

**37<sup>th</sup> Annual Report  
2020-2021**

**VENLON ENTERPRISES LIMITED  
CIN: L24231KA1983PLC015089**

**Venlon Enterprises Limited**  
**CIN: L24231KA1983PLC015089**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Seventh Annual General Meeting of the Members of VENLON ENTERPRISES LIMITED will be held on Friday the **24<sup>th</sup> September 2021** at 12.45 p.m. at Reg. Office of the Company, Belwadi Industrial Area, Mysuru-570 018, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at **31<sup>st</sup> March 2021**, audited cash flow statement as on that date and audited Statement of Profit and Loss for the year ended as on that date and reports of the Board of Directors, Corporate Governance, Auditors and Secretarial audit report and Certificate thereon.
2. To appoint a Director in place of **Smt. Saroj Datwani (DIN: 00355148)**, who retires by rotation and being eligible offers herself for reappointment.
3. To consider and if thought fit, to pass with or without modification/s, the following resolution as an Ordinary Resolution:

“Resolved that the consent of the members, be and is hereby accorded for the appointment of **M/s. ALP & Co.**, Chartered Accountants, FRN: 022142S as the Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41<sup>st</sup> Annual General Meeting on the terms of Remuneration as may be mutually agreed upon by the Board of Directors and the Statutory Auditors”.

**SPECIAL BUSINESS:**

4. **To consider and if thought fit, to pass the following, with or without modification, as Ordinary Resolution:**

“Resolved that the appointment of **Mrs. Alakananda K.M. (DIN: 09092614)** as Non Executive Independent Director made by the Board of Directors on **30<sup>th</sup> April 2021** under sub section (4) of Sec 163 pursuant to Sec 149 read with Schedule IV of the Companies Act 2013, of the Companies Act 2013 to fill the vacancy caused by the resignation of Mr. T.S. Phaniraj on 12th February 2021 be and is hereby approved”.

Further resolved that she will hold office till such time her membership in Independent Directors Databank is active or for a consecutive period of 5 years from the date of appointment by the Board, which ever is earlier.

Place : Mysuru  
Date : 14/08/2021

**Registered Office:**

Plot No: 26(P)  
Belavai Industrial area  
Hunsur Road,  
Mysuru - 570018  
CIN: L24231KA1983PLC015089

By order of the Board

**C.D. Datwani**  
**Chairman**

## **NOTES :**

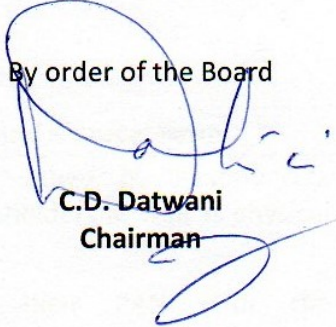
1. ***A member entitled to attend and vote in the above meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxy need not be a member of the Company.*** Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility for e-voting for all the businesses mentioned in the notice. The members can exercise their right to vote through electronic means. The facility of casting the votes by members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') shall be provided by Central Depository Services (India) Limited (CDSL). The instruction for e-voting is annexed to the notice.
3. The Register of members and the Share Transfer Books in respect of the equity shares of the company will remain closed from **17<sup>th</sup> September 2021** to **24<sup>th</sup> September 2021** (both days inclusive).
4. Members are requested to notify change in address, if any, immediately to M/s Computech Sharecap Ltd., Registrars and Share Transfer Agents situated at 147, 3rd Floor, M.G.Road, Fort, Mumbai-400 001, quoting folio number/demat particulars.
5. Members holding shares in physical form are requested to dematerialise them pursuant to Gazette notification by SEBI, dated June 8, 2018
6. All documents referred to in the above notice are open for inspection at the Registered Office of the Company between 10 a.m. and 1.00 p.m. on all working days up to the day of the Annual General Meeting.
7. Members/Proxies should bring the Annual report. The attendance is provided at the entrance of the hall.
8. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date viz. **17<sup>th</sup> September 2021**.
9. Any person who acquires the shares and becomes a member of the Company after the despatch of the notice of the AGM and holds shares as on the cut-off date, may obtain the login id and password by sending request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
10. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
11. The facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not already casted their votes by remote e-voting, shall be able to exercise their right at the meeting.
12. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

13. The results declared along with the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the registered office and shall also be placed on the Company's website [www.venlonenterprises.com](http://www.venlonenterprises.com) and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.
14. CA M/s ALP & Co., Chartered Accountants, were appointed as Statutory Auditors of the Company by the Board on **30<sup>th</sup> Nov 2020** and approved at the EGM held on **12<sup>th</sup> Feb 2021**. Their further appointment is being placed for approval at the meeting..
15. Entire factory operations except Wind Mills is closed from **29<sup>th</sup> Sept 2018**. All banking limits have been fully satisfied on **13<sup>th</sup> May 2019**.
16. This annual Report will be uploaded to BSE Listing Centre and will be placed on Company website as required by Law.

Place : Mysuru  
Date : 14/08/2021

**Registered Office:**

Plot No: 26(P)  
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Hunsur Road,  
Mysuru-570018

By order of the Board  
  
**C.D. Datwani**  
**Chairman**

**Explanatory Statement as required under section 102 of the Companies Act 2013 read with Schedule IV of the Act**

**Item 4 :**

The members may note that Mr. Phaniraj T.S., independent director resigned from the Company w.e.f. 12<sup>th</sup> February 2021 due to removal of his name from the Independent Directors' database. The Board appointed Mrs. Alakananda K.M. (DIN: 09092614), as Independent Director at its meeting held on 30<sup>th</sup> April 2021. As per Schedule IV to the Companies Act, 2013, the appointment of Independent Director is required to be approved by the shareholders.

In the opinion of the Board, the appointee Non Executive Independent Director fulfils the conditions specified in the Act and the rules framed there under and the Director is independent of the management.

The Board recommends the resolution at Item No. 4 for approval by the Members.

Except for Mrs. K.M. Alakananda, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in Item No. 4 of the Notice.

Additional information as required under Standard 1.2.5 of Secretarial Standards-2 and SEBI Listing Regulations:

<b>Particulars</b>	<b>Mrs. K.M. Alakananda</b>
Brief resume and nature of expertise in specific functional areas.	She is a graduate with science background and is specialised in mathematics and also human interpersonal skills.
Disclosure of relationships between directors inter-se	Mrs. Alakananda is not related to any of the directors or Key managerial personnel.
Age	51 years
Qualification	B.Sc.
Experience	8 years
Terms of appointment/re-appointment	The tenure shall be 5 years from the date of initial appointment.
Remuneration sought to be paid	Other than sitting fees, no other remuneration is proposed
Remuneration last drawn	None
Date of first appointment at the Board	30.04.2021
Shareholding in the Company including Beneficial ownership	None

None of the Director is interested or concerned in the Resolution.

Place : Mysuru

Date : 14/08/2021

**Registered Office:**

Plot No: 26(P)  
Belavadi Industrial area,  
Hunsur Road,  
Mysuru-570018

By order of the Board

  
**C.D. Datwani**  
**Chairman**

## **CDSL E-VOTING SYSTEM – FOR E-VOTING**

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.
2. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.venlonenterprises.com](http://www.venlonenterprises.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) [www.evotingindia.com](http://www.evotingindia.com)

### **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

- (i) The voting period begins on **21<sup>st</sup> September 2021 at 10.00 a.m.** and ends on **23<sup>rd</sup> September 2021 at 5.00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **17<sup>th</sup> September 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> . or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [madhwaraj13374@gmail.com](mailto:madhwaraj13374@gmail.com) and [gdrvenlon@gmail.com](mailto:gdrvenlon@gmail.com) respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to **Mr. Rakesh Dalvi**, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## BOARD'S REPORT

Dear Members,

Your Directors hereby present the 37<sup>th</sup> Annual Report on the business and operations of the Company and financial results for the year ended **31<sup>st</sup> March 2021**.

(in Rupees)

FINANCIAL RESULTS	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
<b>1 INCOME</b>		
<b><u>I. Revenue from Operations</u></b>		
a. Sale of Products	1,09,20,737	3,29,94,643
b. Other Income	1,78,53,030	2,83,633
<b>Total Income</b>	<b>2,87,73,767</b>	<b>3,32,78,276</b>
<b><u>2. EXPENSES</u></b>		
a. Cost of Material Consumed	-	
b. Purchases of Stock-in-trade	-	1,95,341
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	2,88,94,692
d. Excise Duty		
e. Employee Benefit Expenses	-	68,46,483
f. Finance Costs	34,97,826	78,19,587
g. Depreciation / Amortisation and Depletion Expense	3,38,33,616	3,39,21,322
h. Other Expenses	3,40,88,483	1,76,16,120
<b>Total Expenses</b>	<b>7,14,19,925</b>	<b>9,52,93,545</b>
LOSS BEFORE EXCEPTIONAL ITEM AND TAX	-4,26,46,158	-6,20,15,269
Exceptional Item		
LOSS BEFORE TAX	-4,26,46,158	-6,20,15,269
DEFERRED TAX		
<b>LOSS FOR THE YEAR</b>	<b>-4,26,46,158</b>	<b>-6,20,15,269</b>
<b>LOSS FOR THE YEAR</b>	<b>-4,26,46,158</b>	<b>-6,20,15,269</b>
Loss from Discontinued operations- For Disclosure Purpose	-10,73,599	-1,08,18,984
<b>Other Comprehensive Income</b>		
A (i) Items that will not be reclassified to profit or loss net of tax	4,90,135	-5,86,346
B (i) Items that will be reclassified to profit or loss net of tax	3,12,38,232	-7,56,91,173
<b>Total Comprehensive Income for the Year (C)</b>	<b>3,17,28,367</b>	<b>7,62,77,519</b>
<b>Total Comprehensive Income for the period (A+B) [Comprising Loss and Other Comprehensive Income for period]</b>	<b>-1,09,17,791</b>	<b>-13,82,92,788</b>
<b>Earnings Per Equity Share</b>		
<b>Basic and Diluted</b>	<b>-0.82</b>	<b>-1.19</b>

**Note:** Previous year's figures have been regrouped/ reclassified wherever necessary.

### RESERVES AND DIVIDEND:

During the year, no amount has been transferred to reserves since the Company has incurred losses.

The Directors have not recommended any dividend for the year, due to loss in the year.

**PROFITABILITY:**

All manufacturing process except wind mills got closed from **29<sup>th</sup> September 2018**. Hence adverse profitability.

**BANKING FACILITY:**

Working capital limit with Company's Bankers is closed from **13<sup>th</sup> May 2019**.

**INSURANCE:**

The Company has adequately insured all its movable and immovable assets.

**FIXED DEPOSITS:**

During the year, the Company has not accepted any Fixed Deposits from the Public.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTFLOW:**

The relevant data pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in the **Annexure 'A'** forming part of this report as NA since entire factory operations got closed from **29<sup>th</sup> Sept 2018**.

**CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company does not fall under the threshold limit for mandatory CSR activities.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

In terms of the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details are provided in the **Annexure 'B'**, which is self-explanatory.

Your Directors further state that during the year under review, there were no cases filed under the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. As there are no employees crossing threshold limit no Internal Committee under this Act is informed.

**DIRECTORS:**

The Board consists of five directors of whom three are independent directors. During the year the Board of Directors met **6 times**.

During the year, the receipt of resignation of Mr. Bhyrappa as Independent director was noted. Also, Mr. T.S.Phaniraj stepped down as Independent director due to technical reasons. The Board acknowledges the contribution of both the directors

Ms. Varshini G. was appointed as Independent Director by the Board with effect from 13<sup>th</sup> November 2020 and the approval for the appointment was made by the shareholders at the Extra-ordinary General meeting held on 12<sup>th</sup> February 2021.

During the year Smt. Saroj Datwani retires by rotation and offers herself for reappointment. After the closure of the financial year, Mrs. Alakananda K.M. was appointed as Independent Directors by the Board with effect from 30<sup>th</sup> April 2021. The approval for such appointment is being sought at the ensuing Annual General Meeting.

The Independent Directors have given a declaration of independence under section 149(6) of the Companies Act read with SEBI (LODR) .In the opinion of Board Independent Directors appointed satisfy the attributes and integrity, expertise (experience Proficiency test to SR passed)

**The Company's policy on appointment of Directors and their remuneration:**

The Managing Director, Whole time Director and CFO are promoters. For the position of other non-executive independent director, experienced and reputed persons are selected from Independent Directors Data Bank.

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

**The Nomination and Remuneration Policy:**

No remuneration is paid to Executive Directors. Also, No remuneration is paid Independent Directors, except sitting fee.

**The NRC policy is provided as Annexure-D**

**LISTING WITH STOCK EXCHANGES:**

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

**COMPANY SECRETARY:**

Shri G.D. Rama Rao Acs. is the Company Secretary and Compliance Officer

**SECRETARIAL AUDIT REPORT AND CERTIFICATE:**

As required under section 204 of the Companies Act, 2013 read with the rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Secretarial Audit report from a Practising Company Secretary has been obtained and the same is annexed to this report as **Annexure E**. The Secretarial Audit report does not contain any adverse remark, qualification or reservation.

Certificate of Corporate Governance. Refer **Annexure-F**.

**AUDITORS REPORT:**

The Auditors have not reported any instances of fraud in the Company and it is unmodified report.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b) the Directors have selected such accounting policies and applied them consistently and made 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 as at March 31, 2021 and of the **LOSS** of the Company for the year ended on that date.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The ISIN number of the scrip is: INE204D01022

**EXTRACT OF ANNUAL RETURN: ANNEXURE-C of previous year modified as dealt herein below.**

Pursuant to section 92(3) of Companies Act, 2013.

Company website is: [www.venlonenterprises.com](http://www.venlonenterprises.com)

Weblink for draft annual return is:

[http://venlonenterprises.com/Files/Comp\\_Report/Form\\_MGT\\_7\\_Venlon\\_final.pdf](http://venlonenterprises.com/Files/Comp_Report/Form_MGT_7_Venlon_final.pdf)

Weblink for list of shareholders is:

[http://venlonenterprises.com/Files/Comp\\_Report/List\\_of\\_Shareholders\\_29\\_8\\_2021.pdf](http://venlonenterprises.com/Files/Comp_Report/List_of_Shareholders_29_8_2021.pdf)

#### **RELATED PARTY TRANSACTIONS:**

The transactions with related parties have been provided in the Form AOC-2 as **Annexure D.**

#### **FORMAL ANNUAL EVALUATION OF THE BOARD IN LISTED COMPANY:**

The Company has devised a policy for performance evaluation of Independent Directors, Board, Committees and individual directors, which includes the criteria for performance evaluation of Executive and non-executive directors.

#### **INTERNAL FINANCIAL CONTROLS**

##### **COST RECORDS:**

Maintenance of Cost records and audit thereon is not mandated by the Government for the Company's products.

#### **OTHER DISCLOSURES IN THE BOARD REPORT:**

##### **Loans and Guarantees and Investments U/S 186: Nil**

- Material Changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report: None
- Statement indicating development and implementation of Risk Management Policy: There is no such policy developed
- No Subsidiaries /Joint Ventures in the Company: There are no subsidiaries or Joint Ventures of the Company.
- Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in the future.: No such orders.
- There are no application made or any proceedings pending under the IBC,2016 during the year.
- There is no one time settlement done by the company. Hence, there is nothing to report under Rule 8(5)(xii)

#### **MANAGEMENT DISCUSSION & ANALYSIS**

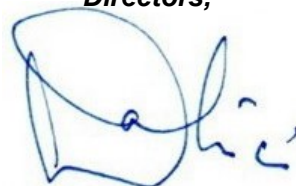
NA as the factory is closed from 29<sup>th</sup> September 2018.

**ACKNOWLEDGEMENTS.** Your Directors wish to place on record the valued support and cooperation of Shareholders.

***For and on behalf of the Board of  
Directors,***

Place : Mysuru

Date : 14/08/2021



**(C.D. Datwani)  
Chairman**

## **Annexure 'A' to Directors Report**

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

### **Conservation of Energy:**

NA as factory is closed from 29<sup>th</sup> September 2018.

**R&D: Nil**

**Technology Absorption: Nil**

### **Foreign Exchange earnings and outgo:**

Foreign exchange earnings: **NIL** (Previous year **Rs. 2.09 lakhs**)

Foreign exchange outgo: **NIL** (Previous year: **NIL**)

***For and on behalf of the Board of  
Directors,***

Place : Mysuru

Date : 14/08/2021



**(C.D. Datwani)  
Chairman**

**ANNEXURE-B TO DIRECTORS REPORT:**

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

No remuneration is paid to the Whole-time Directors.

**Further as required under rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: we provide the list of the top ten employees of the Company:**

Sl. No.	Name	Remuneration (per month)in Rs.	Designation	Qualification and experience	Date of commencement of employment	Age	Last employment
<b>There were no employees during the Financial Year under consideration.</b>							

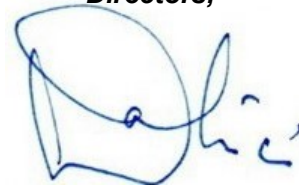
**Notes:**

1. Sri G.D. Rama Rao, Company Secretary appointed from 01/03/2019 has waived off his remuneration. Only rentals for execution of work from his residential offices at Mysuru / Bengaluru / Rayarahundi Village, T.N.Pura tq, Mysuru district aggregating to Rs.45,000/- pm is claimed. Expenses at actuals.
2. Percentage of shares held by C.D.Datwani and Saroj Datwani is 0.42 and 0.69 respectively. Company Secretary: **NIL**.
3. Mr. C.D. Datwani and Mrs. Saroj Datwani, are related to each other.

***For and on behalf of the Board of Directors,***

Place : Mysuru

Date : 14/08/2021



**(C.D. Datwani)  
Chairman**



**Annexure-D to Directors Report**

**FORM NO. AOC-2**

**Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (accounts) Rules,2014**

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act,2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts /arrangements/transactions including the value, if any.	Justification for entering into such contracts / arrangements /transactions	Date of approval by the board	Amount paid as advances, if any	Date on which the special resolution was passed in General meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

Name (s) of the related party & nature of relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transaction	Salient terms of the contracts/arrangements/transaction including the value, if any	Date of approval by the board	Amount paid as advances, if any
<b>Per disclosure in Financial Statement</b>					

**For and on behalf of the Board of Directors,**

**(C.D. Datwani)  
Chairman**

Place : Mysuru

Date : 14/08/2021

**Annexure-E**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
**The Members,**  
Venlon Enterprises Limited  
CIN:L24231KA1983PLC015089

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31/03/2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the financial year ended on **31/03/2021** according to the provisions of:

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

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited/SEBI Listing Regulations, 2015.

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

**Note:** Please report specific non compliances/observations/audit qualification, reservation or adverse remarks in respect of the above para wise: **NIL**

I further report that

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

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

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

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

**Note:** Please report specific observations/qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period: **NIL**

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

**Date:** 11/08/2021

**Place:** Bengaluru

**SIGNATURE:** 

**Name of the Company Secretary:**

**Subrahmaniam Viswanathan**

**ACS No.:780**

**C P No.: 2021**

**UDIN:A000780C000771737**

**Annexure-F**

**S. Viswanathan**  
**Company Secretary in whole time practice**

9, Sai Bhavan, 1<sup>st</sup> A Main  
BTM- Mico Lay Out  
II Stage N S Pallya  
Bengaluru –560 076

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**CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE  
GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURES  
REQUIREMENTS) REGULATIONS, 2015**

Registration No. of the Company: L24231KA1983PLC015089  
Nominal Capital: Rs. 26,50,00,000/-

To,

**The Members of**  
Venlon Enterprises Limited

I have examined the compliance of the conditions of Corporate Governance by Venlon Enterprises Limited (hereinafter referred to as the Company), for the financial year ended **31<sup>st</sup> March 2021**, as stipulated under SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015.

The compliance with the conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedure and implementation thereof by the Company. This Certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished to me by the Company, I certify that the Company has complied with the mandatory conditions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Date: 11/08/2021

Place: Bengaluru

Signature: 

**Name of the Company Secretary:**

**Subrahmaniam Viswanathan**

**ACS No.:780**

**C P No.: 2021**

**UDIN: A000780C000771770**

**S. VISWANATHAN**  
**COMPANY SECRETARY**

9, Sai Bhavan, I B Main, Mico Layout,  
B.T.M. II Stage, Bangalore-560076

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[As per Clause 10(i) of Para C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations].*

To

**The Members,**  
**VENLON ENTERPRISES LIMITED**  
**CIN: L24231KA1983PLC015089**

1. We have examined the status of directors for the year ended on March 31, 2021, pursuant to the provisions of Clause 10(i) of Para C of Schedule V of the **Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** (“the Regulations”).
2. It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority.
3. Our examination was limited to a review of the relevant records of the Company and website of MCA, stock exchange(s), SEBI and other relevant statutory authority(ies) (specify) and it is solemnly the responsibility of Directors to submit relevant declarations and disclosures with complete and accurate information in compliance with the relevant provisions.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the declarations and disclosures made by the Directors, we certify that none of the directors on the board of VENLON ENTERPRISES LIMITED have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended at March 31, 2021.

**Place: Bengaluru**

**Date: 11/08/2021**

**Signature:** 

**Name of the Company Secretary:**

**Subrahmaniam Viswanathan**

**ACS No.:780**

**C.P. No: 2021**

**UDIN:A000780C000770890**

## Corporate Governance Report for the year 2020-21

As required under SEBI Listing Obligations & Disclosure Requirements Regulations, 2015

### 1. Company's philosophy on Corporate Governance:

Does not arise as the factory is closed from **29<sup>th</sup> September 2018**.

### 2. Board of Directors:

During the year, the Board met 6 times on 28-07-2020,25-08-2020,15-09-2020, 13-11-2020,30-11-2020 and 12-02-2021. The names and categories of the Directors on the Board, and their attendance at the Board Meetings during the year is given below:

Name	Category	Date of last A.G.M	No. of Board Meetings	No. of other Directorship	No. of other Committee Membership
		18-12-2020	Attended/ Held	(In public Companies)	
<b>Shri. Chand D Datwani</b> DoB: 17.12.1952 DoA: 13.11.1986	Chairman & Managing Director Non-Independent-Executive	Present	6/6	NIL	One
<b>Smt. Saroj C Datwani</b> DoB: 02.04.1953 DoA: 27.11.1995	Whole Time Director Non-Independent - Executive	Absent	6/6	NIL	One
<b>Shri. S.V.Jain</b> DoB: 27.03.1952 DoA: 31.03.2005	Independent Non-Executive	Present	6/6	NIL	Three
<b>Shri. T.S. Phaniraj*</b> DoB: 13.10.1987 DoA: 31.01.2020	Independent Non-Executive	Absent	5/6	NIL	Two
<b>Ms. Varshini .G</b> DoB: 01.05.1995 DoA: 13.11.2020	Independent Non-Executive	Absent	3/6	NIL	Two

### Shareholding of Promoter/Group:

Shri. Chand D Datwani : **2.12%**

Smt. Saroj C Datwani : **0.69%**

\*resigned w.e.f. 12<sup>th</sup> February 2021.

DoB: Date of Birth; DoA: Date of Appointment

Shri. Chand D. Datwani and Smt. Saroj C Datwani are related to each other.

In the opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

During the year, two independent directors Mr. Bhyrappa S. and Mr. Phaniraj T.S. resigned from the Board due to old age and technical reasons (being removal of name from the Independent Directors' database) respectively.

### Familiarisation programmes of Independent Directors:

In the meeting of ACB, while considering audited financials the Company Secretary briefs from the Companies Act 2013 and SEBI (LODR) Regulations 2015 the mandatory requirement of the aforesaid Regulatory Laws. Also at the Board Meeting thereafter.

**Chart/matrix setting out skills/expertise/competence of the board of directors specifying the following:**

Sl. No.	Name of Directors	Category	Skills/Expertise
1	Shri. Chand Datwani	Executive-Managing Director	Setting up of industrial projects
2	Smt. Saroj Datwani	Executive CFO	Financials
3	Shri. S.V. Jain	Non-executive Independent Director	Import / Export
4	Ms. Varshini .G	Non-executive Independent Director	Pollution Control
5	Mrs. Alakananda K.M.	Non-executive Independent Director	Management Skill Development programmes

### 3. Audit Committee

The terms of reference of the Audit Committee broadly are as under:

- To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the Accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors and its redressal.
- To review compliance with internal control systems
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board
- To make recommendations to the Board on any matter relating to the financial management of the Company.
- Recommending the appointment of Statutory Auditors.

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
<b>Shri. S.V.Jain,</b> Chairman	Independent Non-Executive	6	6
<b>Mr. T.S. Phaniraj</b> Member	Independent Non-Executive	6	5
<b>Ms. Varshini .G,</b> Member	Independent Non-Executive	6	3

Six Audit Committee Meetings were held during the year 2020-21. The said meetings were held on the following dates:

28-07-2020,25-08-2020,15-09-2020,13-11-2020,30-11-2020 and 12-02-2021.

Compliance Officer attends all the meeting.

### 4. Nomination and Remuneration Committee

The terms of reference to the committee are as per the requirements of section 178 of the Companies Act, 2013 and as specified in Part I of Schedule II of the Regulation.

The composition of the revised Remuneration Committee is given below:

NAME OF MEMBER	CATEGORY
Shri. S.V.Jain,	Independent Non-Executive
Mr. T.S. Phaniraj	Independent Non-Executive
Ms. Varshini .G	Independent Non-Executive

**Dates of Meeting: 25/08/2020 & 12/02/2021.**

Exclusive Independent Directors Meeting during the year was held on **12/02/2021**. Required Quorum was present.

#### 5. Remuneration Policy

No remuneration is paid to the key managerial personnel.

**Details of remuneration for 2020-21 and Tenure: (per MCA approval) ;**

Name Of The Director	Remuneration (PA)	Sitting fee	TENURE
Shri. Chand D Datwani Chairman & Managing Director- Promoter.	Nil	NIL	Revised appointment date 30/03/2021 for five years
Smt. Saroj C Datwani Promoter- Whole Time Director.	Nil	Nil	Revised appointment date 30/03/2021 for five years
Shri. S.V. Jain Independent-Non Executive	Nil	Nil	Re-appointment has been done for five years from 30/9/2019
Mr. T.S. Phaniraj Independent-Non Executive	Nil	25,000/- 2019-20	Appointment was made on 31/01/2020 and resigned on 12/02/2021
Ms. Varshini .G Independent-Non Executive	Nil	25,000/- 2020-21	Appointment was made on 13/11/2020 till such time she is a member in IDDB

#### Disclosure of shares held by Non –Executive Directors in the Company as on 31/03/2021.

Shri. S.V. Jain – 76,320 Shares of Rs 5/-each.

Mr. T.S. Phaniraj – NIL.

Ms. Varshini .G – NIL.

#### 6. Stake Holder Relationship Committee:

The composition of the Stake Holder Relationship Committee which also approves share transfer in physical form is given below:

NAME OF MEMBERS	CATEGORY
Shri. S.V. Jain	Non-Executive Independent Director
Shri. Chand Datwani	Promoter- Chairman & Managing Director
Smt. Saroj Datwani	Promoter- Chairman & Managing Director

**NOTE:** On 15/03/2021 an emergent Stakeholder Relationship Committee was held which was chaired by Ms. Varshini .G as Shri S.V. Jain could not undertake travel.

**Scope:**



- i) To approve transfer and transmission of shares in Physical form.
- ii) To oversee redressal of complaints.
- iii) To approve Remat of Shares.
- iv) To approve deletion of name.

**7. Name & designation of Compliance Officer :**

Rama Rao G.D., FCA, Acs,

**Investor Complaints:**

No. of complaints received from Shareholders from 1.4.2020 to 31.3.2021	<b>Nil</b>
No. of complaints solved to the satisfaction of the Shareholders	<b>Nil</b>
Pending	<b>Nil</b>

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

<b>Date of A.G.M.</b>	<b>Type of Meeting</b>	<b>Location and Time</b>
28/09/2018	AGM	Hotel Dasaprakash Paradise, 4-30 pm
27/09/2019	AGM	Hotel Dasaprakash Paradise, 4-30 pm
18/12/2020	AGM	Regd. Office, 4-30 pm

- i) One Special Resolution was passed at the AGM held on 28/09/2018, relating to Section 180 of Companies Act 2013.
- ii) Three Special Resolutions were passed at the AGM held on 27/09/2019, relating to appointment of Non-executive Independent Directors viz.; Shri. K.V. Chitalia, Shri. S.V. Jain and Shri. S. Bhyrappa.
- iii) Two Special resolutions were passed at the AGM held on 18/12/2020, appointment of Executive Directors viz.; Shri. Chand Datwani and Smt. Saroj Datwani.

At the ensuing AGM to be held on **24/9/2021**, no special resolution is being proposed.

**8. Means of communication**

Company's Email ID to receive complaints and grievances from investors is [gdrvenlon@gmail.com](mailto:gdrvenlon@gmail.com).

**9. General Shareholder information**

**AGM: Date, time and venue: 24<sup>th</sup> September 2021** at Regd. Office, Belawadi, Mysuru at 12.45 p.m. **Landmark:** Near Belavadi Bus Stop.

**Financial Calendar:**

April to March.

**Book Closure:** 17/09/2021 to 24/09/2021 (both days inclusive)

**Listing on Stock Exchanges:**

BSE Limited, Mumbai  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai – 400 001  
**Stock Code: 524038**

**Market Price Data:**

Month	High (Rs.)	Low (Rs.)
Apr – 20	1.63	1.26
May – 20	1.39	0.89
Jun – 20	1.78	1.00
Jul – 20	1.51	1.14
Aug – 20	1.19	0.96
Sep – 20	1.32	1.10
Oct – 20	1.20	1.09
Nov – 20	1.16	0.99
Dec – 20	1.41	1.18
Jan – 20	1.79	1.29
Feb – 20	2.31	1.84
Mar – 21	2.52	2.29

Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc; Consequent to closure of the manufacturing activities effective from 29th September 2018, the share movement and performance is negligible. Hence, providing comparison is not material.

**Registrar and Transfer Agents:**

M/s Computech Sharecap Limited  
147, 3<sup>rd</sup> Floor, M.G. Road,  
Fort, Mumbai – 400 001

**Share Transfer System:**

In dematerialized Form. The company has provided facility with both NSDL and CDSL.

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

**DISTRIBUTION SCHEDULE**

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1-50	178	3.89%	2739	0.01%
51 - 100	171	3.73%	15826	0.03%
101 - 200	866	18.90%	159979	0.31%
201 - 300	92	2.01%	24943	0.05%
301 - 400	1918	41.87%	692606	1.33%
401 - 500	167	3.65%	82146	0.16%
501 - 1000	562	12.27%	446432	0.85%
1001 & above	627	13.69%	50817823	97.27%
<b>Total</b>	<b>4581</b>	<b>100.00%</b>	<b>52242494</b>	<b>100.00%</b>

**Dematerialization 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, Mysuru – 570 018

**Address for correspondence:**

Plot No. 26(P), Belavadi Industrial Area, Hunsur Road, Mysuru – 570 018.

**Share Holding Pattern as on 31/03/2021 :**

	Category	No. of shares held	Percentage of share holding
A.	<b>PROMOTER'S HOLDING</b>		
1.	Promoters		
	-Indian Promoters	1109520	2.12%
	-Foreign Promoters (OCB)	30432390	58.25%
2.	Persons acting in Concert #	0	0.00%
	<b>Sub-Total</b>	31541910	60.38%
B.	<b>NON-PROMOTER'S HOLDING</b>		
3.	<b>Institutional Investors</b>		
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	0	0.00%
	<b>Sub-Total</b>	11840	0.02%
4.	<b>Others</b>		
a.	Private Corporate Bodies	15578881	29.82%
b.	Indian Public	5042180	9.65%
c.	NRIs/OCBs	67683	0.13%
d.	Any other (please specify)		0.00%
	<b>Sub-Total</b>	<b>20688744</b>	<b>39.60%</b>
	<b>GRAND TOTAL</b>	<b>52242494</b>	<b>100.00%</b>

Means of communication: Quarterly results are placed on BSE listing center and Company's website.

**10. Disclosures**

- Disclosures on materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict in the interest of Company at large.

**NIL.**

- Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**NIL.**

- Whistle Blower policy. Operative
- Compliance with mandatory requirements have been complied.

- Total fees for all services paid by the listed entity to the statutory auditor: Rs.71,000/- plus taxes.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: Since there are no employees, the disclosure does not arise.
- Out of the discretionary requirements under the LoDR, the Company has complied with one of the requirements on Unmodified audit report. The Company has been given with unmodified audit opinion.

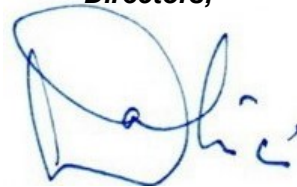
**Declaration:**

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

***For and on behalf of the Board of  
Directors,***

Place : Mysuru

Date : 14/08/2021



**(C.D. Datwani)  
Chairman**



## VENLON ENTERPRISES LTD.

Regd. Office & Works : 26 (P) & Plot No. 2, Belavadi Industrial Area, Hunsur Road, Mysore - 570 018. CIN : L24231KA1983PLC015089  
Phone : (0821) 2402530, e-mail: gdrvenlon@gmail.com

### CEO & CFO CERTIFICATE

**The Board of Directors**  
Venlon Enterprises Limited  
Mysuru

**ALP & Co.**  
Chartered Accountants,  
FRN: 022142S

#### **Annual Confirmation pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby certify that :

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended **March 31, 2021** and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) that there were no instances of fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal Control System over financial reporting.

**Chand D Datwani**  
Chairman and Managing Director

**Saroj Datwani**  
Chief Financial Officer

**Date: 14<sup>th</sup> August 2021**



**INDEPENDENT AUDITOR'S REPORT**

To the Members of Venlon Enterprises Limited

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the standalone financial statements of Venlon Enterprises Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2021, and the statement of Profit and Loss, statement of Changes in equity and statement of cash flows for the year the nended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given tous, the aforesaid standalone financial statements give the information required by the Act in the manners or equired and give a true and fair view in conformity with the Indian Accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, asamended, ("IndAs") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss, and total comprehensive income, changes in equity and its and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India to get her with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules the reunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained issufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

The financial statements indicate that the Company has accumulated losses and its net worth has been fully eroded. The Company has incurred cash loss during the current year and previous year and the Company's current liabilities exceeded its current assets as at the balance sheet date. In our opinion Internal Audit reporting system is inadequate and it needs to bestrengthened. Our opinion is not modified in respect of the matter.

*Sandeep K*

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**Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the Other Information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Corporate Governance and shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

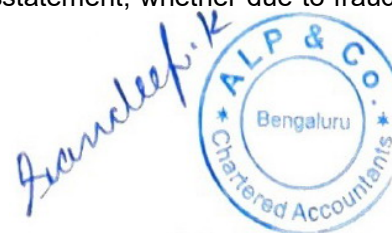
My opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained during the course of My audit or otherwise appears to be materially misstated.

Based on the work we have performed, I conclude that there is no material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, comprehensive income, statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind-AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

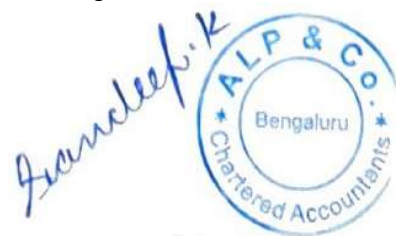
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

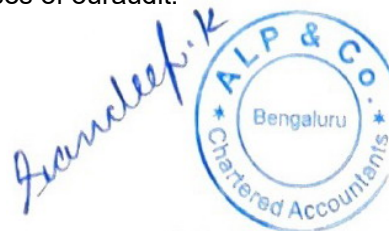
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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



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# ALP & CO

## Chartered Accountants



- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

- i) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- ii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For  
ALP & Co  
Chartered Accountants  
FRN: 022142S



CA. Sandeep Koonaparaju  
Partner (M. No. 219677)  
UDIN: 21219677AAAABJ5312

Date: 14-08-2021  
Place: Bengaluru

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**Annexure “A” to the Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Venlon Enterprises Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Venlon Enterprises Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

*Sandeep K*

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According to the information and explanations given to me and based on my audit, the following material weakness have been identified as on 31<sup>st</sup> March 2021.

- a) Internal Audit reporting system is not adequate and needs to be strengthened.
- b) Cost records, stock movement register and Inventory valuation needs to be strengthened in the accounting software maintained by the Company.

I have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in my audit of the March 2021 standalone financial statements of the Company and these material weakness does not affect my opinion on the standalone financial statements of the Company.

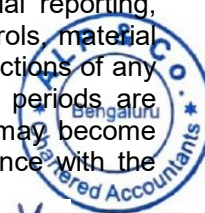
I believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



*Sandeep K*

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**Annexure B to the Independent Auditor's Report**

*(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Venlon Enterprises Limited of even date)*

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification. However the process of verification has to be strengthened.
- (c) i) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings are freehold, are held in the name of the Company as at the balance sheet date.
- ii) The management has not conducted physical verification of inventory at reasonable intervals during the year
- ii. According to the information and explanations given to us, the Company has not granted loan to parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted loans, made investment or provided guarantees and security for parties covered with the provisions of Sections 185 and 186 of the Act.
- iv. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- v. I have broadly reviewed the books of account maintained by the Company in respect of products where, pursuance to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 148(1) of the Act, and the prescribed accounts and records have been made and maintained in respect of the products manufactured by the Company. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

*Sandeep K*

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- vi. According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- vii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- viii. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- ix. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xii. xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xiv. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Date : 14-08-2021**  
**Place : Bengaluru**



**For ALP & Co, Chartered Accountants**  
**FRN (022142S)**

**CA Sandeep Koonaparaju (Partner)**  
**UDIN: 21219677AAAABJ5312**

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**VENLON ENTERPRISES LIMITED**  
CIN:L24231KA1983PLC015089

**BALANCE SHEET AS AT 31ST MARCH, 2021**

Amount in Rs

Particulars	Notes	As at March 2021	As at March 2020
<b>I Assets</b>			
<b>I. Non-Current Assets</b>			
a. Property, Plant and Equipment	2	54,09,06,509	57,53,06,053
b. Capital Work in Progress	2		
c. Intangible Assets	2	39,412	52,740
d. Foreign currency monetary item translation difference A/c		4,67,67,493	5,01,08,037
e. Financial assets			
i. Investments	3	13,78,199	8,88,064
ii. Long term loans and advances	4	40,87,408	40,87,408
f. Deferred Tax asset (net)			-
<b>Total Non-current assets</b>		<b>59,31,79,021</b>	<b>63,04,42,302</b>
<b>II. Current Assets</b>			
a. Inventories	5	3,41,24,631	5,04,58,486
b. Financial Assets			
i. Trade receivables	6	91,39,195	2,30,57,917
ii. Cash and cash equivalents	7	3,49,37,771	3,08,785
iii. Short Term Loans	8	-	-
c. Other Current Assets	9	35,66,119	92,21,813
<b>Total Current Assets</b>		<b>8,17,67,716</b>	<b>8,30,47,001</b>
Asset held for sale / disposal	2	14,14,55,275	14,22,55,276
<b>TOTAL ASSETS</b>		<b>81,64,02,012</b>	<b>85,57,44,579</b>
<b>2. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity Share Capital	10	26,12,12,470	26,12,12,470
b. Other Equity	11	-79,52,16,944	-78,37,24,798
<b>Total Equity</b>		<b>-53,40,04,474</b>	<b>-52,25,12,328</b>
<b>LIABILITIES</b>			
<b>I. Non-Current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	12	88,75,92,438	91,88,30,670
b. Provisions	13	-	-
<b>Total non-current liabilities (I)</b>		<b>88,75,92,438</b>	<b>91,88,30,670</b>
<b>II. Current Liabilities</b>			
a. Financial Liabilities			
i. Borrowings	14	23,58,05,075	25,17,57,797
ii. Trade Payables Due to	15	-	-
a) Micro and small enterprises			
b) Other than Micro and small enterprises		73,58,572	14,45,244
b. Other Current liabilities	16	21,93,25,549	20,56,30,374
c. Provisions	17	3,29,752	5,92,822
<b>Total Current Liabilities (II)</b>		<b>46,28,18,948</b>	<b>45,94,26,237</b>
<b>Total Liabilities (I + II)</b>		<b>1,35,04,11,386</b>	<b>1,37,82,56,907</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>81,64,06,912</b>	<b>85,57,44,579</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

For ALP & Co. Chartered Accountants

Chartered Accountants

*Sandeep K*  
Partner

FRN: 0221425

**ALP & Co.**

CHARTERED ACCOUNTANTS

Date: 14-08-2021

Place: MYSURU, SUMERU\* #130, Balaji Layout, Vajarahalli,  
Kanakapura Main Road, Bengaluru-560062

*C.D. Datwani*

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

*Saroj C. Datwani*

**SAROJ.C.DATWANI**  
Director/ CFO  
DIN: 00355148

*G.D. Rama Rao*

**G.D. Rama Rao**  
Company Secretary

**VENLON ENTERPRISES LIMITED**  
CIN:L24231KA1983PLC015089

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Notes	Amount in Rs	
		As at March 2021	As at March 2020
<b>1 INCOME</b>			
<b><u>1. Revenue from Operations</u></b>			
a. Sale of Products and Services	18	1,09,20,737	3,29,94,643
b. Other Income	19	1,78,53,030	2,83,633
<b>Total Income</b>		<b>2,87,73,767</b>	<b>3,32,78,276</b>
<b><u>2. EXPENSES</u></b>			
a. Cost of Material Consumed	20	-	-
b. Purchases of Stock-in-trade	21	-	1,95,341
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	-	2,88,94,692
d. Excise Duty	23		
e. Employee Benefit Expenses	24	-	68,46,483
f. Finance Costs	25	34,97,826	78,19,587
g. Depreciation / Amortisation and Depletion Expense	2	3,38,33,616	3,39,21,322
h. Other Expenses	26	3,40,83,583	1,76,16,120
<b>Total Expenses</b>		<b>7,14,15,025</b>	<b>9,52,93,545</b>
<b>LOSS BEFORE EXCEPTIONAL ITEM AND TAX</b>		<b>-4,26,41,258</b>	<b>-6,20,15,269</b>
Exceptional Item			
<b>LOSS BEFORE TAX</b>		<b>-4,26,41,258</b>	<b>-6,20,15,269</b>
DEFERRED TAX		-	-
<b>LOSS FOR THE YEAR</b>		<b>-4,26,41,258</b>	<b>-6,20,15,269</b>
<b>LOSS FOR THE YEAR</b>		<b>-4,26,41,258</b>	<b>-6,20,15,269</b>
Profit /(Loss) from Discontinued operations- For Disclosure Purpose		-10,73,599	-1,08,18,984
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss net of tax		4,90,135	-5,86,346
B (i) Items that will be reclassified to profit or loss net of tax		3,12,38,232	-7,56,91,173
<b>Total Comprehensive Income for the Year (C)</b>		<b>3,17,28,367</b>	<b>-7,62,77,519</b>
<b><u>Total Comprehensive Income for the period (A+B) [Comprising Loss and Other Comprehensive Income for period]</u></b>		<b>-1,09,12,891</b>	<b>-13,82,92,788</b>
<b>Earnings Per Equity Share</b>			
<b>Basic and Diluted</b>		<b>-0.82</b>	<b>-1.19</b>

Significant Accounting Policies

See accompanying Notes to the Financial Statements

As per my report and certificate attached

**For ALP & Co.**

Chartered Accountants

*Sandeep K*  
Partner

FRN: 0221425

**ALP & Co.**

CHARTERED ACCOUNTANTS

Date: 14-08-2021

Place: MYSURU

"SUMERU" #130, Balaji Layout, Vajarahalli,  
Kanakapura Main Road, Bengaluru-560062

*Datwani*

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

*Saroj C. Datwani*

**SAROJ.C.DATWANI**  
Director/ CFO  
DIN: 00355148

*G.D. Rama Rao*

**G.D. Rama Rao**  
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Amount in Rs	
	2020-21	2019-20
<b>Cash Flow from Operating Activities</b>		
Net loss as per Statement of Profit and Loss	-4,26,41,258	-6,20,15,269
<u>Adjusted for:</u>		
Depreciation / Amortisation and Depletion Expense	3,38,33,616	3,39,21,322
Amortization of unrealized foreign exchange loss / (gain) on Long Term Debts	33,40,544	74,23,412
Provision for advances and deposits	60,78,761	-
Provision for Inventories	1,58,81,490	
Write back provision in debtors	-87,40,733	
Interest Income	-10,99,172	-2,62,820
Dividend Income	-24,880	-10,900
Finance Costs	1,57,282	3,96,175
(Profit) / Loss on Sale / Discard of Assets (Net)	-	-
Short term provisions	-2,63,070	2,57,766
Long term provisions	-	-
<b>Operating Profit / (Loss) Before Working Capital Changes</b>	65,22,580	-2,02,90,314
<u>Adjusted for:</u>		
(Increase) / Decrease in Trade Receivables	2,26,59,455	-1,47,99,123
(Increase) / Decrease in Inventories	4,52,365	3,58,96,804
(Increase) / Decrease in Other Current Assets	-4,23,067	-33,67,341
Increase / (Decrease) in Trade Payables	59,13,328	-35,814
Increase / (Decrease) in Other Current Liabilities	1,36,95,175	15,67,39,832
(Increase) / Decrease in short term loans and advances	-	5,73,952
<b>Cash Generated from Operations</b>	4,88,19,836	15,47,17,996
Tax Paid (Net)		
<b>Net Cash Flow from / (Used in) Operating Activities (i)</b>	4,88,19,836	15,47,17,996
<b>Cash Flow From Investing Activities</b>		
Purchase of tangible and Intangible assets	-	-
Sale of tangible and Intangible assets	8,00,000	-
Proceeds from Long term Loans and Advances	-	-
Proceeds from disposal of tangible and intangible assets	-	-
Fixed deposits with bank	-3,15,24,065	8,03,691
Interest Income	10,99,172	2,62,820
Dividend Income	24,880	10,900
<b>Net Cash Flow from / (Used in) Investing Activities (ii)</b>	-2,96,00,013	10,77,411
<b>Cash Flow From Financing Activities</b>		
Proceeds from long term borrowings	-	-
Interest Paid	-1,57,281	-3,96,176
Short term borrowings (net)	-1,59,52,722	-15,54,70,580
<b>Net Cash flow from / (Used in) Financing Activities (iii)</b>	-1,61,10,003	-15,58,66,756
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (i + ii + iii)</b>	31,09,820	-71,349
<b>Opening Balance of Cash and Cash Equivalents</b>	2,93,785	3,65,134
<b>Closing Balance of Cash and Cash Equivalents</b>	34,03,605	2,93,785
<b>Components of Cash and Cash Equivalents as per Ind As 7</b>		
Cash on Hand	52,715	18,337
With Banks-Current Accounts	33,45,990	2,75,449
<b>Total cash and cash equivalents</b>	33,98,705	2,93,785

Significant Accounting Policies

See accompanying Notes to the Financial Statements

As per report of the date attached

For ALP & Co.

Chartered Accountants

*Sandeep K*  
Partner

FRN: 0221425

Date: 14-08-2021

Place: MYSURU

SUMERU #130, Balaji Layout, Vajarahalli,

Kanakapura Main Road, Bengaluru-560062

*Dalje*

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

*Saroj C. Datwani*

SAROJ.C.DATWANI  
Director/ CFO  
DIN: 00355148

*G.D. Rama Rao*

G.D. Rama Rao  
Company Secretary

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**1 CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE FINANCIAL STATEMENTS**

**A CORPORATE INFORMATION**

Venlon Enterprises Limited ('The Company') is a public limited company domiciled and incorporated in India having its registered office at 26-P, Belavadi Industrial Area, Hunsur Road Mysuru - 570018. The Company's shares are listed and traded on Stock Exchanges in India. The Company is engaged in the business of Polyester film, formaldehyde and paraformaldehyde manufacturing industry.

**B SIGNIFICANT ACCOUNTING POLICIES**

**I Basis of Preparation**

The financial statements have been prepared on the historical cost basis except for following assets and liabilities which have been measured at fair value amount:

i) Certain financial assets and liabilities

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency.

**II Statement of Compliance with Ind AS**

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2021 have been prepared in accordance with Ind AS duly approved by the Board of Directors at its meeting held on 14/08/2021

**III Property, Plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and where applicable, accumulated impairment losses. Cost includes expenditure that is directly attributable to acquisition of the asset. The cost of self constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of Property, Plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of Property, Plant and equipment and are recognised net within "other income/other expenses" in the Statement of Profit and Loss.

**Subsequent Costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is de-recognised. The cost of day to day servicing of property, plant and equipment are recognised in Statement of Profit or Loss.

**Depreciation**

Depreciation is recognized in the Statement of Profit and Loss under Straight Line basis over the estimated useful lives of each part of an item of property, plant and equipment as provided in Schedule II to the Companies Act, 2013.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

**IV Intangible Assets**

Intangible assets that are acquired by the Company, which have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

**Subsequent Expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, are recognised in the Statement of Profit and Loss.

**Amortisation of intangible asset with useful life**

Amortisation is recognised in the Statement of Profit and Loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available to use based on the estimates made by the management w.r.t the useful life and residual value.

**V Inventories**

Inventories are measured at the lower of cost (determined using Weighted average method for Raw materials & consumables, Work in progress and for finished goods by considering materials, labour and other related direct expenses.) and net realizable value. Cost comprises the fair value of consideration for the purchase and all directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

During the year ended 31st March 2021, due to the outbreak of Pandemic 2019, Company was not in a position to ascertain the net realisable value of other stock items which includes stores & spares and Loose tools as on 31/03/2021. Hence the stocks carried forward from 31st March 2021 is valued at same values and goods purchased during 2020-21 is valued at cost.

**VI Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

**a) Depreciation / amortisation and useful lives of property, plant and equipment / intangible assets**

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

**b) Recoverability of trade receivables**

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**c) Provisions**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

**VII Financial Instruments**

Financial assets comprises of investments In equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognised initially at Fair value plus transaction costs that are attributable to the Acquisition of the financial asset (In case of financial assets not recorded at FVTPL, transaction costs are recognised immediately in Statement of Profit and Loss). Purchase or sale of financial asset within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date.

Subsequent measurement:

Financial asset at FVTOCI(Fair value through other comprehensive income):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial asset and the contractual terms of financial assets give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognised in other comprehensive income.

De-recognition of financial asset:

Financial assets are derecognised when the contractual right to cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for Derecognition. On Derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of Derecognition) and the consideration received (including any new asset obtained less any new liability Assumed) shall be recognised in the Statement of Profit and Loss (except for equity instruments designated as FVTOCI).

**VIII Financial liabilities**

Initial recognition and measurement:

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Subsequent measurement:

Financial liabilities are carried at amortized cost. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

De-recognition of financial liability:

A financial liability is de-recognised when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in Balance sheet, when, and only when, the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**IX Share Capital**

Equity Shares are classified as equity. Where any shares are issued, incremental costs directly attributable to the issue of new equity shares or share options will be recognised as deduction from equity, net of any tax effects.

**X Revenue Recognition**

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risk and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and the amount of revenue can be measured reliably. Transfer of risk and reward vary depending on the individual terms of the contract of sale.

Consequent to the introduction of GST w.e.f. 1st July, 2017 revenue are required to be shown net of GST. Revenue of earlier period are shown inclusive of excise duty, corresponding excise duty included in revenue are shown as separate line item in the statement of profit & loss as expenses to reflect the net effect.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

**XI Employee Benefits**

Employee benefits are accrued in the period in which the associated services are rendered by employees of the Company, as detailed below:

**a) Defined contribution plan (Provident fund)**

In accordance with Indian law, eligible employees receive benefit from provident fund, which is a defined contribution plan. Both the employee and employer make monthly contributions to the plan, each equal to a specific percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company does not have any legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee service in the current and prior periods. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

**b) Defined benefit plan (Gratuity)**

In accordance with applicable Indian laws, the Company provides for gratuity, which is a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. The Company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of plan assets are deducted. The discount rate is the yield at the reporting date on risk free government bonds that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefit available in the form of any future refunds from the plan or reductions in the future contributions to the plan.

The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India.

**c) Short term benefits**

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**XII Finance income and expense**

Finance income comprises of interest income on funds invested, dividend income, fair value gains on financial assets at fair value through profit or loss. Interest income is recognised using effective interest method. Dividend income is recognised in Statement of Profit and Loss on date when the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expense comprises of interest expense on loans and borrowings, bank charges, unwinding of discount on provision, fair value losses on financial asset through FVTPL that are recognised in the Statement of Profit and Loss.

**XIII Borrowing Costs**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

**XIV Income Taxes**

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognised directly in equity or in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date. Minimum Alternate Tax (MAT) is accounted as current tax when the Company is subjected to such provisions of the Income Tax Act. However, credit of such MAT paid is available when the Company is subjected to tax as per normal provisions in the future. Credit on account of MAT is recognized as an asset based on the management's estimate of its recoverability in the future.

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

**XV Foreign Currency Transactions and balances**

Transactions in foreign currencies are initially recognised in the financial statements using exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognised in Statement of Profit and Loss under the head 'Other Comprehensive Income' for determination of net profit or loss during the period.

**XVI Earnings Per Share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all potential ordinary shares, which include share options granted to employee if any, to the extent that partly paid shares are not entitled to participate in dividends during the period. They are treated as equivalent of warrants or options in the calculation of diluted earnings per share.

**XVII Statement of Cash Flow**

Cash flows are reported using the indirect method, whereby, loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

**XVIII Segment Reporting**

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The Company operates through various segments namely manufacture of formaldehyde, paraformaldehyde, polyester film and generation of windmill energy.

**XIX Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specified to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**Exemptions from retrospective application of IND-AS**

**(i) Fair value as deemed cost**

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

**(ii) Cumulative translation difference**

**(iii) Long Term Foreign Currency Monetary Items**

The Company continues the policy of amortizing capitalised exchange differences arising on translation of long term foreign currency monetary items upto the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. 31st March 2017 as per the previous GAAP.

**VENLON ENTERPRISES LIMITED  
MYSURU**

**NOTE -2**

Amount in Rs ₹

Particulars	Gross Block			Depreciation				Net Block		
	As at 01.04.2020	Additions/Adjustments	Disposal/ Capitalized/Transferred	As at 31.03.2021	Up to 01.04.2020	For the Year	Withdrawn	Upto 31.03.2021	As at 31.03.2021	As at 31.03.2020
<b><u>PROPERTY PLANT &amp; EQUIPMENT</u></b>										
Land-Freehold	15,85,42,041	-	-	15,85,42,041	-	-	-	-	15,85,42,041	15,85,42,041
Buildings	20,55,50,363	-	-	20,55,50,363	12,39,36,115	68,23,912	-	13,07,60,027	7,47,90,336	8,16,14,248
Plant and Machinery	57,55,48,146	-	-	57,55,48,146	26,92,87,004	2,69,64,853	-	29,62,51,857	27,92,96,289	30,62,61,142
Electrical Installation	4,50,98,116	-	-	4,50,98,116	1,71,80,386	4,24,747	-	1,76,05,133	2,74,92,983	2,79,17,730
Furniture & Fixtures	45,09,959	-	-	45,09,959	43,84,822	8,060	-	43,92,882	1,17,077	1,25,137
Vehicles	56,15,856	-	-	56,15,856	47,70,825	1,77,971	-	49,48,796	6,67,060	8,45,031
Computers & Data Processing units	6,953	-	-	6,953	6,230	-	-	6,230	723	723
<b>TOTAL</b>	<b>99,48,71,434</b>	<b>-</b>	<b>-</b>	<b>99,48,71,434</b>	<b>41,95,65,382</b>	<b>3,43,99,543</b>	<b>-</b>	<b>45,39,64,925</b>	<b>54,09,06,509</b>	<b>57,53,06,053</b>
<b><u>CAPITAL WORK IN PROGRESS</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>INTANGIBLE ASSETS</u></b>										
Computer Software	1,36,333	-	-	1,36,333	83,593	13,328	-	96,921	39,412	52,740
<b>TOTAL</b>	<b>1,36,333</b>	<b>-</b>	<b>-</b>	<b>1,36,333</b>	<b>83,593</b>	<b>13,328</b>	<b>-</b>	<b>96,921</b>	<b>39,412</b>	<b>52,740</b>
<b><u>ASSET HELD FOR SALE / DISPOSAL</u></b>										
Plant and Machinery	79,09,11,134	-	8,00,000	79,01,11,134	75,84,65,275	-	-	75,84,65,275	3,16,45,859	3,24,45,859
Land	10,98,09,416	-	-	10,98,09,416	-	-	-	-	10,98,09,416	10,98,09,416
Total	90,07,20,550	-	8,00,000	89,99,20,550	75,84,65,275	-	-	75,84,65,275	14,14,55,275	14,22,55,275
<b>GRAND TOTAL</b>	<b>1,89,57,28,317</b>	<b>-</b>	<b>8,00,000</b>	<b>1,89,49,28,317</b>	<b>1,17,81,14,250</b>	<b>3,44,12,871</b>	<b>-</b>	<b>1,21,25,27,121</b>	<b>68,24,01,196</b>	<b>71,76,14,068</b>

**Note:**

Depreciation on original cost (including additions) is Rs. 3,38,33,615.88  
 Depreciation on revalued portion- Rs. 5,79,255  
 3,44,12,871.00

VENLON ENTERPRISES LIMITED  
CIN: L24231KA1983PLC015089

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

3. INVESTMENTS	Amount in Rs ₹	
	31-Mar-21	31-Mar-20
(a) Equity instruments	13,78,199	8,88,064
<b>Total Equity Instrument</b>	<b>13,78,199</b>	<b>8,88,064</b>

Name of the Company	Number of Equity Shares Fully Paid up
<b>Quoted</b>	
Garware Polyester Limited	50
Rollatainers Limited	55
Tamilnadu Telecommunication Limited	100
ITC Limited	3100
Annapurna Foils Limited	100
Finolex Cables Limited	600
Essel Propack Limited	80
Gujarat Telephone Cables Limited	85
RPG Cables Limited	50
EID Parry (I) Limited	750
MM Rubber Company	50
Elpro Packaging Limited	100
Cormandal International Limited	176
	<b>5296</b>
<b>Unquoted</b>	
Canbay Polyfilms Limited	100
Leela Packaging Limited	100
Sakamichi Tapes Limited	800
	<b>1000</b>
<b>Total</b>	<b>6296</b>

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

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

(c) In compliance with Ind AS-109 'Financial Instruments' the aforesaid investments are recognised at fair market value & net effect of the same is reflected under 'Other Comprehensive Income'.

4. LONG TERM LOAN AND ADVANCES	Amount in Rs ₹	
	31-Mar-21	31-Mar-20
(a) Security Deposits		
Secured, considered good	40,87,408	40,87,408
<b>Total Loans</b>	<b>40,87,408</b>	<b>40,87,408</b>

5. INVENTORIES (Valued at lower of cost and net realizable value)	31-Mar-21	31-Mar-20
(a) Raw materials		
(b) Work in progress	-	-
(c) Finished goods	-	-
(d) Stores & spares	4,97,30,996	5,01,83,361
(e) Loose tools	2,75,125	2,75,125
Less: provision for inventory	(1,58,81,490)	
<b>Total Inventories</b>	<b>3,41,24,631</b>	<b>5,04,58,486</b>



**VENLON ENTERPRISES LIMITED**  
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**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

	Amount in ₹	
	31-Mar-21	31-Mar-20
<b>6. TRADE RECEIVABLES</b>		
(i) Outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered Good		
Unsecured, Considered Good	91,39,141	2,05,90,953
Unsecured, Considered Doubtfull	67,12,568	1,45,32,353
<b>Sub Total</b>	<b>1,58,51,709</b>	<b>3,51,23,306</b>
Less : Provision for bad and doubtful debts	67,12,514	1,20,65,389
<b>Total trade receivables</b>	<b>91,39,195</b>	<b>2,30,57,917</b>
<b>7. CASH AND CASH EQUIVALENTS</b>		
(i) Cash and cash equivalents		
a) Balances with banks - In Current accounts	33,45,990	2,75,449
b) Cash on hand	52,715	18,337
(ii) Other bank balances		
(a) In deposit account with original maturity of more than 3 months but less than 12 months	3,15,39,066	15,000
(b) Balances with banks - held as margin money or security deposit against borrowings, guarantee / other commitments	-	-
<b>Total Cash and Cash Equivalents</b>	<b>3,49,37,771</b>	<b>3,08,785</b>
(i) The balance in operative bank accounts have been reconciled, while the balance in non-operative bank accounts are subject to reconciliation.		
<b>8. LOANS</b>		
(a) Loans and advances to related parties	-	-
(b) Others		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
<b>Total loans</b>	<b>-</b>	<b>-</b>
<b>9. OTHER CURRENT ASSETS</b>		
Other Current Assets	35,66,119	92,21,813
<b>Total Other current assets</b>	<b>35,66,119</b>	<b>92,21,813</b>

**VENLON ENTERPRISES LIMITED**  
CIN: L24231KA1983PLC015089

**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

PARTICULARS	Amount in ₹	
	As At 31 March, 2021 Rupees	As At 31 March, 2020 Rupees
<b>10. EQUITY SHARE CAPITAL</b>		
5,30,00,000 Equity Shares of Rs.5 each (Previous Year 5,30,00,000 Equity Shares of Rs.5 each)	26,50,00,000	26,50,00,000
Issued, Subscribed and Paid up capital 5,22,42,494 Equity Shares of Rs.5 each (Previous Year 5,22,42,494 Equity Shares of Rs.5 each)	26,12,12,470	26,12,12,470
<b>Total Issued, Subscribed and Paid up capital</b>	<b>26,12,12,470</b>	<b>26,12,12,470</b>

	31-Mar-21		31-Mar-20	
	Nos.	Amount	Nos.	Amount
<b>Equity shares</b>				
At the beginning of the period	5,22,42,494	26,12,12,470	5,22,42,494	26,12,12,470
Outstanding at the end of the period	5,22,42,494	26,12,12,470	5,22,42,494	26,12,12,470

**(b) Terms/ rights attached to equity shares**

- i. The Company has only one class of equity shares having a par value of Rs. 5/- per share. Each holder of equity share is entitled to one vote per share.
- ii. During the current year, the amount of dividend per share recognized as distribution to equity shareholders was Rs. NIL (Previous year Rs. NIL)
- iii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- iv. Of the above, 3,04,32,390 equity shares of Rs.5/- each fully paid up has been allotted to non-residents on non-repatriation basis.

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

B (i) Items that will be reclassified to profit or loss net of tax

Particulars	31-Mar-21		31-Mar-20	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of Rs.5/- each fully paid</b>				
Arun Daulatram Datwani (Non-resident Indian)	1,52,16,195	29.13%	1,52,16,195	29.13%
Dasu Daulatram Datwani (Non-resident Indian)	1,52,16,195	29.13%	1,52,16,195	29.13%
Krishna Enterprises Limited	1,53,75,128	29.43%	1,53,75,128	29.43%

11. OTHER EQUITY	31-Mar-21		31-Mar-20	
(a) Capital reserve	76500		76,500	
(b) Securities premium	32513632		3,25,13,632	
(c) Revaluation surplus	27,68,61,077		27,74,40,332	
(d) Retained Earnings				
As per last year financial statement	(79,10,70,169)		(72,90,54,900)	
Add :Surplus / (deficit) for the year	(4,26,46,158)		(6,20,15,269)	
	(83,37,16,327)		(79,10,70,169)	
(e) Other Comprehensive income				
i) Impairment loss on asset held for sale				
Opening Balance	(22,48,95,769)		(22,48,95,769)	
Add: Other Comprehensive Income	-		-	
Closing Balance	(A) (22,48,95,769)		(22,48,95,769)	
ii) Foreign currency monetary translation difference				
Opening Balance	(7,85,19,109)		(28,27,936)	
Add: Other Comprehensive Income	3,12,38,232		-7,56,91,173	
Closing Balance	(B) (4,72,80,877)		(7,85,19,109)	
iii) Fair value of investments				
Opening Balance	7,29,785		13,16,131	
Add: Other Comprehensive Income	4,90,135		(5,86,346)	
Closing Balance	(C) 12,19,920		7,29,785	
<b>Total of comprehensive income (A+B+C)</b>	<b>(27,09,56,726)</b>		<b>(30,26,85,093)</b>	
<b>Total Other Equity</b>	<b>(79,52,21,844)</b>		<b>(78,37,24,798)</b>	

**VENLON ENTERPRISES LIMITED**  
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**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

	Amount in ₹	
	31-Mar-21	31-Mar-20
<b>12. BORROWINGS</b>		
(ii) Term loans		
(a) Banks	-	-
(b) Other Parties - Unsecured	88,75,92,438	91,88,30,670
<b>Total Borrowings</b>	<b>88,75,92,438</b>	<b>91,88,30,670</b>

(b) The interest free unsecured external commercial borrowing from other parties is repayable in 10 equated annual instalments commencing from 30/04/2025. The lenders have agreed for revised schedule of payment commencing from 30/04/2025. The revised schedule is subject to regulatory approval from RBI

	31-Mar-21	31-Mar-20
<b>13. PROVISIONS</b>		
(a) Provisions for employee benefits	-	-
(b) Others	-	-
<b>Total Provisions</b>	<b>-</b>	<b>-</b>

	31-Mar-21	31-Mar-20
<b>14. BORROWINGS</b>		
(a) From Banks -	5,237	31,71,942
(b) Loans and advances from related parties	23,57,99,838	24,85,85,855
<b>Total Borrowings</b>	<b>23,58,05,075</b>	<b>25,17,57,797</b>

**(i) Cash credit from banks are secured:**

- (a) by way of first charge on hypothecation of Company's entire stock-in-trade consisting of raw materials, stock-in-process, finished goods, consumables stores and spares and receivables/book debts, both present and future.
- (b) by way of first charge, on hypothecation of all existing and future movable assets and other fixed assets i.e., the plant and machinery at the company's existing plant at Belavadi Industrial Area, Mysuru.
- (c) by way of first charge by Equitable mortgage of factory Land and Building belonging to the company at Belavadi Industrial Area, Mysuru,
- (d) further secured by personal guarantee of the Chairman & Managing Director and the Executive Director.

(ii) The Loans from directors does not carry any interest during the year 2020-21 (PY 9%) and is repayable on demand

(iii) The Company has obtained overdraft facility of Rs 31.71 Lakhs from Corporation Bank against fixed deposits of entities in which Chairman and MD, CFO and Executive Director of the Company are interested.

	31-Mar-21	31-Mar-20
<b>15. TRADE PAYABLES</b>		
Operative		
Goods indigenous	9,90,539	9,90,539
Services	63,68,034	4,54,705
<b>Total trade payables</b>	<b>73,58,572</b>	<b>14,45,244</b>

Payments to Suppliers as defined under the Micro, Small & Medium Enterprise Development Act, 1996, (The Act) are generally made in accordance with the agreed credit terms. The amount, if any, overdue as on 31.03.2021 has not been ascertained, and hence no disclosure has been made.

	31-Mar-21	31-Mar-20
<b>16. OTHER CURRENT LIABILITIES</b>		
Other current liabilities	3,87,12,359	4,50,12,183
Other advance -Towards sale of assets held for sale	18,06,13,191	16,06,18,191
<b>Total current liabilities</b>	<b>21,93,25,549</b>	<b>20,56,30,374</b>

	31-Mar-21	31-Mar-20
<b>17. PROVISIONS</b>		
Provisions for employee benefits	3,29,752	5,92,822
<b>Total Provisions</b>	<b>3,29,752</b>	<b>5,92,822</b>

**VENLON ENTERPRISES LIMITED**  
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**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

Amount in ₹

<b>18. SALE OF PRODUCTS</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Other than finance company		
i) Sale of products and services	1,09,20,737	3,29,94,643
a. Sale of Products	-	-
iii) Other operating revenues	-	-
<b>Total</b>	<b>1,09,20,737</b>	<b>3,29,94,643</b>

<b>19. OTHER INCOME</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Interest income	10,99,172	2,62,820
(ii) Dividend income	24,880	10,900
(iii) Net gain or loss on sale of investments\fixed assets	73,94,404	-
(iv) Other non operating income	93,34,574	9,913
<b>Total other income</b>	<b>1,78,53,030</b>	<b>2,83,633</b>

<b>20. COST OF MATERIALS CONSUMED</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
RAW MATERIALS		
Opening stock	-	-
Add: Purchases	-	-
Less: Closing stock		
<b>Total Cost of Materials consumed</b>	<b>-</b>	<b>-</b>

<b>21. PURCHASE OF STOCK IN TRADE</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Cost of traded goods	-	1,95,341
<b>Total Purchase of stock in trade</b>	<b>-</b>	<b>1,95,341</b>

<b>22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; STOCK IN TRADE</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
FINISHED GOODS		
Closing stock	-	-
Less: Opening stock	-	35,92,168
(Decrease) / Increase in finished goods	-	-35,92,168
WORK IN PROGRESS		
Closing stock	-	-
Less: Opening stock	-	2,53,02,524
Add: Considered in Exceptional Item (Unusable Inventory Written off)		
(Decrease) / Increase in work in progress	-	-2,53,02,524
Differential Excise duty on opening and closing stock of finished goods	-	-
Considered in Exceptional Item		
Finished Goods in Transit	-	-
Closing stock	-	-
Less: Opening Stock	-	-
(Decrease) / Increase in Goods in transit	-	-
<b>Total changes in inventories of finished goods, work in progress &amp; stock in trade</b>	<b>-</b>	<b>-2,88,94,692</b>

**VENLON ENTERPRISES LIMITED**  
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**NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

Amount in ₹

<b>23. EXCISE DUTY</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Excise Duty	-	-
<b>Total Excise Duty</b>	<b>-</b>	<b>-</b>

<b>24. EMPLOYEE BENEFITS EXPENSES</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Salaries & wages	-	60,99,654
(ii) Contribution to provident & other funds	-	6,34,811
(iii) Staff welfare expenses	-	1,12,018
Less: Termination Benefits paid to employees Considered in exceptional Items		
<b>Total employee benefit expenses</b>	<b>-</b>	<b>68,46,483</b>

<b>25. FINANCE COSTS</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Interest expenses	1,57,282	3,96,175
(ii) Amortization of net (gain) or loss on foreign currency translations	33,40,544	74,23,412
<b>Total finance cost</b>	<b>34,97,826</b>	<b>78,19,587</b>

<b>26. OTHER EXPENSES</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
(i) Consumption of stores and spares parts	4,35,600	48,13,561
(ii) Power and fuel	-	20,39,592
(iii) Packing material consumed	37,765	8,20,222
(iv) Freight Charges	1,000	4,859
(v) Rent	6,40,000	6,40,000
(vi) Repairs to buildings	-	9,080
(vii) Repairs to machinery	15,69,146	1,74,996
(viii) Insurance	6,50,109	7,40,413
(ix) Rates and taxes excluding taxes on income	10,85,026	20,73,441
(x) Administration and selling expenses	46,27,753	21,63,070
(xi) Miscellaneous expenses	1	27,837
(xii) Remuneration to statutory auditors - for audit	50,000	1,30,000
(xii) Security expenses	30,31,832	39,79,049
(xiii) Provision for advances and deposits	60,78,761	
(xiv) Provision for Inventory	1,58,81,490	
<b>Total other expenses</b>	<b>3,40,88,483</b>	<b>1,76,16,120</b>

<b>27. EARNINGS PER SHARE</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Total Comprehensive Income for the period [Comprising Loss and Other Comprehensive Income for period]	-4,26,46,158	-6,20,15,269
Number of equity shares ( Face Value Rs.5/- )	5,22,42,494	5,22,42,494
Earnings per share in Rupees	-0.82	-1.19

**VENLON ENTERPRISES LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021**

**A. EQUITY SHARE CAPITAL**

Amount in ₹Rs

Balance at the beginning of the reporting period i.e., 1st April, 2020	Changes in equity share capital during the year 2020-21	Balance at the end of the reporting period i.e., 31st March, 2021
26,12,12,470	-	26,12,12,470

**B. OTHER EQUITY**

Amount in ₹

Particulars	Share app. Money pending allotment	Reserves and Surplus				Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
<b>AS AT 31ST MARCH 2020</b>							
Balance as the beginning of the reporting period i.e., 1st April, 2020		76,500	3,25,13,632	27,74,40,332	(79,10,70,169)	(30,26,85,093)	(78,37,24,798)
Total Comprehensive Income for the year	-	-	-	-	-	3,17,28,367	3,17,28,367
Dividends	-	-	-	-	-	-	-
Tax on dividends	-	-	-	-	-	-	-
Depreciation on Revalued assets				(5,79,255.00)			
Transfer to / (from) retained earnings fr	-	-	-	-	(4,26,41,258)	-	(4,26,41,258)
Balance as at the end of the reporting period. i.e., 31st March, 2021 (Refer Sch. 11)	-	76,500	3,25,13,632	27,68,61,077	(83,37,11,427)	(27,09,56,726)	(79,52,16,944)

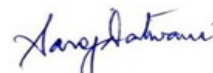
As per my report of even date attached

**ALP & Co.**  
CHARTERED ACCOUNTANTS  
S.No. MEPU #130, Balaji Layout, Vajarahalli  
Main Road, D...

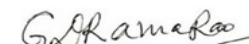
ALP & Co.  
Chartered Accountants  
FRN: 022142S



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



**SAROJ. C. DATWANI**  
Director/ CFO  
DIN: 00355148



**G.D. Rama Rao**  
Company Secretary

Date: 14-08-2021  
Place: Mysuru

**VENLON ENTERPRISES LIMITED**  
CIN: L24231KA1983PLC015089

**NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..**

i) Contingent Liability & Commitments not provided for:

There are certain pending court cases filed by suppliers and employees for payments for goods supplied and services provided which the Company has disputed in appropriate courts. The estimated amount of this dispute is Rs 32 Lakhs. The Board is of the view that no provision is required.

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

iii) Proposed Dividends:

The amount of dividends proposed to be distributed to:  
Equity Shareholders

	31 March, 2021	31 March, 2020
	Nil	Nil

Figures in Rs

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

v)

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

(ii) The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly, all cumulative gains and losses continue to be recognised as per previous GAAP which was accounted under "Foreign Currency Monetary Item Translation Difference Account" will be amortized to the extent of Rs.33,40,535/- for the current year and the balance over the tenor of loan (up to 31st March 2035). Further for the current year in accordance with Ind AS 21 the Foreign Exchange Translation gain of Rs.3,12,38,232/- is recognised as under "Other Comprehensive Income" in the statement of profit & loss account.

vi) The Company has adopted the fair value of financial instruments in accordance with the provisions of Ind AS 109 - "Financial Instruments" and classified the same as Fair Value Through Other Comprehensive Income (FVTOCI) as against the cost of acquisition as was the case under the previous GAAP. Accordingly, the difference between the fair value and cost has been accounted through Other Comprehensive Income and consequently impacting Other Equity.

vii)

The breakup of Deferred Tax Asset / (Liability) as on 31 March, 2021 is as given below:

Arising on account of timing difference in:

	31 March, 2021	31 March, 2020
- Depreciation	(12,05,29,130)	(13,41,91,043)
- Accrued Expenses allowable on Actual Payments	-	2,08,000
- Unabsorbed Business Loss	<u>34,13,16,452</u>	<u>32,61,57,918</u>
Deferred Tax Asset/(liability) (Net)	<u>22,07,87,322</u>	<u>19,21,74,875</u>

Figures in Rs

Deferred Tax Asset (net) on account of the timing differences, (depreciation and other components) has been computed at Rs.2207.87 . Lacs (P.Y. Rs.1921.74 Lacs). However, the same is not recognized in the current year as a matter of prudence. This is in accordance with the Indian Accounting Standard Ind AS-12 issued by the Institute of Chartered Accountants of India and as prescribed by the Companies (Indian Accounting Standards) Rules,2015.

vii) Borrowing costs capitalized during the year is Rs.NIL (PY Rs.NIL)

viii) Foreign currency translation difference capitalized during the year is Rs.NIL (PY Rs. NIL). In the current year in accordance with the Indian Accounting Standard 21 "The Effects of Changes in Foreign Exchange rates" difference arising has not been either capitalized or deducted from the balance appearing in books. Accordingly, the loss has been recognised as 'Other comprehensive loss'.

Inter-segment transfers of goods aggregating to a value of Nil/- PY (Nil) for internal use as captive consumption are disclosed as contra-items in Statement of Profit and Loss to reflect the true economic value of Production inter-se the segments. Accordingly, the sales and raw material consumption figures are higher by Rs Nil during the year and during (PY Rs Nil/-) . Accounting treatment has no impact on the results of the company.

x) The Company is mainly engaged in the following segments:

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

**Rs.in Lakhs**

Segment Revenue	Film	Formaldehyde, Paraformaldehyde & MF Solution	Windmill	Others	Total
Sales	76.39	27.75	77.79	105.80	287.73
Inter-segment Transfer	-	-	-	-	-
<b>Total</b>	<b>76.39</b>	<b>27.75</b>	<b>77.79</b>	<b>105.80</b>	<b>287.73</b>
Segment Results	10.73	(310.39)	(114.10)	22.29	(391.47)
Less: Interest					(34.98)
Less: Other Unallocable expenditure/income					-
<b>Profit / (Loss) before tax</b>					<b>(426.45)</b>
Net assets	(5,940.44)	351.44	(1,050.78)	1,299.69	(5,340.09)

xi) Statutory Auditors' Remuneration

Particulars	2020-21	2019-20
a. Audit fees	50,000	1,30,000
b. Other Services	21,000	16,000
c. Out of Expenses	-	-
Sub-total	71,000	1,46,000
e. Goods & Service tax	12,780	26,280
<b>TOTAL</b>	<b>83,780</b>	<b>1,72,280</b>

xii) 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.

xiii) The Income tax assessments of the company have been completed up to the Assessment year 2017-18. There are no demands outstanding. In view of loss for assessment year 2021-22, the company has been advised that there is no liability to income tax and accordingly no provision has been made.

NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..

xiv) a) Sales Turnover

	2020-21	2019-20
	Value (Rs in lakhs)	Value (Rs in lakhs)
Polyester Film* \$	76.39	7.32
Metalized Film**		14.40
Formaldehyde \$\$	27.76	65.48
Paraformaldehyde \$\$		0.51
Windmill	77.79	183.48
Others***	105.80	61.21

\*\*\* Includes scrap sales amounting to Rs.8.13 Lacs (P.Y. Rs. 5.35 Lacs)



**VENLON ENTERPRISES LIMITED**

CIN: L24231KA1983PLC015089

**NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..**

xv **Related Party Disclosure:**

**A. Relationships:**

**1. Subsidiaries**

Nil

**2. Key Management Personnel (KMP) and their Relatives**

**Directors :**

Mr. C. D Datwani

Mrs. Saroj C Datwani

**Relatives of Directors :**

NIL

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

Abha Finance Pvt. Ltd.

Father & Son Investments Pvt. Ltd.

Father & Son Overseas Pvt. Ltd.

Gimar Residency Pvt. Ltd.

Kamadhenu Residency Pvt. Ltd.

Midtown Realtors Pvt. Ltd.

Sanchay Residency Pvt. Ltd.

Sanchit Realtors Pvt. Ltd.

Sangeet Residency Pvt. Ltd.

Sanjog Residency Pvt. Ltd.

Venlon Investments Pvt. Ltd.

Dechem Resins Limited

**B. Nature of transactions:**

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

	Subsidiaries		KMP & Relatives		Other Related parties	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Rs in lakhs					
<b>1 Interest Paid</b>	-	-	-	-	-	-
a. Mr. C D Datwani	-	-	-	-	-	-
b. Mrs. Saroj C Datwani	-	-	-	-	-	-
c. Ms. Abha Datwani	-	-	-	-	-	-
d. Companies in which directors are interested	-	-	-	-	-	-
	-	-	-	-	-	-
<b>2 Rent Paid</b>					1.00	1.00
<b>3 Advance paid towards purchase of land</b>					-	1,606.18
<b>4 Sales of services</b>					24.00	14.67
<b>5 Reimbursement of expenses</b>					85.83	63.24
<b>6 Sale of Products</b>					0.84	78.88
<b>7 Remuneration to Directors &amp; their Relatives</b>						-
<b>a. Director's salary</b>						
Mr. C D Datwani	-	-	-	12.72	-	-
Mrs. Saroj C Datwani	-	-	-	12.72	-	-
	-	-	-	25.44	-	-
<b>b. Provident Fund (12% of salary)</b>						
Mr. C D Datwani	-	-	-	1.53	-	-
Mrs. Saroj C Datwani	-	-	-	1.53	-	-
	-	-	-	3.06	-	-
	-	-	-	28.50	-	-
<b>8 Outstanding Balances</b>						
<b>a. Loans Payable</b>						
a. Mr. C D Datwani	-	-	2,328.06	2,460.36	-	-
b. Mrs. Saroj C Datwani	-	-	29.93	29.93	-	-
c. Companies in which directors are interested	-	-	-	-	-	-
d. Advance towards purchase of land					1,606.13	1,606.18
e. Reimbursement and Trade receivable outstanding					(12.82)	(110.59)
	-	-	2,358.00	2,490.29	-	1,495.59

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

**VENLON ENTERPRISES LIMITED**

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**NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..**

	31 March, 2021		31 March, 2020
<b>xvi)</b> Value of Raw Materials consumed and percentage to the total: (As certified by management)			
	<u>Rupees in</u>	<u>% to Total</u>	<u>Rupees in</u>
	<u>lakhs</u>		<u>lakhs</u>
			<u>% to Total</u>
Indigenous	-	<b>100.00</b>	-
Imported	-		-
	-	<b>100.00</b>	-
<b>xvii)</b> Value of Stores, Spares & Components consumed and percentage to the total: (As certified by management)			
Stores & Spare Parts			
Indigenous	<b>4.35</b>	<b>100.00</b>	48.14
Imported	-	-	-
	<b>4.35</b>	<b>100.00</b>	48.14
			100.00

**VENLON ENTERPRISES LIMITED**  
CIN: L24231KA1983PLC015089

**NOTE 28: OTHER ADDITIONAL NOTES / INFORMATION Contd..**

	31 March, 2021	Rupees in lakhs 31 March, 2020
<b>xviii) Value of Imports on CIF Basis:</b>		
1. Raw Materials	-	-
2. Stores, Spares & Consumables	-	-
3. Capital Goods	-	-
<b>xix) Earnings in Foreign Currency -</b>		
1. Export of goods on F.O.B. basis	0.00	2.09
<b>xx) The company has accumulated losses mainly on account of depreciation , impairment loss on account of reclassification of asset and foreign exchange fluctuation loss as per Ind AS which are non-cash flow expenditure, and its net worth has been fully eroded. The company has incurred cash loss during the previous year and the company's current liabilities exceeded its current assets as at the balance sheet date. The financial statements of the company have been prepared on a going concern basis during the next one year for the reasons stated below:</b>		
a) The windmill operations of the Company is expected to continue which will help the company meet its operating expenses.		
b) The Company has negotiated with other lenders for restructuring the intercorporate loans and External Commercial Borrowings, The lenders of ECB has agreed for a moratorium period upto April 2025. The loan will be repayable in 10 annual installments starting from April 2025. These loans do not carry any interest		
c) Certain related parties who had given loans to the Company has agreed to purchase lands from the company and has agreed to adjust these loans against these consideration for purchase of land. Pending registration this is accounted as advance for purchase of land. This transaction is carried out in pursuant to shareholders approval		
<b>xxi) Discontinued operations</b>		
<b>a) Description:</b>		
In Septemehr 2018 the Company announced the discontinuation of its operation in Film Segment due to adverse market conditions. The non-current assets of these segments are classified as assets held to sale. Company expects to recover 5% of its original value. All the current assets are expected to realised at the values stated in the Balance sheet. During the year the Company has leased its entire facility of Formaldhye and Paraformaldhye plant to Dechem Resins Limited. Consequent to this copmany has stopped production of formaldhye and Paraformaldhye		
<b>b) Financial performance</b>		
Sales from Discountined operation during the year is 76.39 Lakhs (Previous year 21.73 Lakhs), Expenses related to Discountined operations Rs 65.65 Lakhs (Previous year Rs 129.92 lakhs). Theses Sales and expenses are included in the respective heads of account in the Profit and loss statement in the financial statements. Profit from Discountined operations during the year is Rs 10.73 (Previous year Loss 108.18 Lakhs) Value of Non-Current assets classified as assets held for sale is Rs 316.45 lakhs. (Previous year Rs 324.45 lakhs)		
<b>xxii) All the current assets and current liabilities are subject to reconciliations and Confirmations</b>		
<b>xxiii) Consequent to discontinuance of operations of film plant, plant and machinery relating to film is written down to 5% of the original cost, being the scrap value as estimated by the management of the Company. The management based on its judgement expected to sell these assets at this value during 2021-22. Company has received firm commitments to buy these assets and Company expects to sell the same during 2021-22. Company has also received firm commitments from certain parties for purchase of land of the Company. Hence they are classified as assets held for sale valued at Rs 1414.55 lacs</b>		
<b>xxiv) Other Comprehensive income includes Rs 312.39 (Profit) (PY 756.91 (Loss)) lacs being exchange fluctation loss on loans demomiated in foreign currency recognised as per IND AS 21.</b>		

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

As per my report of even date attached

**For ALP & Co.**  
Chartered Accountants

*Sandeep K*  
Partner

FRN: 0221425

Date: 14-08-2021

Place: **ALP & Co.**

CHARTERED ACCOUNTANTS

*Datic*

C. D. DATWANI  
Managing Director  
DIN: 00355181

*Saroj C. Datwani*

SAROJ. C. DATWANI  
Director/ CFO  
DIN: 00355148

*G. Rama Rao*

G.D. Rama Rao  
Company Secretary

**Form No. MGT-11****Proxy Form**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN:	L24231KA1983PLC015089
Name of the Company:	Venlon Enterprises Limited
Registered office:	26P, Belawadi Industrial Area, Hunsur Road, Mysuru-570 018.

Name of the members(s): Registered address: e-Mail ID: Folio No./Client ID: DP ID:
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I/We, being the member(s) of .....shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	e-Mail ID:	
	Signature:	

2.	Name:	
	Address:	
	e-Mail ID:	
	Signature:	

3.	Name:	
	Address:	
	e-Mail ID:	
	Signature:	

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **THIRTY SEVENTH** Annual general meeting/Extraordinary general meeting of the company, to be held on the **24<sup>th</sup>** day of **September** at **2021** at **12-45 p.m.** at Regd. Office, Plot No. 26(P), Belavadi Industrial Area, Hunsur Road, Mysuru-570 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Resolutions	Particulars
1.	To receive, consider and adopt the audited Financial statements for the year ended <b>31st March 2021</b> .
2.	To appoint a Director in place of <b>Smt. Saroj Datwani</b> who retires by rotation and being eligible offers herself for re-appointment
3.	To consider appointment of Statutory auditors.
4.	Appointment of <b>Mrs. Alakananda K.M. (DIN: 09092614)</b> as Independent Director

Signed this .....day of .....20.....

Signature of shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.**