of Raw Materials (As verified & certified by the Management)

		2010-11	2009-2010
PET CHIPS *	Quantity (Tonnes)	4,690	3,108
	Value (Rs.in lacs)	3,000	2,479
MEG	Quantity (Tonnes)	NIL	936
	Value (Rs.in lacs)	NIL	325
Polyester Film #	Quantity (Tonnes)	2,046	1,451
	Value (Rs.in lacs)	4,147	1,478
Methanol \$	Quantity (Tonnes)	5,427	5,683
	Value (Rs in lacs)	707	715
P T A	Quantity (Tonnes)	NIL	2,309
	Value (Rs.in lacs)	NIL	1,071

* PET Chips includes 17 Tonnes of Opening Stock(P.Y.2,759 Tonnes) of Chips valued at Rs. 13 Lacs (P.Y. Rs.2,249 Lacs) which are captively produced and consumed.

Polyester Film includes 2046 Tonnes (P.Y.1451 Tonnes) of Film valued at Rs.1848 lacs (P.Y.Rs.1,478 Lacs) which are captively produced and consumed.

\$ 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.

E. Percentage of Consumption of Imported/Indigenous Raw Materials, Stores & spare Parts (As Certified by the Management)

	2010-11		2009-10	
	Raw Materials	Consumables, Stores Spares etc.,	Raw Materials	Consumables, Stores Spares etc.,
Imported (Rs. Lacs)	--	107.44	--	82.99
Percentage	--	17.00%	--	27.99%
Indigenous (Rs. lacs)	6,001	538.08	6,566	213.47
Percentage	100%	83.00%	100%	72.01%

F. CIF Value of Imports (Rs. Lacs)

	2010-11	2009-10
i. Capital Goods	Nil	Nil
ii. Components, Consumables & Spare Parts	129.28	71.89

G. Expenditure in foreign currency by way of Foreign Travel Rs.1,638,286/- lacs (P.Y. Rs.9.37 lacs)

H. Earnings in Foreign Currency

FOB value of Exports Rs 2.41 Lacs (P.Y. Rs.23.18 Lacs)

Information Pursuant to Part IV of Schedule VI to the Companies Act 1956

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	15089	State Code 08
Balance Sheet Date	31.03.2011	

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 '000)

Total Liability	1,238,484	Total Assets	1,238,484
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Sources of Funds**Application of Funds**

Paid up Capital	261,212	Net Fixed Assets	952,067
Reserves & Surplus	165,700	Investments	2,727
Net Deferred tax liability	47,608	Net current Assets	277,117
Secured Loans	53,733	Profit and Loss	6,573
Unsecured Loans	710,231		

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

Turnover / Valuation of stock/ income	105,406
Total Expenditure	972,300
Profit Before Tax	75,481
Profit After Tax	40,300
Earnings per Share (Basic & diluted) (Rs.)	0.77

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

Sl. No.	Item Code (ITC Code)	Product Description
1.	392069.01	Polyester Chips
2.	392069.02	Polyester Film
3.	392010.09	Metalised Polyester Film
4.	291211.00	Formaldehyde
5.	291260.00	Paraformaldehyde

Signatures to Schedule No. 1 to 20

As per our report attached
 For RAU & NATHAN
 Chartered Accountants
 Firm Registration #003178S
N. Vaidyanathan
 N. Vaidyanathan
 Partner
 Membership No. 22573



For and on behalf of the Board of Directors

Chand D. Datwani
 Chand D. Datwani
 Chairman & Managing Director

S. Bhyrappa
 S. Bhyrappa
 Director

Mysore, 31st May 2011

VENLON ENTERPRISES LIMITED

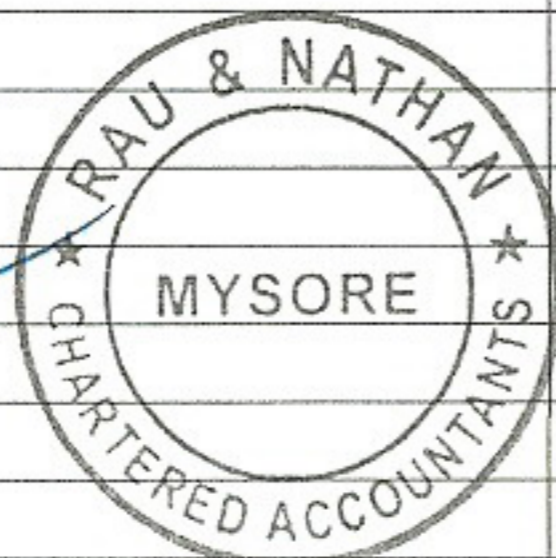
Cash Flow Statement for the year ended 31st March 2011

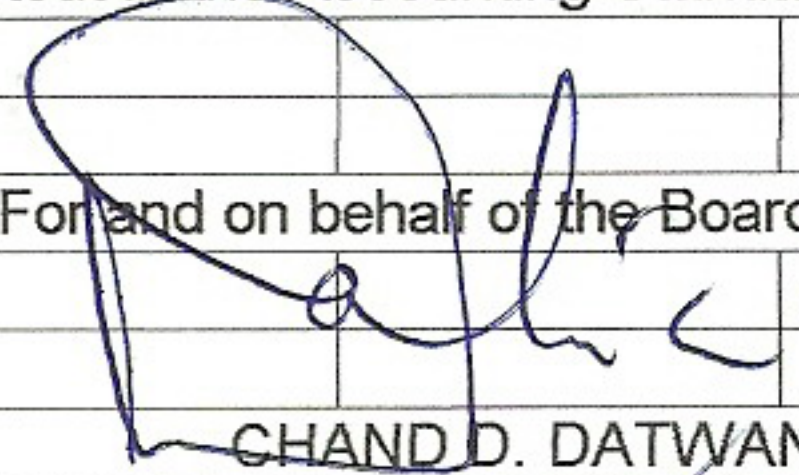
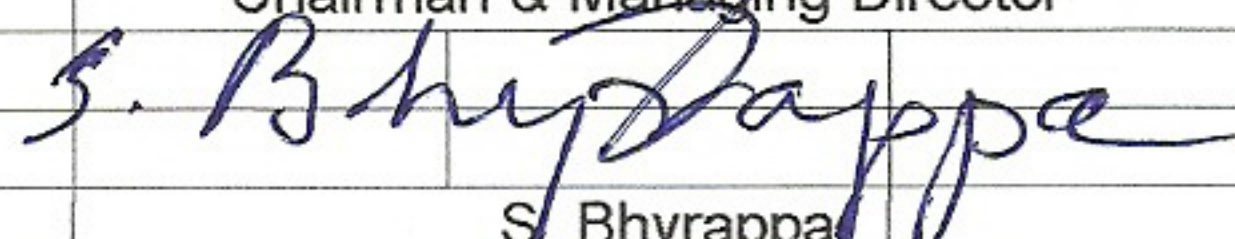
A. CASH FLOW FROM OPERATING ACTIVITIES:	31.03.2011	31.03.2010	31.03.2010	31.03.2010
	Rs.in.lacs	Rs.in.lacs	Rs.in lacs	Rs.in.lacs
Net Profit after tax & extraordinary items	403		(217)	
Adjustments for:				
Loss on Sale of Fixes Assets	31		-	
Loss on sale of Investments	28		-	
Provision for Tax	157		-	
Provision for Deferred Tax	195		-	
Depreciation/Capital Work-in-progress Written off	643		332	
Interest and Financial charges	274		333	
Operating Profit before working capital changes	1,731		448	
Adjustments for:				
Decrease/(Increase) in Trade and other recievables	153		(137)	
Decrease/(Increase) in Inventories	399		(129)	
(Decrease)/Increase in Trade payables	(408)		189	
Cash Generated from operations	1,875		371	
Direct taxes paid	125		-	
Cash flow before extraordinary items	1,750		371	
Extraordinary Items	-		-	
Net cash from Operating activities		1,750		371
CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Assets/WIP	(62)		(79)	
Withdrawal of Provision for Depreciation	(31)		(6)	
	(93)		(85)	
Increase in Creditors for Capital Goods	-		-	
Purchase of Investments	(25)		-	
Net cash used in Investing Activities		(118)		(85)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Share capital including premium	-		1,522	
Share Application Money	-		(1,522)	
Receipts from Long term Borrowings	408		51	
Interest and Financial charges	(274)		(333)	
	134		(283)	
Increase/(Decrease) in cash credit a/c with bank	(618)		43	
		(484)		(240)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,148		46
(A+B+C)				
Opening cash balance as on 01.04.2010	244		198	
Closing cash balance as on 31.03.2011	1,392		244	
		1,148		46

The above cashflow statement has been prepared under the Indirect method as setout in the Accounting Standard 3 on cashflow statement issued by the Institute of Chartered Accountants of India.

As per our report attached
 For RAU & NATHAN
 Chartered Accountants
 Firm Registration # 003178S

 N. VAIDYANATHAN
 Partner
 Membership No. 022573
 Mysore 31st May 2011



For and on behalf of the Board of Directors

 CHAND D. DATWANI
 Chairman & Managing Director

 S. Bhyrappa
 Director