

40th ANNUAL REPORT

2023-24

VENLON ENTERPRISES LIMITED

CIN: L24231KA1983PLC015089

Venlon Enterprises Limited

CIN: L24231KA1983PLC015089

NOTICE OF 40TH ANNUAL GENERAL MEETING

Notice is hereby given that Fortieth Annual General Meeting of the Members of Venlon Enterprises Limited will be held on Friday, the 27th day of September 2024 at 4 p.m. at the Registered Office of the Company at 26(P) Belavadi Industrial Area, Hunsur Road, Mysuru-570 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2024, 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 and, Auditors thereon.
2. To appoint a director in place of Mr. Chand Daulat Datwani (DIN: 00355181), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Dhanush M.D. as an Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to sections 149, 152, 160 and 161 of the Companies Act, 2013, read with other applicable provisions, Mr. M D Dhanush (DIN: 10743800) be and is hereby appointed as Non-executive Independent Director of the Company for a term of 5 years, to hold office from 27th September 2024 and whose appointment shall not be liable to retire by rotation."

RESOLVED FURTHER THAT, The Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary or expedient to give effect to this resolution.

4. Approval for Related Party Transactions with Dechem Resins Limited

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

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

Sl No.	Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Value of transaction (in Rs.)	Period for which shareholders’ approval is sought
1.	Dechem Resins Limited	Entities with common directors	Sale and purchase of goods and services	25 crores per financial year	Financial year 2024-25 and 2025-26 (For a period of one year from the date of Annual General meeting)

notwithstanding the fact that all such transactions during financial year 2024-25 and 2025-26, whether individually and/or in the aggregate, may exceed 10% of the annual consolidated turnover as per the Company’s last audited financial statements, or any other materiality threshold as may be applicable under law/ regulations from time to time;

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

5. Approval for Related Party Transactions with Krishna Enterprises Limited

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”)

and other applicable provisions, if any, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Krishna Enterprises Limited, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for adjustment of debt, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs.50 Crore for the financial year 2024-25 and 2025-26, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

Sl No.	Name of the related party	Nature of relationship	Nature of contract/ arrangement/ transaction	Value of transaction (in Rs.)	Period for which shareholders’ approval is sought
1	Krishna Enterprises Limited	Holds more than 20% shares in the Company	Transfer of Resources (Unsecured Loan/ Exchange fluctuation)	50 crores	Financial year 2024-25 and 2025-26 (For a period of one year from the date of Annual General meeting)

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

6. Approval for Related Party Transactions to be entered with others

To consider and if thought fit, to pass the following resolution, as an Ordinary Resolution:

“RESOLVED THAT pursuant provisions of Section 188 of the Companies Act,2013 and other applicable provisions, if any, and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 or any other law for the time being in force to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or grant loans or extend guarantee or provide Security to any party including a related party whose particulars is described in the explanatory statement attached herewith, so however that the

aggregate value shall not exceed Rs.25 Crores (Rupees Twenty five crores only) and the transaction shall be at arm's length pricing.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take necessary steps to give effect to the above resolution and if deemed fit authorize any person in this behalf."

Date: 16/08/2024

Place: Mysore

By Order of the Board of Directors

Sd/-

G. D. RAMA RAO

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IN THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIM AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

2. Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to offer the facility for e-voting for all the businesses mentioned in the notice. The members can exercise their right to vote through electronic means. The facility of casting the votes by members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') shall be provided by Central Depository Services (India) Limited (CDSL). The instruction for e-voting is annexed to the notice.

3. Members holding shares in physical form are requested to dematerialize them pursuant to Gazette notification by SEBI, dated June 8, 2018.

4. Members/Proxies should bring this Notice. The attendance register will be provided at the entrance of the hall.

5. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date which is Friday, 20th September 2024.

6. Any person who acquires the shares and becomes a member of the Company after the dispatch of the notice of the AGM and holds shares as on the cut-off date, may obtain the login id and password by sending request to helpdesk.evoting@cdslindia.com.

7. The Chairman shall, at the AGM, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

8. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

9. The results declared along with the Scrutinizer's Report shall be displayed on the Notice Board of the Company at the registered office and shall also be placed on the Company's website www.venlonenterprises.com and on the website of CDSL within three (3) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

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

Date: 16/08/2024

Place: Mysore

By Order of the Board of Directors

Sd/-

G. D. RAMA RAO

Company Secretary

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

Item No. 3: Appointment of. M D Dhanush (DIN: 10743800) as an Independent Director.

The Shareholders may note that the tenure of Mr. Savtantar Vijay Puranchand Jain (00590275), Independent Director is expiring on 27th September 2024. In accordance with the provisions of the Companies Act, 2013, and to ensure compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Company intends to appoint a new Director.

The Board has identified Mr. M D Dhanush (DIN: 10743800), who is proposed to be appointed as a new Independent Director to maintain the board's composition and independence.

The Company has received a notice in writing from a Member, in terms of Section 160 of the Act, proposing the appointment of Mr. Dhanush (DIN: 10743800) as a Director of the Company.

The Company has received, inter alia, the following consents, declarations and confirmations from Mr. M D Dhanush (DIN: 10743800) with regard to the proposed appointment:

- a) Consent to act as Director of the Company, in Form DIR-2, in terms of Section 152 of the Act.
- b) Declaration that he is not disqualified from being appointed as Director in terms of Section 164 of the Act.
- c) Declaration that he meets the criteria of independence prescribed under the Act and the SEBI LODR.
- d) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties as an Independent Director of the Company.
- e) Confirmation that he has complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to Independent Directors' databank.

In the opinion of the Nomination and Remuneration Committee ('NRC') and the Board, Mr. M D Dhanush (DIN: 10743800) fulfils the conditions of independence as specified in the Act, the Rules thereunder and the SEBI LODR, and is independent of the Management.

Further, in the opinion of the NRC and the Board, Mr. M D Dhanush (DIN: 10743800) possess the requisite skills and capabilities required for the role of an Independent Director of the Company, considering his qualifications, and expertise. A brief profile of Mr. M D Dhanush (DIN: 10743800), along with additional details as required under Regulation 36 of SEBI LODR and SS-2, are given in Annexure to this Notice.

The SEBI regulations require the approval of the appointment of independent directors to be by way of Special resolution.

None of the Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 3 of the Notice. Mr. M.D. Dhanush is not related to any Director or KMP of the Company. The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval of the Members.

Item No.4:

The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of the business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower. Also, as per SEBI circular, the approval of the Related party transaction taken at the Annual General meeting shall be valid for a period of one year and hence the financial years 2024-25 and 2025-26 are covered.

In light of provisions of Section 188(1) of Companies Act, 2013 and rules made thereunder and SEBI(LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial years 2024-25 and 2025-26.

All disclosures prescribed to be given under the provisions of the law are provided in table appended below:

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

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

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

Except, as mentioned above, Mr. Chand D. Datwani and Ms. Saroj Datwani, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 4 of the Notice

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

Item No.5:

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

In light of provisions of Section 188(1) of Companies Act, 2013 and rules made thereunder and SEBI(LODR) Regulations, 2015, the Audit Committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related parties for the financial years 2024-25 and 2025-26.

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

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

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

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

None of the Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 5 of the Notice.

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

Item No.6:

As required under the aforesaid rules details of related party is provided below:

Name of the related parties	a. Abha Finance Private Limited (CIN:U65990MH1994PTC082695) b. Father & Son Overseas Private Limited (CIN:U51900MH1995PTC090273) c. Girnar Residency Private Limited
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	(CIN:U65910MH1999PTC122402) d. Kamdhenu Residency Private Limited (CIN:U45200MH2000PTC126889) e. Midtown Realtors Private Limited (CIN:U45200MH2000PTC126892) f. Sanchay Residency Private Limited (CIN:U70200MH2000PTC126911) g. Sanchit Realtors Private Limited (CIN:U70100MH2000PTC126890) h. Sangeet Residency Private Limited (CIN:U70100MH2000PTC126874) i. Venlon Investments Private Limited (CIN:U67120MH1996PTC095298) j. Sanjog Residency Private Limited (CIN:U45200MH2000PTC126875) k. Father & Son Investment Private Limited (CIN: U65990MH1994PTC083003)
Name of the Director who is related	Chand Datwani and SarojDatwani
Nature of relationship	Common Directorship with more than 2% share holding
Nature, Material terms, Monetary value, Particulars of contract or arrangement	To sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or grant loans or extend guarantee or provide Security.
Any other details	The beneficiary Company shall utilize the aforesaid facilities only for the purpose of its principal business activity. Loan granted if any, is repayable on demand. Interest rate shall be at bank lending rate for the period. Other facilities if utilized shall be at prevailing bank charges.

The aggregate value of the above transactions shall not exceed the prescribed limit in the resolution.

The Audit Committee has approved the proposed transaction, being in the interest of the Company, between related parties of the Company in their meeting. The same is being placed before the member of the Company as item no. 6 for their approval.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of this Notice for approval of the Members.

Except, as mentioned above, Mr. Chand D. Datwani and Ms. Saroj Datwani, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 6 of the Notice

The members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions under this Item No. 6.

Annexure:

Additional information on directors recommended for appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable secretarial standards

Name of the Director	Mr. M D Dhanush
DIN	10743800
Date of Birth/Age	01/03/2000 (Age:24)
Qualification	MBA
Date of First Appointment	-
Directorship in other entities	None
Names of listed Entities from which the Directors has resigned in last 3 years, If any	None
Membership / Chairmanship in Committees of other entities	None
Number of shares held in the Company (including shareholding as a beneficial owner)	Nil
Relationship between directors Inter-se	Nil
Terms and Conditions of appointment	Mr. M D Dhanush shall be appointed as an Independent Non-Executive Director, not liable to retire by rotation, to hold office for a period of five (5) years, from 27 th September till such time he holds IDDB membership, whichever is earlier.
Remuneration	Entitled to the sitting fees and reimbursement

	of expenses for attending Board/Committee meetings.
Justification for Appointment / Reappointment and skills & capabilities required for the role and the manner in which the proposed Independent Directors moots such requirements.	Mr. M D Dhanush is a young budding professional and his induction to the Board may bring fresh perspectives. He is an MBA graduate from Visvesvaraya Technological University (VTU) has gained substantive knowledge in McKinsey's 7S framework, SWOT analysis, cost control techniques and strategies of project marked. He has also gained knowledge of adoption of various management principles in financial and operational performance during his academic tenure.
Nature of expertise in specific functional areas	Finance
Brief resume of the Director	Mr. M D Dhanush, a MBA graduate from Visvesvaraya Technological University (VTU) has gained substantive knowledge in McKinsey's 7S framework, SWOT analysis, cost control techniques and strategies of project marked. He has also gained knowledge of adoption of various management principles in financial and operational performance during his academic tenure.
Names of the listed entities in which the person holds directorship and the membership of Committees of the Board (along with listed entities from which the person has resigned in the past three years	None
Skills and Capabilities required for the role and the manner in which the proposed person meets such requirements	Management and Financial skills. As per the qualification mentioned above, the Board is of the opinion that he may guide the Company in the said skills.

The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Tuesday, the 24th September 2024 at 9.00 a.m. and ends on

Thursday, the 26th September 2024 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (Friday, 20th September 2024) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter and hence, remote e-voting shall not be allowed beyond the time mentioned above.

- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders.
- iv. Now Enter your User ID
 1. For CDSL: 16 digits beneficiary ID,
 2. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 3. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vii. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>▫ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PANfield.</p> <p>▫ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.</p> <p>E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>

<div>Dividend Bank Details</div> <div>OR</div> <div>Date of Birth (DOB)</div>	<div>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.</div> <div>▫ If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank</div> <div>details field as mentioned in instruction (iv).</div>
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- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for the relevant <Resolution of Venlon Enterprises Limited> on which you choose to vote.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvii. 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.
- xviii. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android

based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. **Note for Non - Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Additional Information: The name of the scrutinizer is S.J. Madhwaraj, B.Com., LL.B. as approved at the Board meeting held on 14th August 2024.

BOARD'S REPORT

To,

The Members,

Venlon Enterprises Limited

Your directors present the 40th Annual Report of your Company on the business and operations of the Company and the accounts of the financial year ended 2023-2024.

1. Financial Summary:

(In Rupees lakhs)

Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023
1. Income		
<u>I. Revenue from Operations</u>		
a. Sale of Products	803.18	238.21
b. Other Income	121.86	66.48
Total Income	925.04	304.69
<u>2. Expenses</u>		
b. Purchases of Stock-in-trade	679.37	20.16
d. Employee benefit expenses	-	-
e. Finance Costs	-	434.27
f. Depreciation / Amortization and depletion Expense	233.02	486.26
g. Other Expenses	141.12	2,678.52
Total Expenses	1,053.51	3,619.21
Exceptional Item	-	-
Loss Before Tax	(128.47)	(3,314.52)
Deferred tax	-	0.54
Loss for the year	(128.47)	(3,315.06)
Loss from Discontinued operations- For disclosure purpose		
Other Comprehensive Income		
A (i) Items that will not be reclassified to profit or loss net of tax	71.13	2.13
(ii) income tax relating to items that will not be reclassified to profit or loss	(5.06)	-
B (i) Items that will be reclassified to profit or loss net of tax	(145.75)	858.70
Total Comprehensive Income for the Year	(208.15)	(2,454.23)
Earnings Per Equity Share	(0.25)	(6.34)
Basic and Diluted	(0.25)	(6.34)

2. 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.

3. Transfer of unpaid or unclaimed amount to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of the Companies Act, 2013, the declared dividends, which remained unpaid or unclaimed for a period of seven years, shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall be transferred by the Company to the IEPF.

There is no Unpaid or unclaimed amount of dividend to be transferred to Investor Education and Protection Fund.

4. Performance of the Company/State of affairs:

All manufacturing process except wind mills remained closed from **29th September 2018**. During the year Company has also disposed of its windmill and stopped operations in that segment. Hence, adverse profitability. However, the Company has now gradually progressed into business activity of purchase and sale of goods and services and steady generation of income is in the pipeline.

5. Share Capital:

The paid-up Equity Share Capital as on March 31, 2024 stood at Rs. 2,612.12 Lakhs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options nor sweat equity.

6. Deposits:

Your Company has not accepted any deposits under Chapter V of the Companies Act, 2013 during the year.

7. Listing with stock exchanges:

The Company continues to be listed on BSE Limited, Mumbai. There are no arrears on account of payment of listing fees to the Stock Exchanges.

8. Directors and Key Managerial Personnel:

As on 31st March, 2024, the Board consisted of five directors of whom three are independent directors and two Executive Directors of whom one is Chairman.

During the year, Ms. Varsha Kulkarni (DIN: 09399759) resigned with effect from 30th November 2023 and Mr. H K Nagendra (DIN: 10438665), was appointed as Independent Directors by the Board with effect from 30th December 2023. The appointment was ratified at the Extra-ordinary general meeting of the company held on 1st March 2024.

The tenure of Mr. S V JAIN (00590275), who has served as an Independent Director on our Board, is set to expire on 27th September 2024. We extend our gratitude to Mr. S V Jain for his valuable contributions and dedication during his tenure.

In light of this, the Board has proposed the appointment of Mr. M D Dhanush as a new Director of the Company. This appointment will be put forward for approval at the forthcoming Annual General Meeting (AGM).

In terms of provisions of the Companies Act, 2013, Mr. Chand Datwani, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

9. Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and that there has been no change in the circumstances which may affect their status as independent directors during the year as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, the names of the Independent Directors of the Company have been included in the Data bank maintained by the Indian Institute of Corporate Affairs of Independent Directors as per the provisions of the Companies Act, 2013 and the rules made thereunder.

10. Meetings of the Board

During the financial year, 7 Board meetings were held on 12.04.2023, 12.04.2023, 30.05.2023, 14.08.2023, 14.11.2023, 30.12.2023 and 14.02.2024. The other details including attendance are provided in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

11. Committees of the Board

Your Company has the following committees which have been established as a part of the Corporate Governance practices and are in compliance with the requirements of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

- Audit Committee

- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

The details with respect to the compositions, roles, number of meetings held during the year is detailed in the Corporate Governance report of the Company, which forms a part of this Board's Report.

12. Board Evaluation:

The evaluation of all the Directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

During the year 2023-24, Independent Directors met, discussed and reviewed the below:

- Performance of Non -Independent Directors
- Performance of the Chairman
- Performance of the Board Committees
- Overall performance of the Company.

The Nomination and Remuneration Committee is responsible for the formulation of criteria for evaluation.

13. Familiarization program for the Board Members

Your Company has in place a structured induction and familiarization program for all its directors including Independent Directors and new appointee(s) to the Board. Through such programs, the Directors are briefed on the background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events etc.

The Board members are provided with the necessary documents, brochures, reports, and internal policies to enable them to familiarize with the Company's procedure and practice.

Periodic presentations are made at the Board Meetings, Board Committee Meetings and Independent Directors Meetings on business and overall performance updates of the Company, business strategy and risk involved.

The details of programs for Familiarization for Independent Directors are posted on the website of the Company and can be accessed at below weblink:

<https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

14. Directors' responsibility statement:

Your directors state that:

- a) In the preparation of the annual accounts for the year ended March 31, 2024, 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, 2024 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.
- 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.

15. Internal Financial Controls

The Company has closed the business operations and Wind Mill operations are under the control of Maharashtra Electricity Board. There are adequate internal financial controls with respect to financial statements.

16. 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 29th Sept 2018.

17. Particulars of Remuneration of directors and certain specified employees:

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

18. Annual Return 2023-24

The copy of Annual Return for the financial year ending March 31, 2024 is available on the website www.venlonenterprises.com

19. The Nomination and Remuneration Policy:

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Act and Listing Regulations. The Policy is designed to guide the Board in relation to appointment and removal of directors, Key Managerial Personnel and Senior Management and recommend to the Board on remuneration payable to them. Policy enables the Company to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The current policy is available on Company's website at <https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

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

The non-executive director namely Shri S.V. Jain has waived his sitting fee.

20. Particulars of Loans, Guarantees or Investment under Section 186 of the Companies Act, 2013

NIL

21. Particulars of contracts or arrangements with Related Parties (RPT)

The related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis.

All related party transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions, which are foreseen and of repetitive nature.

In accordance with the requirements of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on the website of the company <https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

The particulars on RPTs in Form AOC - 2 is annexed to the Report as **Annexure - C**

22. Auditors & Auditors' Report

A. Statutory auditor

M/s. Laxminiwas and Co., Chartered Accountants, Mysore (Firm reg.no.: 011168S) are the Statutory Auditor of the company

The Auditors' Report does not contain any qualification, reservation or adverse remarks.

Further, no frauds have been reported by the Auditors in their reports.

B. Secretarial Auditor

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the rules made there under and based on the recommendations of the Audit Committee, CS R C Venkatesh Rao, Practicing Company Secretary has been appointed to conduct Secretarial Audit of the Company's secretarial and other related records for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended March 31, 2024 in Form MR-3 is appended to this report under **Annexure - D**

A Certificate from CS R C Venkatesh Rao., Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 34(3) Schedule V(E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Board report under **Annexure- E**

23. Risk Management Policy

It is not mandatory to have a Risk Management Committee. Also, since the operations are closed, there is no such system in place.

24. Corporate Social Responsibility (CSR):

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

25. Vigil Mechanism

The Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

26. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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.

27. Significant or Material Orders

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

28. Material Changes and Commitments, if any, affecting the Financial Position of the Company

There were no adverse material changes or commitments occurred after March 31, 2024 which may affect the financial position of the Company or may require disclosure.

29. Subsidiaries, Joint Ventures and Associates

Your Company does not have any subsidiary, joint venture or associates.

30. Change in the nature of business

There is no change in the nature of business of your Company.

31. Secretarial Standards:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

32. Maintenance of Cost records

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

33. Corporate Governance

Corporate Governance is about maximizing the value and to ensure fairness to all its shareholders. Your Company ensures that performance is driven by integrity.

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country and your Company is in compliance with the governance requirements provided under the law both in letter and spirit.

Your Company has in place all the statutory committees required under the law. Details of the Board Committees along with their terms of reference, composition and meeting of the Board and its Committees held during the year are provided in the Corporate Governance Report which is presented in a separate section forming part of the Annual Report.

A Certificate from CS R C Venkatesh Rao., Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Regulation 34(3) Schedule V (E) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to the Board report under Annexure- E

34. Management Discussion and Analysis Report:

Pursuant to Regulation 34(2)(e) of SEBI (LODR) Regulation ,2015 Management Discussion and Analysis Report is presented in a separate section forming a part of annual report.

35. Other Disclosures:

Your company has not made any application, nor any proceeding is pending against the company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

As the Company has not made any one-time settlement with any banks or financial institution during the year under review, Rule (8) sub-rule (4) clause (xii) of Companies (Accounts) Rules,2014 is not applicable.

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 :16.08.2024

Sd/-

(C.D. Datwani)
Chairman

Annexure -A

Information as per section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014.

A. Conservation of energy

a) The steps taken or impact on conservation of energy.	NIL
b) The steps taken by the company for utilizing alternate sources of energy.	NIL
c) Capital investment on energy conservation equipment.	NIL

B. Technology Absorption

A. The efforts made towards technology absorption:	NIL
B. The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
C. In case of imported technology (imported during the last 3 years)	NIL
D. Expenditure on R&D a. Capital b. Recurring c. Total d. Total R&D expenditure as a percentage to total turnover	NIL

C. Foreign exchange earnings and outgo

A. Foreign exchange used	NIL
B. Foreign exchange earned	NIL
C. Exports of goods	NIL

For and on behalf of the Board of Directors,

Place : Mysuru

Date :16.08.2024

Sd/-

(C.D. Datwani)
Chairman

Annexure B

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
	There were no employees during the Financial Year under consideration.						

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.30,000/- p.m. 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

Sd/-

Date :16.08.2024

(C.D. Datwani)
Chairman

Annexure C

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/transaction 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 material 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
Dechem Resins Limited Public Company in which the Director is a director and holds more than 2% of its paid up capital	Purchase of goods, services, Sales, Purchase and sale of assets	1 year	The aggregate value not to exceed Rs.25 Crores	30.05.2023	Nil

For and on behalf of the Board of Directors,

Place : Mysuru

Date : 16.08.2024

Sd/-

(C.D. Datwani)
Chairman

Annexure-D

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2024
[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 **31/03/2024**, 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 **31/03/2024** 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: 14.08.2024

Place: Bengaluru

Signature: Sd/-

Name of the Company Secretary:

R C Venkatesh Rao

FCS No.: 2282

C P No.: 2733

UDIN: F002282F000974451

ANNEXURE -E

**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 **31st March 2024**, 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:14.08.2024

Place: Bengaluru

Signature: Sd/-

Name of the Company Secretary:

RC Venkatesh Rao
FCS No.: 2282
C P No.: 2733
UDIN: F002282F000974561

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, 2024, 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, 2024.

Place: Bengaluru

Date: 14/08/2024

Signature: Sd/-

Name of the Company Secretary:

RC Venkatesh Rao
FCS No.: 2282
C P No.: 2733
UDIN: F002282F000974627

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, 2024, 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, 2024.

Place: Bengaluru

Date: 14/08/2024

Signature: Sd/-

Name of the Company Secretary:

RC Venkatesh Rao
FCS No.: 2282
C P No.: 2733
UDIN: F002282F000974627

Corporate Governance Report for the year 2023-24

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

Company's philosophy on Corporate Governance:

Corporate Governance is about maximizing the value and to ensure fairness to all its shareholders.

The Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country and your Company is in compliance with the governance requirements provided under the law both in letter and spirit.

Your Company has in place all the statutory committees required under the law. Also, the Company has closed all its operations and factory, except for the Windmill segment. Hence, the focus is on basic compliance.

Board of Directors:

Size and Composition of the Board

Your Company recognizes and embraces the importance of diversity of the board for its success. Accordingly, your board has the appropriate mix of executive and independent directors to maintain its independence and separate its functions of governance and management. On March 31, 2024, the Board comprised of five (5) Directors.

The Board consists of two (2) Executive Directors and three (3) Independent directors. The Board periodically evaluates the need for change in its composition and size.

The composition of the Board, category, and particulars of attendance are given below:

Name	Category	Date of last A.G.M	No. of Board Meetings	No. of another Directorship	No. of other Committee Membership
		29.09.2023	Attended/ Held	(In public Companies)	
Shri. Chand D Datwani DoB: 17.12.1952 DoA: 13.11.1986	Chairman & Managing Director Executive	Present	7/7	NIL	One

Smt. Saroj C Datwani DoB: 02.04.1953 DoA: 27.11.1995	Whole Time Director Non-Independent - Executive	Present	7/7	NIL	One
Shri. S.V.Jain# DoB: 27.03.1952 DoA: 31.03.2005	Independent Non-Executive	Present	7/7	NIL	Three
Shri. Sreedhar Nagraju DoB: 24.11.1983 DoA: 12.04.2023	Independent Non-Executive	Present	6/7	NIL	Six
Shri. Nagendra Hanabe Krishnamurthy DoB: 10.06.1983 DoA: 30.12.2023	Independent Non-Executive	Present	1/7	NIL	One
Smt. Varsha Kulkarni * DoB: 21.04.1984 DoA: 30.11.2021	Independent Non-Executive	Present	5/7	NIL	Five

Shareholding of Promoter/Group:

Shri. Chand D Datwani : **0.42%**

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

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, one independent director Ms. Varsha Kulkarni (DIN: 09399759) resigned from the Board. The reason for her resignation is that her registration with IDDB was expiring on 30. 11.2023 and due to other commitments, she was unable to continue her registration. So being ineligible to be as Independent director, she stepped down as the Independent director of the Company w.e.f 30.11.2023.

#Mr. S V Jain's tenure expires at the ensuing Annual General meeting.

Board Meetings

During the year, the Board met 7 times on 12.04.2023, 12.04.2023, 30.05.2023, 14.08.2023, 14.11.2023, 30.12.2023 and 14.02.2024. The names and categories of the Directors on the Board, and their attendance at the Board Meetings during the year is given below:

Members	Number of meetings conducted and attended during the year							No. of meetings	No. of meetings attended
	12.04.2023	12.04.2023	30.05.2023	14.08.2023	14.11.2023	30.12.2023	14.02.2024		
Chand datwani	Present	Present	Present	Present	Present	Present	Present	7	7
Saroj datwani	Present	Present	Present	Present	Present	Present	Present	7	7
S.V.Jain	Present	Present	Present	Present	Present	Present	Present	7	7
Mr. Sreedhar Nagaraju	-	Present	Present	Present	Present	Present	Present	7	6
Mr. Nagendra Hanabe Krishnamurthy	-	-	-	-	-	-	Present	7	1
Varsha kulkarni	Present	Present	Present	Present	Present	-	-	7	5

Disclosure of shares held by Non -Executive Directors in the Company as on 31/03/2024.

Mr.S.V. Jain - **76,320 Shares of Rs 5/-each.**

Ms. Varsha Kulkarni- **NIL.**

Mr. Nagendra Hanabe Krishnamurthy - **NIL**

Mr. Sreedhar Nagaraju - **NIL**

Weblink where details of familiarisation programmes of Independent directors:

<https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

Chart/matrix setting out skills/expertise/competence of the board of directors specifying the following: the names of directors who have such skills / expertise / competence

Sl. No.	Name of Director	Category	Skills/ Expertise
1	Shri. Chand D Datwani	Executive- Managing Director	Setting up of Industrial Projects
2	Smt. Saroj C Datwani	Executive CFO	Financials

3	Shri. S.V.Jain	Non- Executive Independent Director	Import/ Export
4	Shri. Nagendra Hanabe Krishnamurthy	Non- Executive Independent Director	Chemistry
5	Shri. Sreedhar Nagaraju	Non- Executive Independent Director	Finance
6	Smt. Varsha Kulkarni	Non- Executive Independent Director	Information Technology

Independent Directors

Schedule IV of the Companies Act, 2013 and the Rules there under mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and the members of management. It is recommended that all the independent directors to be present at such meetings. These meetings are expected to review the performance of the non-independent directors and the Board as a whole, as well as the chairman of the Board, taking into account the views of the non-executive directors, assess the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for it to effectively and reasonably perform its duties.

Confirmation: In the opinion of the board, the independent directors fulfill the conditions specified under Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year 2023-24, Independent Directors met on February 14, 2024, discussed and reviewed the below:

- Performance of Non-Independent Directors
- Performance of Chairman
- Performance of Board Committees
- Discussed on the quality, quantity and timeliness of flow of information between the Company management and the Board Members.
- Overall performance of the Company

Performance evaluation criteria for independent directors

- a) Attendance and participation in the meetings and timely inputs on the minutes of the meetings
- b) Adherence to ethical standards and code of conduct of company and disclosure of non-independence, as and when exists and disclosure of interest

- c) Raising of valid concerns to the Board and constructive contribution to resolution of issue at meetings
- d) Interpersonal relations with other Directors & Management
- e) Objective evaluation of Board's performance, rendering independent and unbiased opinion
- f) Understanding of the company and the external environment in which it operates and contribution to strategic direction.
- g) Safeguarding interest of whistle-blowers under vigil mechanism and safeguard of confidential information.

Availability of information to the Board Members

The Board has unrestricted access to all the Company-related information necessary for decision making. Detailed notes, as necessary, are presented well in advance of the meeting along with the agenda. The following is the list of some of the information provided regularly to the Board of Directors:

- Annual Operating Plan and budgets, capital budgets and updates
- Quarterly results of the Company and its Operating Divisions
- Minutes of meetings of Audit and other Committees of the Board
- General notice of interests of Directors
- Declaration of Independent Directors at the time of appointment/annual declaration
- Information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary
- Materially important issues, disputes with the Government Authorities on show cause notices, demands, prosecutions and penalty notices
- Fatal or serious accidents, dangerous occurrences, effluent or pollution problems
- Any material default in financial obligations to and by the Company
- Any issue that involves possible public or product liability claims of a substantial nature.
- Significant development in human resources and industrial relations front.
- Sale of assets of material nature, not in normal course of business
- Any material default in financial obligations to and by the company or substantial non-payment for goods sold by the company
- Making of loans and investments, if any.
- Compliance Certificate with respect to all the laws as applicable to the Company
- Constitution/reconstitution of Board Committees
- Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.

- Transactions, if any, that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Non-compliance, if any, of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Role of Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has the fiduciary relationship to ensure that the Company has clear goals aligned to shareholder value and its growth. The Board exercises its duties with care, skill, diligence and exercises independent judgement. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercise appropriate control to ensure that the Company is managed in a manner that fulfils stakeholder's aspirations and societal expectations.

Board Membership Criteria

The Nomination and the Remuneration Committee works with the entire Board to determine the appropriate characteristics, skills and required experience for the Board as a whole and for individual members. Members are expected to possess the required qualification, integrity, expertise and experience for the position. They should also possess deep expertise and insight in sectors/areas relevant to the Company and ability to contribute to the Company's growth.

The Board members are expected to rigorously prepare to attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities with the Company.

Code of Conduct

In compliance with the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed and adopted Code of Conduct (the Code). This is applicable to all Directors, Independent Directors and Senior Management of the Company. The Code gives guidance and support needed for ethical conduct of business and compliance of law. All members of the Board and Senior Management personnel have affirmed the compliance with the Code as on 31st March, 2024.

The Code is available on Company's website under below weblink:

<https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

Prevention of Insider Trading

The Board has formulated a policy on Trading of shares by an insider and code of conduct for regulating, monitoring and reporting of trading of shares by insider.

The code lays down guidelines, procedures to be followed and disclosure to be made while dealing with the shares of the Company and cautioning them on consequences of non-compliances.

The copy of the policy is available on Company's website

<https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

BOARD COMMITTEES

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
Shri. S.V.Jain, Chairman	Independent Non-Executive	5	5
Sreedhar Nagarju Member	Independent Non-Executive	5	5
Ms. Varsha Kulkarni *	Independent Non-Executive	4	4
Mr. H K Nagendra**	Independent Non-Executive	1	1

Five Audit Committee Meetings were held during the year 2023-24. The said meetings were held on the following dates:

12.04.2023, 30.05.2023, 14.08.2023, 14.11.2023, and 14.02.2024.

Compliance Officer attends all the meetings.

Note: 1. * Varsha Kulkarni Resigned with effect from 30.11.2023
 2. **H K Nagendra was appointed in the meeting of board of directors held on 30th December 2023 hence eligible to attend only one meeting.

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 are given below.

Terms of Reference

- To identify qualified persons to become directors and senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board
- Devising policy on Board diversity
- To act in terms of any consequent statutory modification(s) / amendment(s) / revision(s) to any of the applicable provisions to the said Committee.
- To decide on terms of appointment/re-appointment of Independent Director based on the performance evaluation report received.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

The composition of the revised Remuneration Committee and the details of meetings attended by the members is given below:

Members	Category	14.02.2024	No. of meetings	No. of meetings attended
S.V.Jain	Chairman	Present	1	1
Sreedhar Nagarju	Member	Present	1	1
H K Nagendra	Member	Present	1	1

Remuneration Policy

No remuneration is paid to the Whole-time Directors

Details of remuneration for 2023-24 and Tenure: (per MCA approval) ;

Name Of The Director	Remuneration (PA)	Sitting fee	TENURE
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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
Smt. Varsha Kulkarni Independent-Non- Executive	Nil	—	Appointment was made on 30/10/2021 *Resigned w.e.f 30.11.2023
Shri. Sreedhar Nagaraju Independent-Non- Executive	Nil	25,000/-	Appointment was made on 12.04.2023 for a period of five years
Shri. H K Nagendra Independent-Non -Executive	NIL	25,000/-	Appointment was made on 30.12.2023 for a period of five years

6. Stakeholders' Relationship Committee:

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

Members	Category	Number of meetings conducted and attended during the year						No. of mee ting s	No. of meeti ngs atten ded
		30/05/2023	14/11/2023	26/12/2023	04/01/2024	20/02/2024	23/03/2024		
S V Jain	Chairman	Present	Present	Present	Present	Present	Present	6	6
Shri. Chand D Datwani	Member	Present	Present	Present	Present	Present	Present	6	6
Smt. Saroj C Datwani	Member	Present	Present	Present	Present	Present	Present	6	6

Scope:

- i) To oversee redressal of complaints.
- ii) To approve Remat of Shares.
- iii) To approve deletion of name.

Name & designation of Compliance Officer:

Rama Rao G.D., FCA, ACS, is the Compliance Officer of the Company for complying with requirements of the Securities Laws and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Investor Complaints:

No. of complaints received from Shareholders from 1.4.2023 to 31.3.2024	Nil
No. of complaints solved to the satisfaction of the Shareholders	Nil
Pending	Nil

Company's e-mail ID to receive complaints and grievances from investors is gdrvenlon@gmail.com.

7. Senior Management:

The Company has no employees and hence there are no changes in the senior management during the year.

8. General body meetings:

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

Date of A.G.M.	Type of Meeting	Location and Time
24/09/2021	AGM	Regd. Office, 12:45 pm
30/09/2022	AGM	Regd. Office, 4:00 pm
30/09/2023	AGM	Regd. Office, 4:00 pm

B. Details of special resolutions passed in the previous three Annual General meetings:

- 1.) Special Resolution was passed at the AGM held on 24/09/2021: Nil
- 2.) One Special Resolution was passed at the AGM held on 30/09/2022, appointment of Non-Executive Independent Director Varsha Kulkarni
- 3.) One Special Resolution was passed at the EGM held on 30/06/2023, appointment of Non-Executive Independent Director Mr. Sreedhar Nagaraju
- 4.) Special Resolution was passed at the AGM held on 29/09/2023: Nil
- 5.) One Special Resolution was passed at the EGM held on 01/03/2024, appointment of Non-Executive Independent Director Mr. H K Nagendra

- C. Special resolution passed through the postal ballot in the last year- None
Person who conducted the postal ballot exercise - N.A.
- D. Any special resolution proposed through postal ballot: None
Procedure of Postal ballot: N.A.

9. Secretarial Audit for Reconciliation of Share Capital

As mandated by the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 - Regulation 55A quarterly Secretarial Audits are carried out to verify if the total issued/ paid-up capital is in agreement with the aggregate of the total number of the shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

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

11. General Shareholder information

Annual General Meeting	Date & Time : 27 th September 2024 at 4.00 p.m. Venue: The venue will be Registered Office of the Company situated at 26-P, Belavadi Industrial Area Hunsur Road Mysore KA 570018
CIN	L24231KA1983PLC015089
Financial Year	1 st April, 2023 to 31 st March, 2024
Book Closure Dates	20 th September 2024 to 27 th September 2024
Dividend Payment Date	NA
Plant Locations	Plot No. 26(P), Belavadi Industrial Area, Hunsur Road, Mysuru - 570 018
Securities Listing	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 The Company confirms that the annual listing fee for the year 2023-24 has been paid to the stock exchange.
Stock Codes	BSE - 524038 Demat ISIN Number: INE204D01022
Share Transfer System & Share Transfer Agents	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.

	Registrar and Transfer Agents: M/s Computech Sharecap Limited 147, 3rd Floor, M.G. Road, Fort, Mumbai - 400 001
Dematerialization	The Company's Equity Shares are under compulsory demat trading. As on 31st March 2024, dematerialized shares accounted for 97.27% of total equity.
Audit Qualification	There is no audit qualification in the Financial Statements of the Company for the year ended 31st March, 2024
Address for correspondence	Plot No. 26(P) , Belavadi Industrial Area, Hunsur Road, Mysuru- 570018

Market Price Data:

Month	High (Rs.)	Low (Rs.)
Apr - 23	4.75	3.36
May - 23	5.97	3.70
Jun - 23	5.39	4.57
Jul - 23	4.96	3.95
Aug - 23	4.54	3.82
Sep - 23	5.31	4.05
Oct - 23	5.13	4.52
Nov - 23	5.05	4.48
Dec - 23	4.99	4.15
Jan - 24	6.80	5.00
Feb - 24	6.80	5.51
Mar - 24	6.50	4.94

Performance in comparison to broad-based indices such as BSE sensdex, 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 does not arise.

DISTRIBUTION SCHEDULE

Number of shares	Number of shareholders	Shareholders %	Number of shares held	Shareholding %
1-50	690	12.92	8997	0.02
51 - 100	275	5.15	24663	0.05
101 - 200	919	17.21	167857	0.32
201 - 300	130	2.43	34586	0.07

301 - 400	1888	36.36	681522	1.30
401 - 500	185	3.46	90903	0.17
501 - 1000	588	11.01	466653	0.89
1001 & above	665	12.45	50767313	97.18
Total	5340	100.00%	52242494	100.00%

Share Holding Pattern as on 31/03/2024:

	Category	No. of shares held	Percentage of share holding
A.	PROMOTER'S HOLDING		
1.	Promoters		
	-Indian Promoters	1109520	2.12%
	-Foreign Promoters (OCB)	30432390	58.25%
2.	Persons acting in Concert #	0	0.00%
	Sub-Total	31541910	60.38%
B.	NON-PROMOTER'S HOLDING		
3.	Institutional Investors		
a.	Mutual Funds & UTI	5000	0.01%
b.	Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-Government Institutions)	6840	0.01%
c.	Foreign Institutional Investors	0	0.00%
	Sub-Total	11840	0.02%
4.	Others		
a.	Private Corporate Bodies	15566621	29.80%
b.	Indian Public	5063020	9.69%
c.	NRIs/OCBs	59103	0.11%
d.	Any other (please specify)		
	Sub-Total	20700584	39.62%
	GRAND TOTAL	52242494	100.00%

Credit Ratings: NIL

Disclosures

1. 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.**
2. 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.**
3. Whistle Blower policy is available on the website of the company.

Website Link: <https://drive.google.com/file/d/1IFT0gsA1rfBo3m0RMyPhpkHJ8pC0-CFi/view>

4. Compliance with mandatory requirements have been complied.
5. Total fees for all services paid by the listed entity to the statutory auditor: Rs.2,00,000/- plus taxes.
6. 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.
7. Out of the discretionary requirements under the LODR, the Company has complied with one of the requirements on un -modified audit report. The Company has been given unmodified audit opinion

SEBI Complaints System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are centralized database of all companies, online upload of Action Taken reports by concerned companies and online viewing by investors of action taken on the complaints and its current status.

Management Discussion and Analysis report

Pursuant to Regulation 34(2)(e) of SEBI (LODR) Regulation ,2015 Management Discussion and Analysis Report is presented in a separate section forming a part of annual report.

Presentations to Institutional Investor and Analyst: No such instances

Disclosures with respect to demat suspense account/ unclaimed suspense account- None

Disclosure of agreements binding listed entities under Clause 5A of Paragraph A of Part A of Schedule III: During the FY 2024, no such agreements were entered.

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

Sd/-

Date : 16.08.2024

(C.D. Datwani)
Chairman

TO THE BOARD OF DIRECTORS OF Venlon Enterprises Limited

Certification by Chief Executive Officer and Chief Financial Officer of the Company

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

As required under the Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the best of our knowledge and belief, certify with respect to the financial results for the financial year ending 31st March 2024 as follows:

A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

- 1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- 2) 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 listed entity 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 they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

- 1) significant changes in internal control over financial reporting during the year;
- 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- 3) Instances of significant 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.

Sd/-

Sd/-

Place: Mysore

C D Datwani

Saroj Datwani

Date: 16/08/2024

Chairman and Managing Director

Chief Financial Officer

CEO & CFO CERTIFICATE

The Board of Directors

Venlon Enterprises Limited

Mysuru

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, 2024 and that to the best of our knowledge and belief:
 - 1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2. 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.

Sd/-

Chand Daulat Datwani

Chairman and Managing Director

Sd/-

Saroj Datwani

Chief Financial Officer

Date: 16/08/2024

MANAGEMENT DISCUSSION & ANALYSIS

A) Industry structure and development:

NA as there is no manufacturing activity from 29th September 2018

B) Opportunities and Threats: Nil

C) Outlook for the Company:

The Company's factory has been closed. To continue the business activities, the Company has now ventured into the sale and purchase transactions. The details of which are referred to in the resolutions proposed in the notice of the general meeting.

D) Segment-wise or product wise performance:

In September 2018, the Company announced the discontinuation of its operation in Film Segment due to adverse market conditions. During the year Company has also disposed of its windmill and stopped operations of wind energy.

However, the company now intends to engage in business activity of Paraformaldehyde by way of purchase and sale, the details of which are provided in the resolutions proposed in the notice of the general meeting.

E) Risks and concerns: Nil

F) Internal Control systems and their adequacy:

The external auditors have separately provided their opinion on the internal controls over financial reporting which is given as an Annexure to their Audit report. In their opinion, the Company has adequate internal control system over financial reporting and such internal controls over financial reporting were operating effectively.

G) Discussion on financial performance with respect to operation performance:

During the year, the Company has incurred cash loss. To overcome to improve the company's financial position, the Company has negotiated with its lender for outstanding External Commercial Borrowings of around Rs. 50 Crores and the lenders have agreed for a moratorium period up to April 2025. The same is proposed for approval of the shareholders in the resolutions provided in the notice of the general meeting. The said transaction is also covered under the automatic approval route under the ECB framework of the Reserve Bank of India.

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

There were no material developments. The Company's business activities planned may require few recruitments which is being looked into.

Number of employees: Nil

Cautionary Statement

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

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

TO THE MEMBERS OF VENLON ENTERPRISES LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of VENLON ENTERPRISES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including the Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required 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, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its Loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter:

We draw attention to Note 1(B)(I) & 22(xx) of the financial statements, which describes the Company's financial condition as of March 31, 2024 and its debt obligations. The company's financial performance has impacted its ability to generate cash flow that it needs to settle/finance its liabilities as they fall due. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds or/and successful negotiations with lenders for deferment/settlement of its liabilities as they fall due. Our opinion is not modified in respect of this matter.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2024. 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.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the Financial Statements and our auditor's report thereon. The above information is expected to be made available to us after the date of this auditor's report. Our opinion on the 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 Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to communicate the matter to those charged with governance.

We have nothing to report in this regard.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

The 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 Act, 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 management.
- 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

d) The aforesaid financial statements comply with the accounting standards specified under section 133 of the Act;

e) The matter described in the 'Emphasis of Matter' paragraph above in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164(2) of the Act;

g) With respect to the adequacy of the internal financial controls of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note 28(i);

ii. The Company has made provisions, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long term contracts including derivative contracts;

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

iv. (a) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, during the year no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, during the year no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (i) (iv) (a) & (b) contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has also not proposed dividend for the year.

For Laxminiwas & Co.
Chartered Accountants
ICAI Firm Registration Number: 011168S

Sd/-
Gaurav Shah
Partner
Membership Number: 229420
UDIN No.: 24229420BKGTWX6490

Place : Mysore
Dated : August 14, 2024

**Annexure - A to the Independent Auditors' Report of even date on the financial Statements of
VENLON ENTERPRISES LIMITED**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2024, on the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we report the following:

- i. In respect of the Company's property, plant and equipment & intangible assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The Company has no intangible assets.
 - b) According to the practice of the Company, all items of property, plant and equipment are physically verified by the management in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, a portion of the fixed assets has been physically verified by the Management during the year and the Management has confirmed that no material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
 - d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- ii. The Company has non-moving inventory of loose spares, consumables etc against which provision equal to 100 % of the value has been made. The Company has no working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets.
- iii. According to the information and explanations provided to us, the Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clauses 3(iii) of the Order are not applicable.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii.

- (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of Statute	Nature of the Dues	Amount disputed excluding interest and penalty	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending
NOT APPLICABLE					

- viii. According to the information and explanation given to us, company has no transactions, not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- ix.
- (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year. However, the company is in the process of registering the satisfaction of charges with the ROC. Attention is invited to Note 22(xxiii) to the financial statements.
- (b) The company has neither raised any funds nor taken any loans during the year, hence reporting to that extent under clause (ix) is not applicable to the company.
- x.
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year;

- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year
- xi.
- (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company;
- xii. Company is not a Nidhi company, accordingly provisions of the Clause 3(xii) of the Order is not applicable to the company
- xiii. According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.
- xiv. According to the information and explanations given to us, the company has internal audit system. However the same needs to be strengthened considering the size and nature of operations of the company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable.
- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- xviii. Yes, there has been resignation of the statutory auditors during the year. No issues, objections or concerns were raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements,

our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is incapable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Laxminiwas & Co.
Chartered Accountants
ICAI Firm Registration Number: 011168S

Sd/-
Gaurav Shah
Partner
Membership Number: 229420
UDIN: 24229420BKGTWX6490

Place: Mysore
Date: August 14, 2024

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF VENLON ENTERPRISES LIMITED

(Referred to in paragraph 2 (g) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to these financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to these financial statements of VENLON ENTERPRISES LIMITED (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). 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 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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial control with reference to these financial statements 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 with reference to these financial statements 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.

Inherent Limitations of Internal Financial Controls with Reference to these Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to these financial statements 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.

For Laxminiwas & Co.
Chartered Accountants
ICAI Firm Registration Number: 011168S

Sd/-
Gaurav Shah
Partner
Membership Number: 229420
UDIN: 24229420BKGTWX6490

Place: Mysore
Date: August 14, 2024

BALANCE SHEET AS AT MARCH 31, 2024
(All amounts are Rupees in Lakhs, unless otherwise stated)

Particulars	Notes	As at March 2024	As at March 2023
I Assets			
<u>I. Non-Current Assets</u>			
a. Property, Plant and Equipment	2	3,571.63	3,804.65
b. Other Intangible Assets	2	-	-
c. Financial assets			
i. Investments	3	26.45	18.51
ii. Others	4	-	-
h. Deferred Tax asset (net)		-	-
i. Other Non current assets		-	-
d. Foreign currency monetary item translation difference A/c		-	-
Total Non-current assets		3,598.08	3,823.16
<u>II. Current Assets</u>			
a. Inventories	5	-	-
b. Financial Assets			
i. Trade receivables	6	50.52	6.91
ii. Cash and cash equivalents	7	22.29	13.77
iii. Bank balances (Other than ii above)	7	510.90	1,073.25
c. Investments	8	639.49	247.40
d. Other Current Assets	9	87.72	79.04
Total Current Assets		1,310.92	1,420.37
Asset held for sale / disposal	2	1,098.09	1,298.09
TOTAL ASSETS		6,007.09	6,541.62
2. EQUITY AND LIABILITIES			
<u>EQUITY</u>			
a. Equity Share Capital	10	2,612.12	2,612.12
b. Other Equity	11	-10,680.00	-10,471.84
Total Equity		-8,067.87	-7,859.71
<u>LIABILITIES</u>			
<u>I. Non-Current liabilities</u>			
a. Financial Liabilities			
i. Borrowings	12	10,110.16	9,964.41
Total non-current liabilities (I)		10,110.16	9,964.41
<u>II. Current Liabilities</u>			
a. Financial Liabilities			
i. Borrowings	13	1,831.92	2,304.14
ii. Trade Payables Due to	14		
a) Micro and small enterprises		-	-
b) Other than Micro and small enterprises		78.34	15.66
b. Other Current liabilities	15	2,046.21	2,113.83
c. Provisions	16	8.34	3.30
Total Current Liabilities (II)		3,964.80	4,436.92
Total Liabilities (I + II)		14,074.97	14,401.33
TOTAL EQUITY AND LIABILITIES		6,007.09	6,541.62

Summary of significant accounting policies & key accounting estimates & judgements - See Notes

The accompanying notes are an integral part of the financial statements.

Per our Report of Even Date

For Laxminiwas & Co

Chartered Accountants

ICAI Firm registration number: 011168S

For Venlon Enterprises Limited

sd/-

Gaurav Jashwanth Shah

Partner

Membership No. 229420

sd/-

C.D.Datwani

Managing Director

DIN: 00355181

sd/-

Saroj Datwani

Director

DIN: 00355148

Place: Mysore

Date: August 14, 2024

sd/-

G D Ramarao

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD APRIL 1, 2023 TO MARCH 31, 2024
(All amounts are Rupees in Lakhs, unless otherwise stated)

Particulars	Note	31-03-2024	3/31/2023
1 INCOME			
<u>I. Revenue from Operations</u>			
Sale of Products and Services	17	803.18	122.32
<u>II. Other Income</u>	18	121.86	182.37
III. TOTAL INCOME(I+II)		925.04	304.69
<u>2. EXPENSES</u>			
a. Cost of Material Consumed	21	-	
b. Purchases of Stock-in-trade/ Cost of Goods Sold	19	679.37	20.16
f. Finance Costs	20	-	434.27
g. Depreciation / Amortisation and Depletion Expense	2	233.02	486.26
h. Other Expenses	21	141.12	2,678.52
IV. TOTAL EXPENSES		1,053.51	3,619.22
V. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I-IV)		-128.47	-3,314.53
VI. EXCEPTIONAL ITEMS			
VII. PROFIT/(LOSS) BEFORE TAX (V-VI)		-128.47	-3,314.53
VII. TAX EXPENSE			
i. Current Tax		-	-
ii. Deferred Tax		-	-
ii. Tax relating to earlier years		-	0.54
IX. PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		-128.47	-3,315.07
X. PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS- For Disclosure Purpose		-	-3,314.53
XI. Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss net of tax		66.07	2.13
(ii) Items that will be reclassified to profit or loss net of tax		-145.75	858.70
Other Comprehensive Income		-79.68	860.83
XV. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (IX+XI) (Comprising Profit/(Loss) and OCI)		-208.15	-2,454.24
Earnings Per Equity Share Basic and Diluted	22	-0.25	-6.35

Summary of significant accounting policies & key accounting estimates & judgements - See Note
The accompanying notes are an integral part of the financial statements

Per our Report of Even Date
For Laxminiwas & Co
Chartered Accountants
ICAI Firm registration number: 011168S

sd/-
Gaurav Jashwanth Shah
Partner
Membership No. 229420

Place: Mysore
Date: August 14, 2024

For Venlon Enterprises Limited

sd/-
C.D.Datwani
Managing Director
DIN: 00355181

sd/-
Saroj Datwani
Director
DIN: 00355148

sd/-
G D Ramarao
Company Secreatary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are Rupees in Lakhs, unless otherwise stated)

Amount in Lakhs (Rs.)

Particulars	2023-2024	2022-2023
Cash Flow from Operating Activities		
Net loss as per Statement of Profit and Loss	-128.47	-3,315.07
Adjusted for:		
Depreciation / Amortisation and Depletion Expense	233.02	486.26
Loss on sale of assets	-	2,188.59
Amortization of unrealized foreign exchange loss / (gain) on Long Term Debts	-	463.45
Provision for advances and deposits	-	12.92
Provision for Inventories	-	252.15
Provision for Bad and doubtful debts	1.11	49.07
GST Expenses- Provision	-	24.15
Write back provision in debtors	-	-
Interest Income	-52.02	-61.78
Dividend Income	-0.06	-0.18
(Profit) / Loss on Sale / Discard of Assets (Net)	-	-4.28
FD Written off	-	0.15
Interest Expense	-	-
Short term provisions	5.04	0.00
Operating Profit / (Loss) Before Working Capital Changes	58.62	95.44
Adjusted for:		
(Increase) / Decrease in Trade Receivables	-44.71	51.78
(Increase) / Decrease in Inventories	-	20.43
(Increase) / Decrease in Other Current Assets	-8.68	3.50
Increase / (Decrease) in Trade Payables	62.68	-46.97
Increase / (Decrease) in Other Current Liabilities	-2.64	37.81
(Increase) / Decrease in short term loans and advances	-	-
Cash Generated from Operations	65.26	161.99
Tax Paid (Net)	-5.06	-
Net Cash Flow from / (Used in) Operating Activities (i)	60.20	161.99
Cash Flow From Investing Activities		
Sale of tangible and Intangible assets	135.02	25.58
Proceeds from Long term Loans and Advances	-	-0.00
Fixed deposits with bank	562.35	16.15
Investment in Mutual Funds	-328.90	-250.00
Interest Income	52.02	61.78
Dividend Income	0.06	0.18
Net Cash Flow from / (Used in) Investing Activities (ii)	420.55	-146.30
Cash Flow From Financing Activities		
Short term borrowings (net)	-472.22	-20.71
Interest paid	-	-
Net Cash flow from / (Used in) Financing Activities (iii)	-472.22	-20.71
Net Increase / (Decrease) in Cash and Cash Equivalents (i + ii + iii)	8.53	-5.03
Opening Balance of Cash and Cash Equivalents	13.77	18.80
Closing Balance of Cash and Cash Equivalents	22.29	13.77
Components of Cash and Cash Equivalents as per Ind As 7		
Cash on Hand	0.33	0.15
With Banks-Current Accounts	21.96	13.62
Total cash and cash equivalents	22.29	13.77

Per our Report of Even Date
For Laxminiwas & Co
Chartered Accountants
ICAI Firm registration number: 011168S

For Venlon Enterprises Limited

sd/-
Gaurav Jashwanth Shah
Partner
Membership No. 229420

sd/-
C.D.Datwani
Managing Director
DIN: 00355181
sd/-
Saroj Datwani
Director
DIN: 00355148

Place: Mysore
Date: August 14, 2024

sd/-
G D Ramarao
Company Secretary

Place:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

I 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 Bombay Stock Exchange in India.

The Company was engaged in the business of manufacturing Polyester film, Formaldehyde, Paraformaldehyde. The company also owned windmill and was engaged in the sale of power. In the Financial Year 2021-22 and 2022-23, the company discontinued all its operations including that of windmill. During the current year, the company has started its business by undertaking trading of goods.

B SIGNIFICANT ACCOUNTING POLICIES

I Basis of Preparation & Presentation

The financial statements of the Company have been prepared on a going concern basis in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

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

- Certain financial assets and liabilities measured at fair value

The Company's financial statements are presented in lakhs of Indian Rupees (INR) which is its functional and presentation currency. All values are rounded off to the nearest lakh, except when otherwise indicated.

The preparation of the financial statements requires management to make estimates and underlying assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

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, 2024 have been prepared in accordance with Ind AS duly approved by the Board of Directors at its meeting held on August 14, 2024

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.

However, in case of buildings built on leased land, Depreciation is recognised in the Statement of Profit and Loss account over the lease period of the asset.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

However, in view of the fact that the manufacturing operations of the company has stopped, 100% of the inventory value has been provided for.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

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.

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. Since the company has discontinued all its operations, there are no reportable segments for the current year.

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
CIN: L24231KA1983PLC015089
Note 2: Property, Plant, Equipment , Capital Work in Progress and Intangible Assets
(All amounts are Rupees in Lakhs, unless otherwise stated)

Particulars	Gross Block				Depreciation				Net Block	
	01-04.2023	Additions/Adjustments	Disposal/ Capitalized/Transfer red	3/31/2024	4/1/2023	For the Year	Withdrawn	Upto 31-03-2024	3/31/2024	3/31/2023
<u>PROPERTY PLANT & EQUIPMENT</u>										
Land-Freehold	1,585.42	-	-	1,585.42	-	-	-	-	1,585.42	1,585.42
Buildings*	1,559.09	-	-	1,559.09	1,071.28	69.57	-	1,140.84	418.25	487.82
Plant and Machinery	3,869.17	-	-	3,869.17	2,408.34	161.59	-	2,569.93	1,299.24	1,460.83
Electrical Installation	450.98	-	-	450.98	184.52	-	-	184.52	266.46	266.46
Furniture & Fixtures	45.10	-	-	45.10	44.09	0.08	-	44.17	0.93	1.01
Vehicles	56.16	-	-	56.16	53.05	1.78	-	54.83	1.33	3.11
Computers & Data Processing units	0.07	-	-	0.07	0.06	-	-	0.06	0.01	0.01
TOTAL	7,565.99	-	-	7,565.99	3,761.34	233.02	-	3,994.36	3,571.63	3,804.65
<u>CAPITAL WORK IN PROGRESS</u>	-									-
TOTAL	-	-	-	-	-	-	-	-	-	-
<u>INTANGIBLE ASSETS</u>										
Computer Software	1.36	-	-	1.36	1.36	-	-	1.36	-	-
TOTAL	1.36	-	-	1.36	1.36	-	-	1.36	-	-
<u>ASSET HELD FOR SALE / DISPOSAL</u>										
Plant and Machinery	200.00	-	-	200.00	-	-	-	-	-	200.00
Land	1,098.09	-	-		-	-	-	-	1,098.09	1,098.09
TOTAL	1,298.09	-	-	200.00	-	-	-	-	1,098.09	1,298.09
GRAND TOTAL	8,865.45	-	-	7,767.35	3,762.71	233.02	-	3,995.72	4,669.73	5,102.74

* Includes Buildings built on leased land with closing net-block value of Rs.442.73 Lacs as on March 31, 2023

VENLON ENTERPRISES LIMITED
CIN: L24231KA1983PLC015089
NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Amount in ` lakhs		
3. INVESTMENTS	31-Mar-24	31-Mar-23
(a) Equity instruments	26.45	18.51
Total Equity Instrument	26.45	18.51

Name of the Company	Number of Equity Shares Fully Paid up	Value as on 31.03.2024- In Rs.
Quoted		
Garware Polyester Limited	50.00	87,317.50
Rollatainers Limited	55.00	83.60
Tamilnadu Telecommunication Limited	100.00	1,040.00
ITC Limited	3,100.00	1,328,505.00
Annapurna Foils Limited	100.00	-
Finolex Cables Limited	600.00	600,480.00
Essel Propack Limited	80.00	14,344.00
Gujarat Telephone Cables Limited	85.00	-
RPG Cables Limited	50.00	-
EID Parry (I) Limited	750.00	409,237.50
MM Rubber Company	50.00	4,692.50
Elpro Packaging Limited	100.00	-
Cormandal International Limited	176.00	189,367.20
	5,296.00	2,635,067.30
Unquoted		
Canbay Polyfilms Limited	100.00	1,000.00
Leela Packaging Limited	100.00	1,000.00
Sakamichi Tapes Limited	800.00	8,000.00
	1,000.00	10,000.00
Total	6,296.00	2,645,067.30

(a) Book value (cost) of investment in equity shares is Rs. 2.28 Lakhs/- (PY Rs.2.28 Lakhs/-). In case of few investments, market value of the shares as on the date of the balance sheet was un-available and hence valued at nil value.

(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'.

Amount in ` lakhs		
4. OTHER FINANCIAL ASSETS	31-Mar-24	31-Mar-23
i. Security Deposits		
Secured, considered good	-	-
ii. Bank deposits with more than 12 months maturity	-	-
Total Other current assets	-	-

5. INVENTORIES (Valued at lower of cost and net realizable value)	31-Mar-24	31-Mar-23
(a) Raw materials	-	-
(b) Work in progress	-	-
(c) Finished goods	-	-
(d) Stores & spares	406.84	408.21
(e) Loose tools	2.75	2.75
Less: provision for inventory	-409.60	-410.96
Total Inventories	-	-

6. TRADE RECEIVABLES	31-Mar-24	31-Mar-23
Secured, Considered Good		
Unsecured, Considered Good	50.52	6.91
Trade Receivables which have significant increase in Credit Risk	117.30	116.19
Trade Receivables - credit impaired	-	-
Sub Total	167.82	123.11
Less : Provision for bad and doubtful debts	117.30	116.19
Total trade receivables	50.52	6.91

As on 31-03-2024

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6M-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed TR – considered good	46.11	4.40	-	-	0.01	50.52
(ii) Undisputed TR- which have significant increase in credit risk	-	-	-	-	117.30	117.30
(iii) Undisputed TR- credit impaired	-	-	-	-	-	-
(iv) Disputed TR- considered good	-	-	-	-	-	-
(v) Disputed TR- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed TR- credit impaired	-	-	-	-	-	-

3/31/2023

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6M-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed TR – considered good	6.91	-	-	-	-	6.91
(ii) Undisputed TR- which have significant increase in credit risk	-	-	-	91.53	24.67	116.19
(iii) Undisputed TR- credit impaired	-	-	-	-	-	-
(iv) Disputed TR- considered good	-	-	-	-	-	-
(v) Disputed TR- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed TR- credit impaired	-	-	-	-	-	-

7. CASH AND CASH EQUIVALENTS	31-Mar-24	31-Mar-23
(i) Cash and cash equivalents		
a) Balances with banks - In Current accounts	21.96	13.62
b) Cash on hand	0.33	0.15
(ii) Other bank balances		
(a) In deposit account with original maturity of more than 3 months but less than 12 months	511	1,073
(b) Balances with banks - held as margin money or security deposit against borrowings, guarantee / other commitments	-	-
Total Cash and Cash Equivalents	533.19	1,087.01

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

8. INVESTMENTS	31-Mar-24	31-Mar-23
Mutual Funds	84.48	64.42
Total Other current assets	84.48	64.42

9. OTHER CURRENT ASSETS	31-Mar-24	31-Mar-23
Other Current Assets	87.72	79.04
Total Other current assets	87.72	79.04

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Amount in ` lakhs		
PARTICULARS	As at March 31, 2024 Rupees	As At 31 March, 2023 Rupees
10. EQUITY SHARE CAPITAL		
5,30,00,000 Equity Shares of Rs.5 each (Previous Year 5,30,00,000 Equity Shares of Rs.5 each)	2,650.00	2,650.00
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)	2,612.12	2,612.12
Total Issued, Subscribed and Paid up capital	2,612.12	2,612.12

Amount in ` lakhs				
	31-Mar-24		31-Mar-23	
	Nos.	Amount	Nos.	Amount
Equity shares				
At the beginning of the period	52,242,494	2,612.12	52,242,494	2,612.12
Outstanding at the end of the period	52,242,494	2,612.12	52,242,494	2,612.12

(b) Terms/ rights attached to equity shares

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

Particulars	31-Mar-24		31-Mar-23	
	Nos.	% Holding	Nos.	% Holding
Equity shares of Rs.5/- each fully paid				
Arun Daulatram Datwani (Non-resident Indian)	15,216,195	29.13%	15,216,195	29.13%
Dasu Daulatram Datwani (Non-resident Indian)	15,216,195	29.13%	15,216,195	29.13%
Krishna Enterprises Limited (OCB)	15,375,128	29.43%	15,375,128	29.43%

d) Shareholding of promoters

S.no.	Promoter name	Shares held by promoters at the end of the year 2023-24		Shares held by promoters at the end of the year 2022-23		Shares held at the end of 2023	% Change during the year
		No. of shares	% total of shares	No. of shares	% total of shares		
1	Abha Chandru Datwani	529,665	1.01%	529,665	1.01%	529,665	0%
2	Chandru Daulat Datwani	220,575	0.42%	220,575	0.42%	220,575	0%
3	Saroj Chandru Datwani	359,280	0.69%	359,280	0.69%	359,280	0%
4	Arun Daulatram Datwani	15,216,195	29.13%	15,216,195	29.13%	15,216,195	0%
5	Dasu Daulatram Datwani	15,216,195	29.13%	15,216,195	29.13%	15,216,195	0%
Total		31,541,910	60.38%	31,541,910	60.38%	31,541,910	

Note: Promoters as mentioned above are as identified by the Management of the company relied upon by the auditors.

II. OTHER EQUITY	31-Mar-24	31-Mar-23
(a) Capital reserve	0.77	0.77
(b) Securities premium	325.14	325.14
(c) Revaluation surplus	2,757.03	2,757.03
(d) Retained Earnings		
As per last year financial statement	-11,377.96	-8,062.89
Add :Surplus / (deficit) for the year	-79.78	-3,315.07
	-11,457.7	-11,378.0
(e) Other Comprehensive income		
i) Impairment loss on asset held for sale		
Opening Balance	-629.84	-2,248.96
Add/(Less): Other Comprehensive Income	-	1,619.12
Closing Balance (A)	-629.84	-629.84
ii) Foreign currency monetary translation difference		
Opening Balance	-1,561.29	-800.87
Add: Other Comprehensive Income	-145.75	-760.42
Closing Balance (B)	-1,707.05	-1,561.29
iii) Fair value of investments		
Opening Balance	14.33	12.20
Add: Other Comprehensive Income	17.37	2.13
Closing Balance (C)	31.70	14.33
Total of comprehensive income (A+B+C)	-2,305.19	-2,176.80
Total Other Equity	-10,680.00	-10,471.84

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

12. BORROWINGS	31-Mar-24	31-Mar-23
(i) Term loans		
(a) Banks	-	-
(b) Other Parties - Unsecured (Refer Note 12 b below and also Note xx)	10,110.16	9,964.41
Total Borrowings	10,110.16	9,964.41

(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.

13. BORROWINGS	31-Mar-24	31-Mar-23
(a) Loans repayable on demand		
(i) From Banks	-	-
(ii) From Related Parties		
(b) Loans and advances from related parties	1,831.92	2,304.14
Total Borrowings	1,831.92	2,304.14

14. TRADE PAYABLES	31-Mar-24	31-Mar-23
Trade Payables	78.34	15.66
	-	-
Total trade payables	78.34	15.66

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 31.03.2024 has not been ascertained, and hence no disclosure has not been made.

3/31/2024

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	70.70	-	-	7.64	78.34
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

3/31/2023

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4.55	-	11.11	-	15.66
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

3/31/2022

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	50.41	12.21	-	0.01	62.63
(iii) Disputed dues-MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-

15. OTHER CURRENT LIABILITIES	31-Mar-24	31-Mar-23
Other current liabilities	460.25	527.87
Other advance -Towards sale of assets held for sale	1,585.96	1,585.96
Total current liabilities	2,046.21	2,113.83

16. PROVISIONS	31-Mar-24	31-Mar-23
Provisions for employee benefits	3.27	3.30
Income Tax Provision	5.06	
Total Provisions	8.34	3.30

NOTES TO THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

17. SALE OF PRODUCTS	31-Mar-24	31-Mar-23
i) Sale of Products	803.18	122.32
ii) Sale of Services		
iii) Other operating revenues		
Total	803.18	122.32
18. OTHER INCOME	31-Mar-24	31-Mar-23
(i) Interest income	52.02	61.78
(ii) Dividend income	0.06	0.18
(iii) Net gain or loss on sale of investments\fixed assets	-	4.28
(iv) Other non operating income	2.69	0.23
(v) Rental Income	27.00	24.63
(vi) Other Income	40.09	91.27
Total other income	121.86	182.37
19. PURCHASE OF STOCK IN TRADE	31-Mar-24	31-Mar-23
Cost of traded goods	679.37	20.16
Total Purchase of stock in trade	679.37	20.16
20. FINANCE COSTS	31-Mar-24	31-Mar-23
(i) Interest expenses	-	-
(ii) Amortization of net (gain) or loss on foreign currency translations	-	434.27
Total finance cost	-	434.27
21. OTHER EXPENSES	31-Mar-24	31-Mar-23
(i) Consumption of stores and spares parts	1.37	20.43
(ii) Power and fuel	0.38	0.44
(iii) Packing material consumed	-	-
(iv) Freight Charges	16.02	0.20
(v) Job Work Charges	30.69	-
(vi) Rent	4.60	6.10
(vii) Repairs to buildings	-	-
(viii) Repairs to machinery	0.82	39.05
(ix) Insurance	4.86	3.64
(x) Rates and taxes excluding taxes on income	6.31	30.32
(xi) Administration and selling expenses	32.24	13.30
(xii) Miscellaneous expenses	0.03	0.15
(xiii) Remuneration to statutory auditors - for audit	2.00	2.00
(xiv) Security expenses	34.38	30.96
(xv) Provision for advances and deposits	-	12.92
(xvi) Provision for non-moving Inventory	-	252.15
(xvii) Provision for Bad and Doubtfull Debts	1.11	49.07
(xviii) Loss on sale of assets/Provision for diminution in value of assets held for sale	-	2,188.59
(xix) Foreign Exchange Fluctuation	6.31	29.19
Total other expenses	141.12	2,678.52
22. EARNINGS PER SHARE	31-Mar-24	31-Mar-23
Total Comprehensive Income for the period	-128.47	-3,315.07
Number of equity shares (Face Value Rs.5/-)	522.42	522.42
Earnings per share in Rupees	-0.25	-6.35

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2024

A. EQUITY SHARE CAPITAL
1. CURRENT REPORTING PERIOD

Amount in ` lakhs				
Balance at the beginning of the current reporting period (01/04/2023)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period (31/03/2024)
2,612.12	-	-	-	2,612.12

2. PREVIOUS REPORTING PERIOD

Amount in ` lakhs				
Balance at the beginning of the current reporting period (01/04/2022)	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period (31/03/2023)
2,612.12	-	-	-	2,612.12

B. OTHER EQUITY

Particulars	Share app. Money pending allotment	Reserves and Surplus				Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
As at March 2024							
Balance as the beginning of the reporting period i.e., 1st April, 2023	-	76,500	32,513,632	275,702,567			308,292,699
Total Comprehensive Income for the year	-	-	-	-	-	(7,969,215)	
Dividends	-	-	-	-	-		
Tax on dividends	-	-	-	-	-		
Depreciation on Revalued assets	-	-	-	-	-		
Transfer to / (from) retained earnings fr	-	-	-		(12,846,772)		
Balance as at the end of the reporting period. i.e., 31st March,2023 (Refer Sch. 11)	-	76,500	32,513,632	275,702,567	(12,846,772)	(7,969,215)	287,476,712

Particulars	Share app. Money pending	Reserves and Surplus				Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
AS AT 31st March 2024							
Balance as the beginning of the reporting period i.e., 1st April, 2023	-	0.77	325.14	2,757.03	-	-	3,082.93
Total Comprehensive Income for the year	-	-	-	-	-	-79.69	-
Dividends	-	-	-	-	-	-	-
Tax on dividends	-	-	-	-	-	-	-
Depreciation on Revalued assets	-	-	-	-	-	-	-
Transfer to / (from) retained earnings	-	-	-	-	-128.47	-	-
Balance as at the end of the reporting period. i.e., 31st March,2023 (Refer Sch. 11)	-	0.77	325.14	2,757.03	-128.47	-79.69	2,874.77

B. OTHER EQUITY

Particulars	Share app. Money pending	Reserves and Surplus				Other Comprehensive Income	Total
		Capital Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings		
AS AT 31st March 2023							
Balance as the beginning of the reporting period i.e., 1st April, 2022	-	0.77	325.14	2,762.82	-8,062.89	-3,037.63	-8,011.81
Total Comprehensive Income for the year	-	-	-	-	-	860.83	-
Dividends	-	-	-	-	-	-	-
Tax on dividends	-	-	-	-	-	-	-
Depreciation on Revalued assets	-	-	-	-5.79	-	-	-
Transfer to / (from) retained earnings fr	-	-	-	-	-3,315.07	-	-
Balance as at the end of the reporting period. i.e., 31st March,2023 (Refer Sch. 11)	-	0.77	-	2,757.03	-11,377.96	-2,176.80	-10,796.97

For Laxminiwas & Co
Chartered Accountants
ICAI Firm registration number: 0111685

sd/-
Gaurav Jashwanth Shah
Partner
Membership No. 229420

For Venlon Enterprises Limited

sd/-
C. D. DATWANI
Chairman & Managing Director
DIN: 00355181

sd/-
SAROJ. C. DATWANI
Director/ CFO
DIN: 00355148

sd/-
G.D. RAMA RAO
Company Secretary

Place: Mysore
Date: August 14, 2024

VENLON ENTERPRISES LIMITED
CIN: L24231KA1983PLC015089

NOTE 23: 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
SV Jain
G.D. Rama Rao
Varsha Kulkarani (Till 30/11/2023)
Sreedhar Nagaraju (From 12th April 2023)
Nagendra Hanbe Krishnamurthy (From 30th December 2023)

Relatives of Directors :

Abha Datwani

Relatives of KMP

Rathana Rama Rao
G.D. Rama Rao (HUF)

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
Krishna Enterprises

B. Nature of transactions:

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

	Subsidiaries		KMP & Relatives		Other Related parties	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
1 Rent Paid			3.60	5.10	1.00	1.00
2 Advance paid towards purchase of land						
3 Sales of services				0.01	28.37	24.63
4 Reimbursement of expenses			16.43	1.57		
5 Sale of Products						4.50
6 Purchase of products					623.37	20.16
Purchase of Services					30.69	
7 Payments made on behalf of Related party				19.15		
8 Reimbursement received				20.61		
9 Remuneration to Directors & their Relatives						
<u>Directors Sitting Fee</u>						
Mrs Alakananda				0.25		
Mrs Varsha Kulkarani				0.25		
Mr Sreedhar Nagaraju			0.25			
Mr. Nagendra H.K			0.25			
<u>Reimbursement of expenses</u>						
Mrs Alakananda				0.05		
Mrs Varsha Kulkarani				0.05		
Mr Sreedhar Nagaraju			0.05			
Mr. Nagendra H.K			0.05			
<u>Reimbursement of Independent Directors Data Bank and Club</u>						
<u>Membership fees</u>						
Mrs Alakananda				0.07		
Mrs Varsha Kulkarani				0.06		
Mr. C D Datwani			0.07	0.08		
10 Repayment of Loan and Advance towards purchase of assets						
a. Mr. C D Datwani			472.22	23.41		
b. Father & Son Investments Pvt. Ltd.				3.00		
c. Advance towards Purchase of Land						
11 Receipt of Loan						
a. Mr. C D Datwani				3.28		
b. Advance towards Purchase of Land						
c. Krishna Enterprises						
12 Outstanding Balances						
a. Loans Payable						
a. Mr. C D Datwani			1,802.21	2,274.44		
b. Mrs. Saroj C Datwani			29.93	29.93		
c. Krishna Enterprises					10,110.16	9,964.41
d. Companies in which directors are interested				-		
e. Advance towards purchase of land					1,585.96	1,585.96
f. Reimbursement and Trade receivable outstanding					40.07	10.92
	-	-	1,832.15	2,304.37	11,736.20	11,561.29

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.

NOTE 23: 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 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, 2024	31 March, 2023	Figures in Rs 31 March, 2022
	Nil	Nil	Nil

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: Nil (PY Rs.33.40 Lakhs/-) 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 the prudence the entire outstanding amount of CY - Nil (PY-434.26) is recognised as expense under Finance cost.

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, 2023 is as given below:

Arising on account of timing difference in:

- Depreciation
- Accrued Expenses allowable on Actual Payments
- Unabsorbed Business Loss

Deferred Tax Asset/(liability) (Net)

	31 March, 2024	31 March, 2023	Figures in Rs 31 March, 2022
	(980.08)	(954.19)	(1,173.49)
	-	-	-
	3,030	3,030	3,257.32
	2,049.67	2,075.55	2,083.83

Deferred Tax Asset (net) on account of the timing differences, (depreciation and other components) has been computed at Rs.2075.55 . Lacs (P.Y. Rs.2083.83 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 has stopped operations in all the segments including the windmill. Hence segment results are not applicable for the company.

xi) Statutory Auditors' Remuneration

Particulars	2023-24	2022-23	2021-22
a. Audit fees	2.00	0.60	0.60
b. Other Services		0.16	0.24
c. Out of Expenses			
Sub-total	2.00	0.76	0.84
e. Goods & Service tax	0.36	0.14	0.15
TOTAL	2.36	0.90	0.99

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 company has filed Income Tax Returns upto the Assessment Year 2022-23. There are no demands outstanding. In view of loss for assessment year 2022-23, the company has been advised that there is no liability to income tax and accordingly no provision has been made.

VENLON ENTERPRISES LIMITED

CIN: L24231KA1983PLC015089

NOTE 23: OTHER ADDITIONAL NOTES / INFORMATION Contd..

3/31/2024

3/31/2023

- xvi)** Value of Raw Materials consumed and percentage to the total:
(As certified by management)

	<u>Rupees in lakhs</u>	<u>% to Total</u>	<u>Rupees in lakhs</u>	<u>% to Total</u>
Indigenous	-	-	-	-
Imported	-		-	-
	-	100.00	-	-

- xvii)** Value of Stores, Spares & Components consumed and percentage to the total:
(As certified by management)

Stores & Spare Parts

Indigenous

Imported

-	-	-	-
-	-	-	-

VENLON ENTERPRISES LIMITED
CIN: L24231KA1983PLC015089

NOTE 23: OTHER ADDITIONAL NOTES / INFORMATION Contd..

	31 March, 2024	31 March, 2023	Rupees in lakhs 31 March, 2022
xviii) <u>Value of Imports on CIF Basis:</u>			
1. Raw Materials	-	-	-
2. Stores, Spares & Consumables	-	-	-
3. Capital Goods	-	-	-
xix) <u>Earnings in Foreign Currency -</u>			
1. Export of goods on F.O.B. basis	0.00	0.00	0.00
xx)	<p>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. 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:</p> <p>a) The Company has started trading in formaldehyde and para formaldehyde and is expected to continue which will help the company meet its operating expenses.</p> <p>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</p> <p>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 pursuance to shareholders approval</p>		
xxi) <u>Discontinued operations</u>	<p><u>a) Description:</u></p> <p>In Septemebr 2018 the Company announced the discontinuation of its operation in Film Segment due to adverse market conditions. During the year Company has also disposed of its windmill and stopped operations in that segment. The non-current assets of these segments are classified as assets held to sale. Company has leased its entire facility of Formaldhye and Paraformaldhye plant to Dechem Resins Limited. Consequent to this copmany has stopped production of formaldehyde and Paraformaldhye</p> <p><u>b) Financial performance</u></p> <p>Sales from Discountined operation during the year is Nil Lakhs (Previous year 304.68 Lakhs), Expenses related to Discountined operations Rs Nil Lakhs (Previous year Rs 3619.21 lakhs). Theses Sales and expenses are included in the respective heads of account in the Profit and loss statement in the financial statements. Loss from Discountined operations during the year is Rs Nil Lakhs (Previous year Profit 3314.52 Lakhs) Value of Non-Current assets classified as assets held for sale is Rs Nil lakhs. (Previous year Rs 200 lakhs)</p>		
xxii)	All the current assets and current liabilities are subject to reconciliations and Confirmations		
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 2022-23. Company has received firm commitments to buy these assets and Company expects to sell the same during 2022-23. 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 1119.40 laes		
xxiv)	Other Comprehensive income includes Rs 328.07 (loss) (PY 312.39 (Profit)) laes being exchange fluctuation loss on loans denominated in foreign currency recognised as per IND AS 21.		

xxv **Registration of charges or satisfaction with Registrar of Companies**

All Charges Created by the Company are completely satisfied. There are no unsatisfied charges as on Balance sheet date. However, the following charge details are still appearing in the MCA website.

Assets under charge	Charge Amount	Date of Creation	Date of Modification
	30,000,000.00	3/8/1995	9/14/1995
	30,000,000.00	2/9/2000	-
	118,000,000.00	4/3/2000	5/5/2000
Immovable property or any interest therein	30,000,000.00	2/9/2000	-
	3,700,000.00	5/25/1987	9/17/1999
Immovable property or any interest therein	20,000,000.00	9/8/1995	9/14/1995
	65,000,000.00	3/26/1997	-
	50,000,000.00	9/27/1997	7/4/1998
	26,000,000.00	10/31/1994	-
	3,700,000.00	11/23/1991	3/5/1997
	285,000,000.00	7/3/2003	10/30/2003
	3,700,000.00	6/29/1995	4/26/2000
Immovable property or any interest therein	30,000,000.00	3/8/1995	-
	65,000,000.00	3/26/1997	-
	20,000,000.00	2/17/1995	-
	18,500,000.00	1/18/1994	8/1/2001
	3,700,000.00	11/23/1991	3/5/1997
	60,000,000.00	4/29/2005	-
	19,000,000.00	6/16/1994	12/29/1999
	50,000,000.00	9/27/1997	7/4/1998
	20,000,000.00	9/8/1995	9/14/1995
	19,000,000.00	6/16/1994	12/29/1999
	20,000,000.00	2/17/1995	-
Immovable property or any interest therein	21,000,000.00	12/24/1999	12/29/1999
Immovable property or any interest therein	25,000,000.00	11/4/1998	11/24/1998
	18,300,000.00	12/12/1992	9/17/1999
	18,500,000.00	12/12/1992	9/17/1999
	118,000,000.00	4/3/2000	5/5/2000
	26,000,000.00	10/31/1994	-
	25,000,000.00	11/4/1998	11/24/1998
	285,000,000.00	7/3/2003	10/30/2003
	285,000,000.00	7/23/2003	-
	75,000,000.00	5/27/1995	3/27/1996
	60,000,000.00	4/29/2005	-
Immovable property or any interest therein	30,000,000.00	3/8/1993	9/14/1995
	3,700,000.00	5/25/1987	9/17/1999
	3,000,000.00	1/18/1994	3/27/1996
	21,000,000.00	12/24/1999	12/29/1999
	75,000,000.00	5/27/1995	3/27/1996
	18,500,000.00	1/18/1994	8/1/2001

xxvi **Ratio analysis and its elements**

Particulars	31-Mar-24	31-Mar-23	% Change
a) Current Ratio	0.33	0.32	3.28%
b) Debt Equity Ratio	-1.48	-1.56	-5.17%
c) Debt Service Coverage Ratio	0.22	-118.98	-100.19%
d) Return on equity ratio/ Return on investment ratio	0.00	0.00	0.00%
e) Inventory Turnover Ratio	0.00	1.75	-100.00%
f) Trade Receivables turnover ratio	30.31	4.15	629.50%
g) Trade payables turnover ratio	14.46	0.52	2706.64%
h) Net capital Turnover Ratio	-0.31	-0.08	277.46%
i) Net profit ratio	-0.24	-10.30	-97.68%
j) Return on Capital employed	(0.03)	(0.65)	-94.92%
k) Return on investment	0.06	0.05	26.95%

a) Current Ratio :		In Lakhs Rs.	
Particulars	31-Mar-24	31-Mar-23	
Current Assets	1,310.92	1,420.37	
Current liabilities	3,964.80	4,436.92	
Ratio	0.33	0.32	
% change from previous year	3%	-10%	

b) Debt equity ratio = Debt over total shareholders' equity

Particulars	31-Mar-24	31-Mar-23	
Total Debt	11,942.08	12,268.55	
Shareholders' Equity	-8,067.87	-7,859.71	
Ratio	(1.48)	(1.56)	
% change from previous year	-5%	-27%	

Reason for change more than 25%: There is an increase in Loans in the current year and a Loss compared to a profit in the previous year

c) Debt service coverage ratio = EBIT over current debt

Particulars	31-Mar-24	31-Mar-23	
Earning available for debt service	104.55	-2,393.99	
Debt service	472.22	20.12	
Ratio	0.22	(118.98)	
% change from previous year	-100%	-721%	

Reason for change more than 25%: An decrease in the total income in the current year has led to a negative EBITDA compared to a positive EBITDA of the previous year.

d) Return on equity ratio/ Return on investment ratio = [%]PAT over total average equity

Particulars	31-Mar-24	31-Mar-23	
Profit / (loss) for the year	-208.16	-2,454.24	
Average equity	-7,963.79	-6,629.70	
Ratio	0.03	0.00%	
% change from previous year	0%	0%	

e) Inventory turnover ratio = Sales over average inventory

Particulars	31-Mar-24	31-Mar-23	
Sales	870.26	238.21	
Average inventory	-	136.29	
Ratio	-	1.75	
% change from previous year	-100%	41%	

Reason for change more than 25%: There is an decrease in sales during the current year.

f) Trade receivables turnover ratio = Revenue from operations over average trade receivables

Particulars	31-Mar-24	31-Mar-23	
Net credit sales	870.26	238.21	
Average Trade Receivables	28.71	57.34	
Ratio	30.31	4.15	
% change from previous year	630%	9%	

g) Trade payables turnover ratio = Adjusted expenses over average trade payables

Particulars	31-Mar-24	31-Mar-23
Net credit purchases	679.37	20.16
Average Trade Payables	47.00	39.14
Ratio	14.46	0.52
% change from previous year	2707%	0%

h) Net capital turnover ratio = Revenue from operations over average working capital

Particulars	31-Mar-24	31-Mar-23
Net sales	870.26	238.21
Average Working capital	-2,835.22	-2,929.40
Ratio	(0.31)	(0.08)
% change from previous year	277%	-29%

Reason for change more than 25%: There is a decrease in sales during the current year

i) Net profit [%] = Net profit over revenue

Particulars	31-Mar-24	31-Mar-23
Profit / (loss) for the year	-208.16	-2,454.24
Net sales	870.26	238.21
Ratio	(0.24)	(10.30)
% change from previous year	-98%	7183%

Reason for change more than 25%: There is a significant increase in the loss for the current year when compared to previous year

j) Return on capital employed = [%]PBIT over average capital employed

Particulars	31-Mar-24	31-Mar-23
EBIT	-128.47	-2,880.26
Capital employed	3,874.21	4,408.84
Ratio	(0.03)	(0.65)
% change from previous year	-95%	-1401%

Reason for change more than 25%: An decrease in the total income in the current year has led to a negative EBIT compared to a positive EBIT of the previous year

k) Return on investment= Interest income, net gain on sale of investments and net fair value gain over average investments

Particulars	31-Mar-24	31-Mar-23
Interest income	52.02	61.78
Average bank balance	809.86	1,221.13
Ratio	0.06	0.05
% change from previous year	27%	-18%

Signatures to the Notes to the Financial Statements 1 to 23 which form an integral part of the Financial Statements.

Per our Report of Even Date

For Laxminiwas & Co

Chartered Accountants

ICAI Firm registration number: 011168S

sd/-
Gaurav Jashwanth Shah
Partner

Membership No. 229420

Place: Mysore

Date: August 14, 2024

sd/-
C. D. DATWANI
Managing Director
DIN: 00355181

sd/-
G.D. Rama Rao
Company Secretary

sd/-
SAROJ. C. DATWANI
Director/ CFO
DIN: 00355148

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 Industial Area, Hunsur Road, Mysuru- 570 018.

Name of the members(s):

Registered address:

e-Mail ID:

Folio No./Client ID: DP ID:

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 Annual General Meeting of the Company, to be held on Friday, the 27th day of September 2024 at 4:00 p.m. at the Registered Office of the Company, and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No.	Particulars
1	Adoption of Financial statements for the year ended 2023-24
2	Re-appointment of director retiring by rotation
3	Appointment of Independent Director
4	Approval for Related Party Transactions with Dechem Resins Limited
5	Approval for Related Party Transactions with Krishna Enterprises Limited
6	Approval for Related Party Transactions to be entered with others

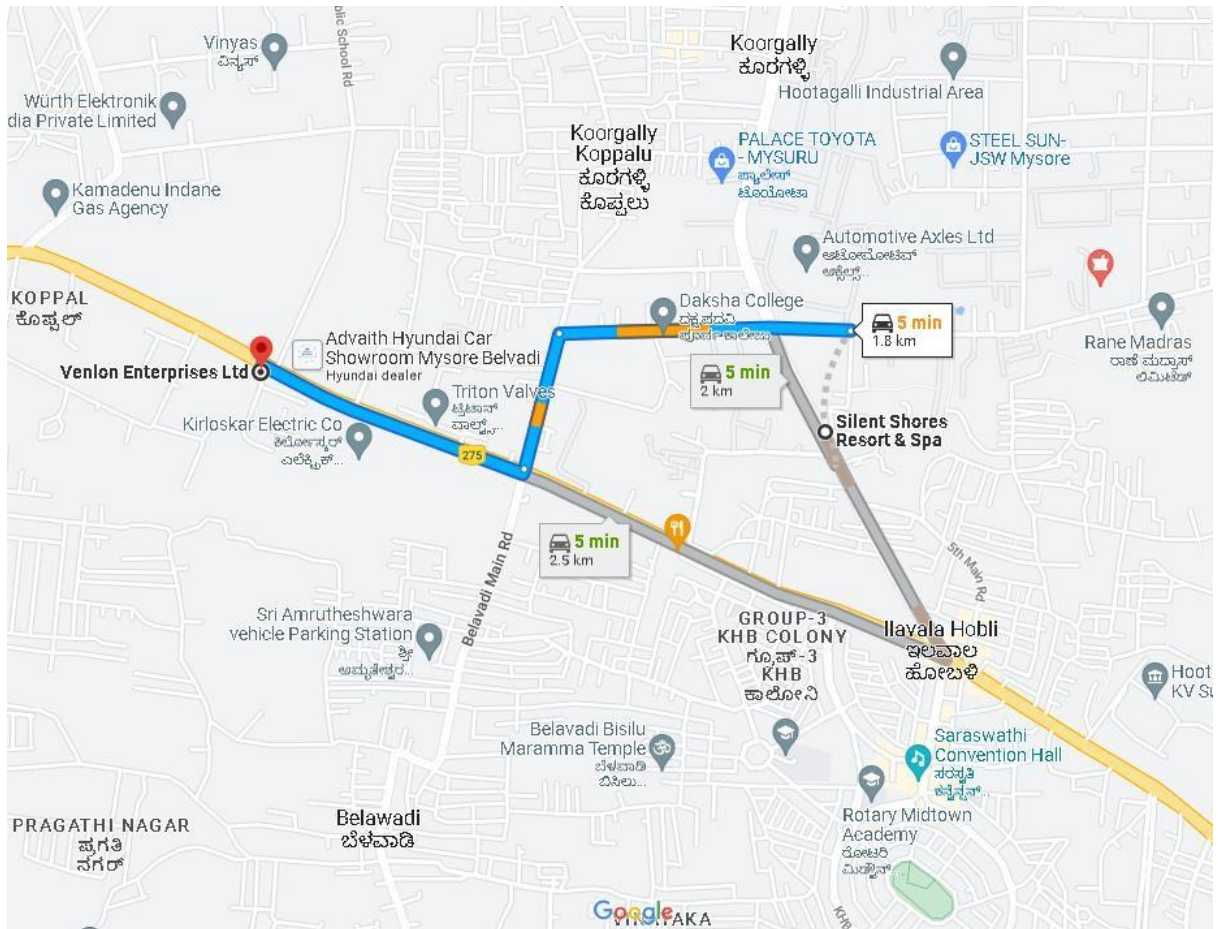
Signed thisday of2024.

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.

Route map:



Land mark: Near Advait Hyundai Car Showroom, Hunsur Road

Attendance slip for Annual General meeting

Day & Date: Friday, 27th September 2024

Place: 26P, Belawadi Industial Area, Hunsur Road, Mysuru- 570 018.

Time: 4 p.m.

Name of the Shareholder/Proxy:			
Folio No:		No of shares held:	

I hereby record my presence at the Annual General Meeting held at the registered office of the Company on Friday, 27th September 2024 at 4 p.m. (I.S.T.)

SIGNATURE OF THE MEMBER/PROXY*

* Strike out whichever is not applicable.

Note: Please handover this slip at the entrance of the Meeting Venue.