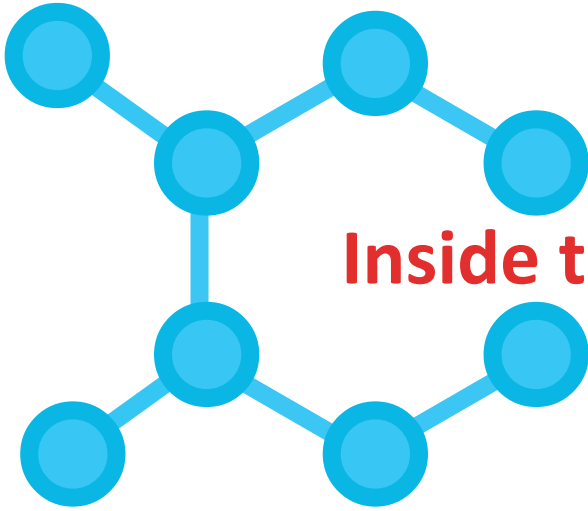




Committed to combat AMR

VENUS REMEDIES LIMITED
ANNUAL REPORT 2016-17



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Our parents and their parents lived in an era where malaria and tuberculosis were considered fatal.

But today, if you get a bacterial infection – even a serious one that lands you in a hospital bed – you probably feel confident an antibiotic will cure you.

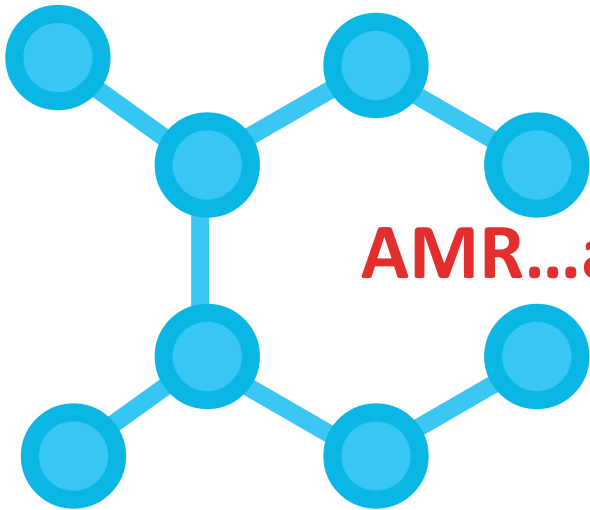
Going forward, this is about to change. Dramatically!

For there is a lurking fear that we may be moving backwards despite our strong belief that we are surging forward.

As human intellect coupled with technological breakthrough enables man to create path-breaking solutions, bacteria, through natural selection and genetic adaptation, are becoming increasingly resistant to antibiotics (considered life saving until now).

The bottomline then is... our children and their children could be entering into an era in which our predecessors once lived in.





AMR...a serious threat for coming generations.

What is AMR?

Antimicrobial Resistance (AMR) is the ability of micro-organisms like bacteria (causing pneumonia), viruses (HIV), and some parasites (Malaria) to develop immunity against antibiotics, anti-virals and anti-malarials respectively from working against them.

What led to AMR?

Rampant over use of antibiotics in farming and medicine. Consider this: Global consumption of antibiotics in human medicine rose by nearly 40% between 2000 and 2010. Hence, bacteria have now evolved to deflect our most powerful antibiotics –we only have ourselves to blame.

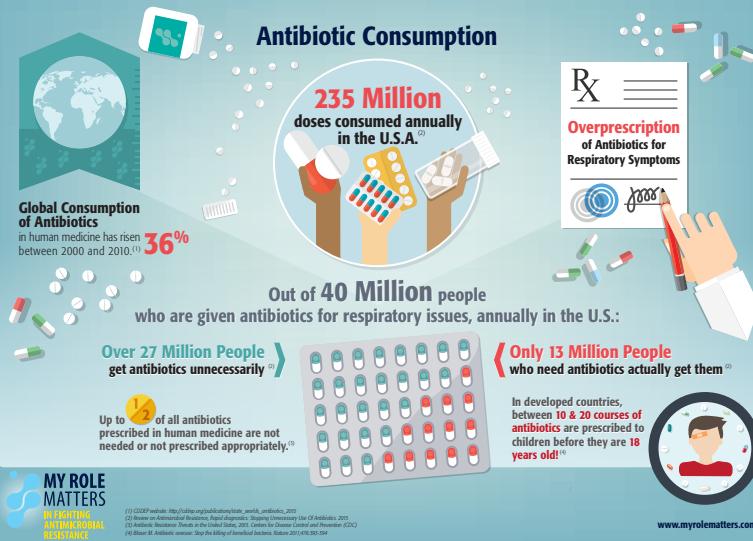
As a result...

...standard treatments once considered effective now become ineffective; infections persist and grow and may spread to others.

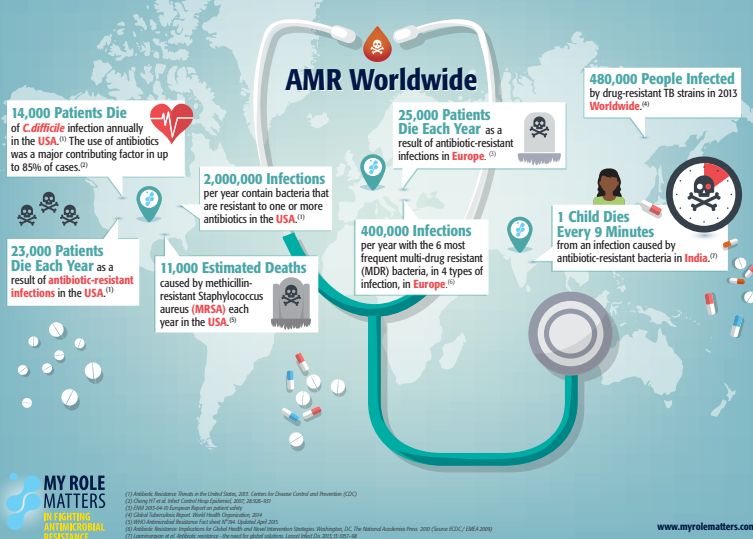
...hard won victories against infectious diseases throughout the last fifty years will be jeopardised.

...routine surgeries and minor infections could become life-threatening once again.

Antibiotic Resistance Awareness

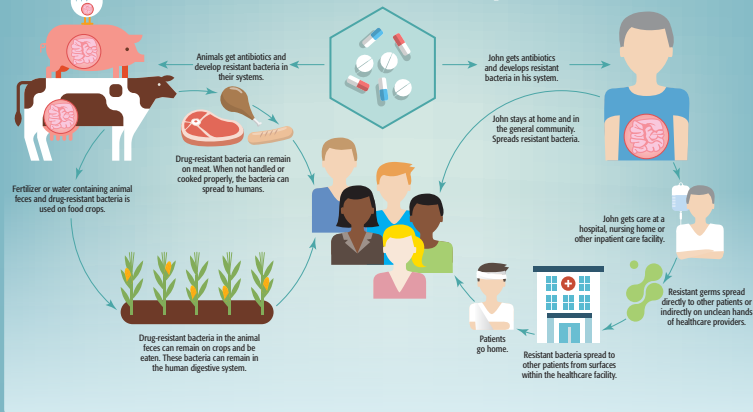


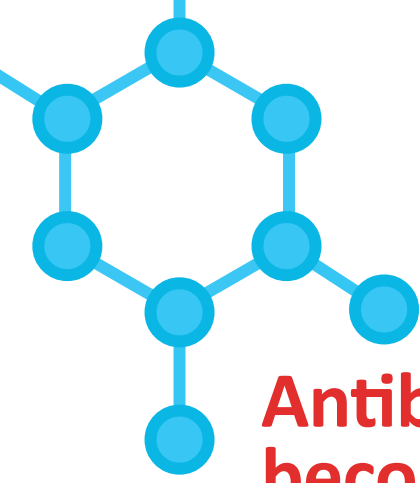
Antibiotic Resistance Awareness



Antibiotic Resistance Awareness

How Antibiotic Resistance Spreads⁽¹⁾





Antibiotic resistance is expected to become one of the greatest threats globally... to life and livelihood

Globally, at least 700,000 die each year of drug resistance in illnesses such as bacterial infections, malaria, HIV/AIDS or tuberculosis. Credible estimates suggest that up to 75,000 lives are lost each year to antibiotic-resistant infections in Europe and the US alone. Going ahead the losses are expected to be colossal.

A study by RAND Europe and KPMG estimates that 300 million people are expected to die prematurely because of drug resistance over the next 35 years and the world's GDP will be 2-3.5% lower than it otherwise would be in 2050.

This means that between now and 2050 the world can expect to lose US\$60-100 trillion worth of economic output if antimicrobial drug resistance is not tackled. This is equivalent to the loss of around one year's total global output over the period.

For countries in the OECD, the cumulative loss of economic output by 2050 is estimated between US\$ 20 and 35 trillion.

In the nearer term, it is expected that the world's GDP will be 0.5% smaller by 2020 and 1.4% smaller by 2030 with more than 100 million people having died prematurely.

WHO priority pathogens list for R&D of new antibiotics

Priority 1: CRITICAL

- C1 *Acinetobacter baumannii*, carbapenem-resistant
- C2 *Pseudomonas aeruginosa*, carbapenem-resistant
- C3 Enterobacteriaceae, carbapenem-resistant, ESBL-producing

Priority 2: HIGH

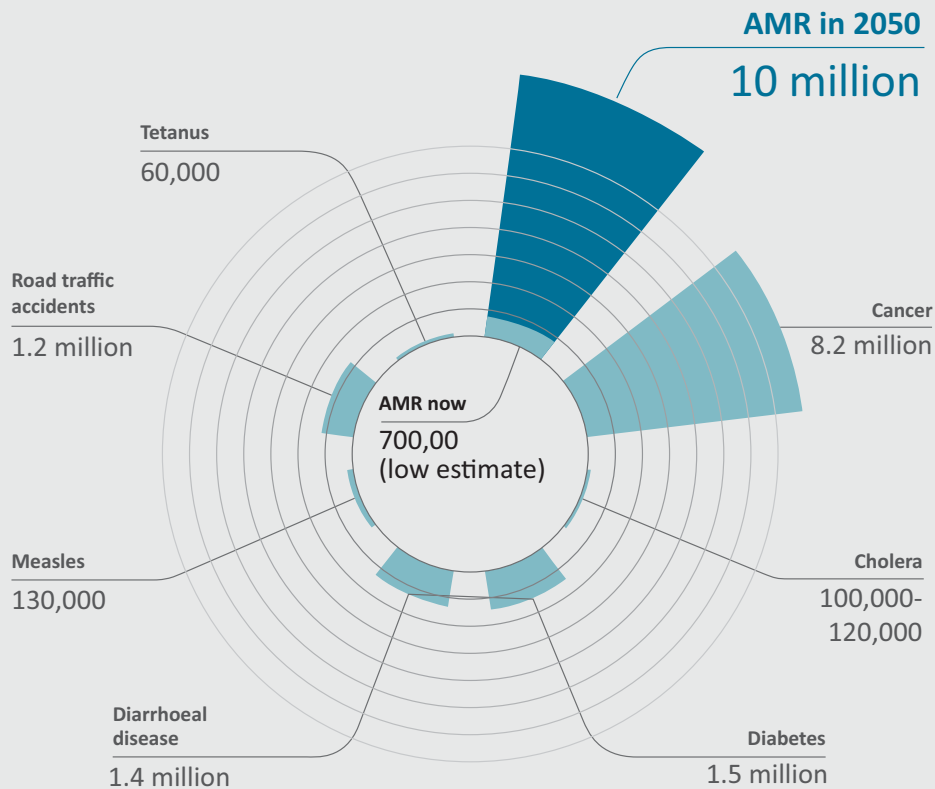
- H1 *Enterococcus faecium*, vancomycin-resistant
- H2 *Staphylococcus aureus*, methicillin-resistant, vancomycin-intermediate and resistant
- H3 *Helicobacter pylori*, clarithromycin-resistant
- H4 *Campylobacter* spp., fluoroquinolone-resistant
- H5 *Salmonellae*, fluoroquinolone-resistant
- H6 *Neisseria gonorrhoeae*, cephalosporin-resistant, fluoroquinolone-resistant

Priority 3: MEDIUM

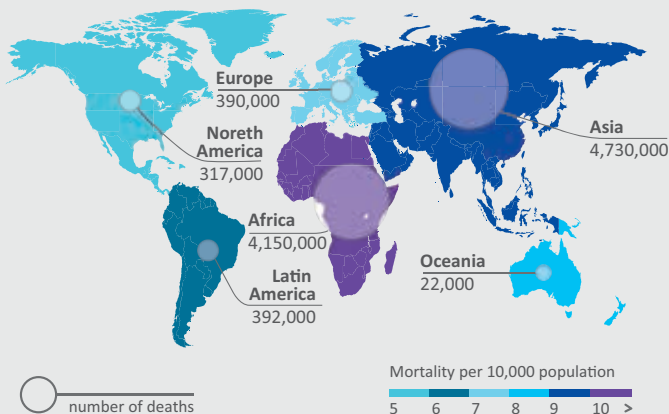
- M1 *Streptococcus pneumoniae*, penicillin-non-susceptible
- M2 *Haemophilus influenzae*, ampicillin-resistant
- M3 *Shigella* spp., fluoroquinolone-resistant

AMR... the largest and most expensive adversity the globe could face

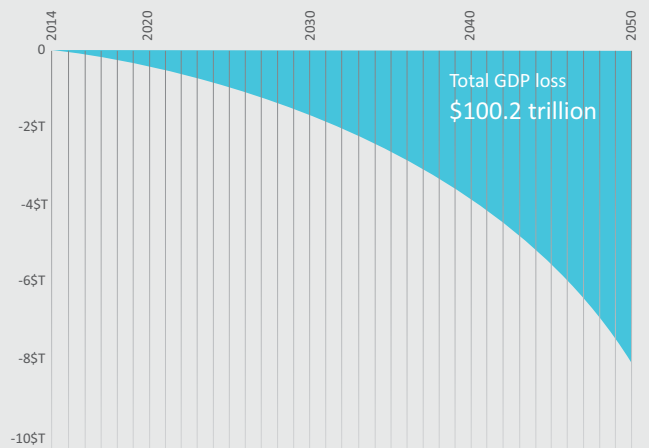
Loss of lives

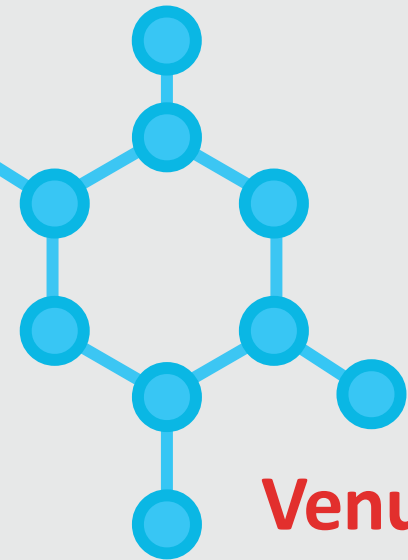


Across the globe



Significantly impacting economic progress





Venus Remedies: the outlier

Even as most pharmaceutical players have concentrated their research expertise and investments on therapeutic segments which today are commercially remunerative, some future-focused companies have set their eyes on combating AMR... a global crisis that is on the verge of an outbreak.

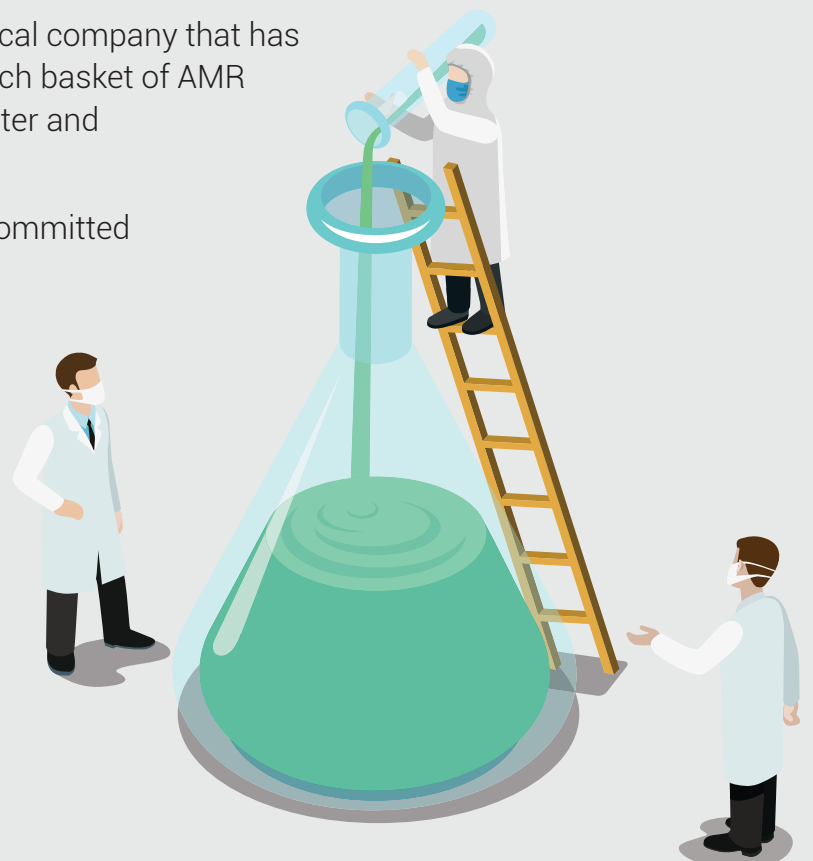
Venus Remedies happens to be one among them!

A visionary who envisioned that our past would continue to haunt our future for seemingly harmless errors committed in the present.

An outlier who has chosen to focus on overlooked space (antibiotics) as opposed to trending therapies (cardiovascular, oncology, among other).

A research-based pharmaceutical company that has invested its past in creating a rich basket of AMR combating products for our better and brighter future.

An organisation that remains committed to combat AMR...



Our investment in combating AMR

51

Team working
on AMR

150,000

Mandays of research for
developing AMR products

7

Products launched for combating AMR

Elores | Potentox | Vancoplus

Pipeline of products for combating AMR

VRP-001 | VRP-033 | VRE-001 | VRE-2020

Venus's solutions to WHO priority Pathogen List



(Active against 6 priority pathogens including all 3 critical (C1, C2, C3), 1 high (H6) and 2 medium (M2, M3) category of pathogens)

It is a novel Antibiotic Adjuvant Entity (AAE) consisting of beta lactam antibiotic+ beta lactamase inhibitor with Antibiotic Resistance Breaker active against ESBL/ ESBL+MBL producing gram negative bacteria.



(Active against 5 priority pathogens, including 1 critical (C2), 2 high (H5, H6) and 2 medium (M1, M3) pathogens)

A patent protected novel antibiotic adjuvant entity that works in Multi drug resistant gram negative pathogens especially in Aminoglycoside and Quinolone resistance where other drugs fail to respond



(Active against 2 priority pathogens of high category (H2, H1))

A patent protected novel antibiotic adjuvant entity (AAE) that works in multi drug resistant gram positive infections especially MRSA and hGISA type of Resistance of gram positive bacteria.

VRP-001 (Antibiotic Oral Therapy):

VRP 001 is an oral antibiotic adjuvant entity (AAE) based on stealth targeted nanoparticle (STN) technology. The product is designed to meet unmet need of shifting a MDR patients from IV to oral therapy in infections caused by ESBL (Extended Spectrum Beta-lactamases) and MBL (Metallo-beta-lactamases) producing gram-negative pathogens (such as E.coli, A.baumannii, P.aeruginosa, and K.pneumoniae).

Target: ESBL and MBL producing gram negative organisms.

VRP-033 (Antibiotic Oral Therapy) :

VRP 033 is an oral antibiotic adjuvant entity (AAE) based on stealth targeted nanoparticle (STN) and chemical vector mediated compatibility (CVMC) technology for multi-drug resistance

gram-positive pathogens. This product addresses unmet need of IV-oral shift in MDR gram positive pathogens such as MRSA, VRSA and hGISA

Target :Gram positive pathogens including MRSA

VRE-001 (Novel Aminoglycoside)

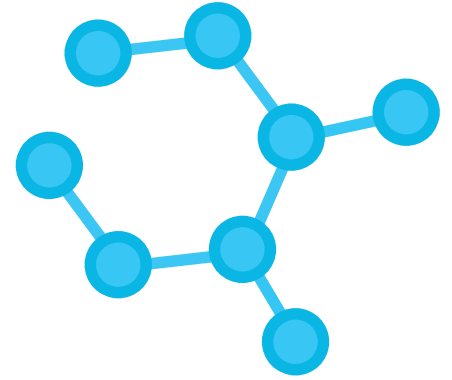
VRE 001 is a novel potent water soluble aminoglycoside antibiotic having broad spectrum of activity against gram-negative pathogens including P. aeruginosa.

Target: gram negative pathogens including Paeruginosa, E.coli

VRE-2020 (Antimicrobial Peptide)

This is a novel NDDS based Antimicrobial peptide (AMP) using our platform technology of STN. This can target bacteria based on their cellular transport systems and can also target latent bacteria inside the body by targeting receptor mediated endocytosis. The product is designed for XDR pathogens, both gram positive and gram negative

Target: XDR Gram negative & positive organisms



About us

Venus Remedies: A research-driven Indian Pharmaceutical company with global footprints.

One of the very few Indian companies focused on combating AMR.

Among India's Top-20 pharmaceutical R&D spenders.

Among India's Top-50 pharmaceutical manufacturing companies.

Venus Remedies Limited (headquartered in Panchkula, India) provides remedy-defining formulations across more than 60 markets (regulated and emerging) through 11 marketing offices.

The Company has three manufacturing units in Panchkula, Baddi (both in India) and Werne (Germany).

The Company's units are certified with ISO 9001, ISO 14001, OHSAS 18001 accreditations and also approved by the European GMP, Australian GMP and other leading global regulatory authorities looking into product and quality excellence standards.

Spearheaded by Mr. Pawan Chaudhury, Chairman and Managing Director, the Company's operations are managed by a 900+ member team of experienced and enthusiastic individuals. The Company's shares are listed on the Bombay Stock Exchange Limited and NSE Limited.

Venus: Mind that drives the matter

VISION

We strive to touch the lives of patients by actively listening and responding to their needs with breakthrough innovative products and medical expertise that is critical for understanding and treatment of diseases.

MISSION

We are committed to align the best scientific approaches to develop new solutions for global health challenges. We are actively involved in monetisation of IP wealth and building global brands backed by strong scientific evidences.

FOCUS

Our current priorities include developing therapeutic drugs targeted towards multi-drug resistant bacteria and form synergistic partnerships to provide access to these drugs in low and middle income countries where AMR poses greatest threat.

STRATEGY

Science at heart and patients in mind are building blocks of our strategic framework.

Venus Remedies: in numbers

3

Manufacturing facilities

500+

Marketing authorisations

150+

Product basket

100+

Patents granted across the globe

1,000

Multi-speciality hospital reach

900+

Team size

50,000+

Retail network

65+

Global presence (nations)

50,000

Speciality doctor network

100

Injectable units (mn) manufacturing capacity per annum

1,500

Stockists

15+

Research pipeline of products

12

Training sessions for each employee per year

15%

Female employees

60%

Youth employees

3

Consecutive years of best place to work recognition

37.51

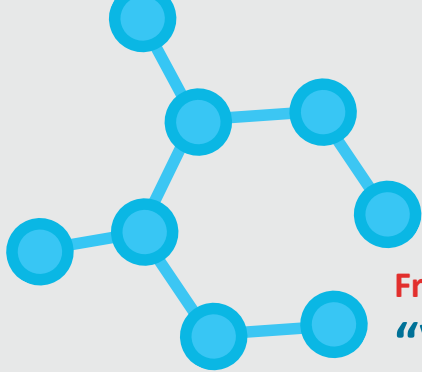
Promoter holding (%), as on March 31, 2017

376.23

Revenue in 2016-17 (₹ crore)

121.01

Market capitalisation as on March 31, 2017 (₹ crore)



From the Chairman's desk

“Venus is spearheading the drive against Anti-microbial resistance (AMR) which according to respected global agencies is undoubtedly the biggest, yet largely overlooked, global threat – to life and livelihood.”



passing year, an increasing number is falling prey to this menace. Currently, at least 700,000 die each year of drug resistance in illnesses. And this number is expected to increase to 10 million by 2050 – if this health hazard is left unattended.

Interestingly, this is totally our doing. Our rampant, and in most cases irrational consumption of antibiotics has led to this impending disaster. And India is no exception to this phenomena.

At 12.9×10^9 units of antibiotics consumed in 2010, India is one of the largest consumers of antibiotics for human health. The crude mortality from infectious diseases in India today is 417 per 100,000 persons.

What is heartbreaking is that AMR has already created a foundation in the Indian landmass. Consider this: as per a PLOS Medicine study, the country registers about 58,000 neonatal deaths which can be attributed to sepsis resistant to first-generation antibiotics.

For some diseases, resistance has galloped - fluoroquinolone resistance in *Salmonella typhi*, the bacteria that causes typhoid rose from 8% in 2008 to 24% in 2014 while carbapenem resistance in *Klebsiella pneumoniae*, the pathogen behind one of the most common hospital-acquired infections, increased from 2% to 52% between 2002 and 2009.

Logical defies the unbridled prevalence of this global threat when pharmaceutical companies across the globe continue to invest billions of dollars in R&D efforts to develop new-age solutions to ailments of today and tomorrow.

Dear shareholders,

At the close of every year, we ask ourselves some pertinent questions to gauge our relevance to society and the world. Did we make a difference to mankind? Are we making our tomorrow better than our today? Are we going to be relevant tomorrow?

It gives me great pleasure to mention that we could answer in the affirmative to all the questions that we put ourselves to. This is because Venus is

spearheading the drive against Anti-microbial resistance (AMR) which according to respected global agencies is undoubtedly the biggest, yet largely overlooked, global threat – to life and livelihood.

For this threat promises to undo all the good that the pharmaceutical industry has done in improving health and wellness over the last five decades.

And the clock is ticking. For every

But the R&D efforts which are increasingly complex are focused on solutions that provide superior commercial returns. As a result, antibiotics suffers decades of under investment. In oncology, for instance, there were close to 800 new products in the development pipeline in 2014, of which around 80 percent were potentially 'first-in-class' – compared to a total antibiotics pipeline of fewer than 50 products.

And even the tiny number of 'new' antibiotics that reached the market over the past two decades, they originated from breakthroughs made many decades ago.

The underinvestment in this therapy is largely owing to one reason - discovering new antibiotics is harder today than it once was, particularly those active against the drug-resistant Gram-negative infections that are of great concern, because like human beings bacteria have also evolved.

Our commitment to AMR is reflected in product basket comprising seven unique solutions that have received

global endorsements from regulatory authorities and healthcare institutions – a vindication of our relevance to the mankind and the world over the medium term.

I am also pleased at our team's efforts in creating awareness of this impending healthcare concern which is reflected in growing demand for our products in India and across the globe. Revenue from this niche product basket continues to grow year-on-year – a trend which we expect will gather momentum over the coming years.

This optimism is based on important macro and micro realities. One the world is now sitting up and taking cognizance of this threat – a slow and painful killer which positioned alongside other important threats namely terrorism and global warming. In India, for instance, Prime Minister Shri Narendra Modi leveraged his 'Mann ki Baat' platform to warn Indians against faulty and unnecessary intake of antibiotics.

In continuing with our commitment to combating AMR in India and at the

global stage, we have adopted a multi-pronged strategy

- Create awareness of this issue in India and across the globe; this Annual Report is one such effort in this direction.
- Leverage our IP wealth to market our products in countries that have provided their watermark of consent
- Continue to invest in our robust AMR pipeline which are at various stages of development

From a shareholder perspective, I can understand that we may not have been able to deliver returns commensurate with other pharmaceutical companies, we also know that as our product offtake gains momentum, over the coming years, returns from our investments would improve significantly. We remain committed to nurturing and growing shareholder wealth.

Warm regards

Pawan Chaudhury
Chairman and fellow shareholder

Strengthening our AMR arsenal

Developing AMR solutions is also about developing antibiotics. This means that our solutions, however meaningful, are only adding to the antibiotic overdose a human body is subject to. To break through this, Venus has adopted a unique approach of developing antibiotic potentiators also known as Antibiotic Resistance Breaker (ARBs). These are less expensive alternative and offers immediate relief to counter growing antibiotic resistance problems. These are usually non-antibiotic compounds that in combination with antibiotics enhance the antimicrobial activity of the antibiotics. This novel path enables us to preserve usefulness of existing antibiotics (from their resistance from deadly pathogens) which gives us time for replenishing the new antibiotic chemical entitles pipeline.

Parameters	New Antibiotic Drug Discovery Approach	ARBs as alternate approach
Scientific Difficulties & Complexities	Difficult & complex process	Use of ARBs to revive existing antibiotics is relatively easier
Duration of research	10-15 years	6 to 10 years (thus more time available for new antibiotic research)
Regulatory burden	High cost of clinical studies (Phase I, II,III)	As molecules are known, Phase I, II clinical studies not required
Average cost	US \$1.5 Billion	US \$ 40 Million
Success Rate	One out of 5000 compounds	High chances of success
Return on investment	Profits expected in 23rd year	Early ROI expected due to decrease in drug development timelines
Resistance Development	Prone to inherited resistance problem	Specifically targeting resistance mechanism



Management discussion and analysis

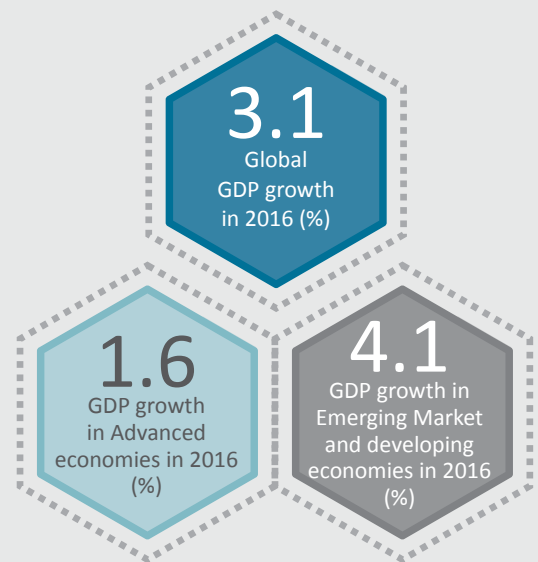
Global economy

Global GDP growth slowed marginally to 3.1% year-on-year, as deceleration in key emerging and developing economies overshadowed a modest recovery in major developed countries. This deceleration was accompanied by modest increase in commodity prices, subdued global trade, bouts of financial market volatility, and weakening capital flows. Global industrial production (IP) growth slowed to 1.5% year-on-year in 2016, after growing by 1.8% in 2015. This could have been worse had it not been for a healthy uptick in global economy during the second half of 2016 especially in advanced economies which also provides optimism for economic resurgence in the current year.

Challenges: Recent political developments highlight a fraying

consensus about the benefits of cross-border economic integration. A potential widening of global imbalances coupled with sharp exchange rate movements, should those occur in response to major policy shifts, could further intensify protectionist pressures. Increased restrictions on global trade and migration would hurt productivity and incomes, and take an immediate toll on market sentiment.

Promise: Consistently good economic news since the summer of 2016 is starting to add up to a brightening global outlook. With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise to 3.5% in 2017 and 3.6% in 2018.



Indian economy

The Indian economy has been growing at an accelerated pace since 2014, supported by favourable government reforms and stringent fiscal regime that reigned in inflation. India sustained its 7%-plus GDP growth momentum registered over the last three years as the nation's GDP grew by 7.1% in 2016-17 against a 7.9% growth recorded in 2015-16. This decline was largely owing to certain short-term policy initiated disruptions.

The industrial sector reported a lackluster performance as the Index of Industrial Production (IIP), a measure of industrial performance, registered a 5% during 2016-17, against ~8% during 2015-16.

The halving of global oil prices that began in late 2014, boosted economic activity in India, further improved the external current account and fiscal

positions and helped lower inflation in the past.

Challenges: A key concern for the country is the health of the banking system, which continues to battle with rising bad loans and heightened corporate vulnerabilities in certain key sectors of the economy. Besides, the prospect of firming up of crude oil prices could result in an increase in trade and current account deficits.

Outlook: India's economic growth is expected to improve in 2017-18. This optimism is based on two critical realities. The adoption of the Goods and Service Tax (GST) promises to create a single national market which will enhance the efficiency of movement of goods and services. This critical fiscal policy could make an important

contribution to raise India's medium-term GDP growth. Further, the Union Budget 2017-18, puts an unprecedented thrust on infrastructure development which will have a multi-sector cascading impact. This initiative promises to make an important contribution to India's economic resurgence.



Global pharmaceutical space

The life sciences sector's growth correlates highly with countries' general economic strength and health care spending levels, and both of these vary widely around the globe.

And while spending growth is expected to pick up, the pressure to reduce costs, increase efficiency, and provide value remains intense. Because of these contradictory trends, global health care spending is expected to increase by a low single digit.

Demand for generic drugs should continue to rise as payers pursue avenues to reduce costs. Pharma companies are adapting to current market dynamics and positioning themselves for growth through portfolio transformation, targeted deal-making, cost-cutting measures, and sharpened focus on high-performing therapeutic areas and geographic markets.

As it is the case today, overall revenue growth will be powered by newer medicines in developed markets and significantly increased volume in the Emerging (or 'pharmerging') Markets.

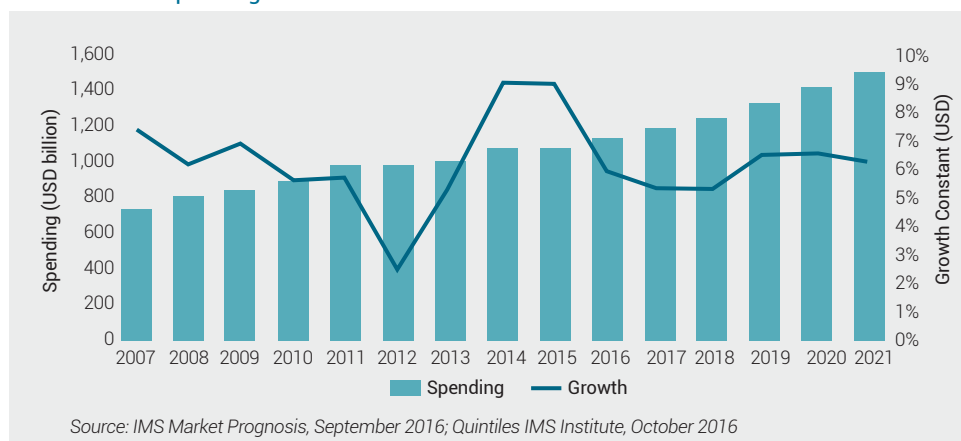
Faced with a growing population of the aged, developed countries will continue to offset increased costs from new medicines with the use of generics coupled with greater focus on pricing and access measures. Pharmerging markets will drive growth by trying to enhance the access of medicine across the population.

Global medicine spending will reach nearly US\$1.5 trillion by 2021 on an invoice price basis, up nearly by US\$370 billion from the 2016 estimated spending level. More importantly, spending growth is slowing in 2016, declining from nearly 9% growth in 2014 and 2015 to just 4–7% CAGR over the next five years.

The total volume of medicines consumed globally will increase by about 3% annually through 2021, only modestly faster than population and demographic shifts, but driven by very different factors around the world.

The new medicines which are expected to drive growth will be largely in the nature of 'specialty' products. Over the past decade, the share of specialty medicines has increased from 20% in 2006 to 30% in 2016, and is expected to exceed 35% by 2021. These drugs address significant unmet needs in cancer, autoimmune diseases, metabolic disorder, nervous system dysfunction and others.

Global Market Spending and Growth 2007-2021



Indian pharmaceutical sector

Overview:

Indian pharmaceutical sector accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms.

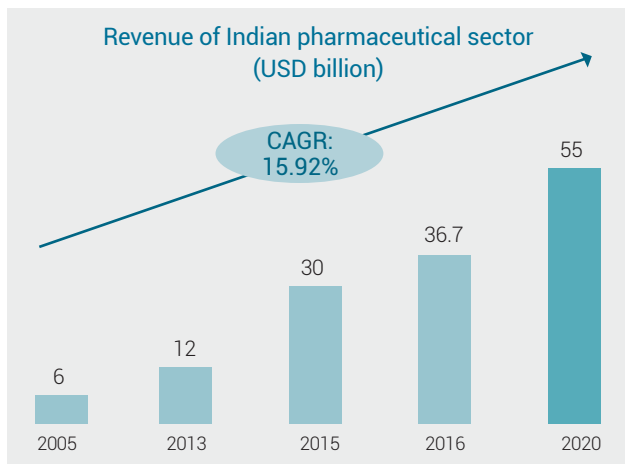
With 71% market share, generic drugs form the largest segment of the pharmaceutical sector. By 2016, India is expected to be the third-largest global generic API merchant market. The country accounts for the second largest number of ANDAs and is the world's leader in DMFs applications with the US.

Indian drugs are exported to more than 200 countries in the world, with the US as the key market. Generic drugs account for 20% of global exports (volume terms), positioning India as the largest provider of generic medicines globally.

The Government of India plans to

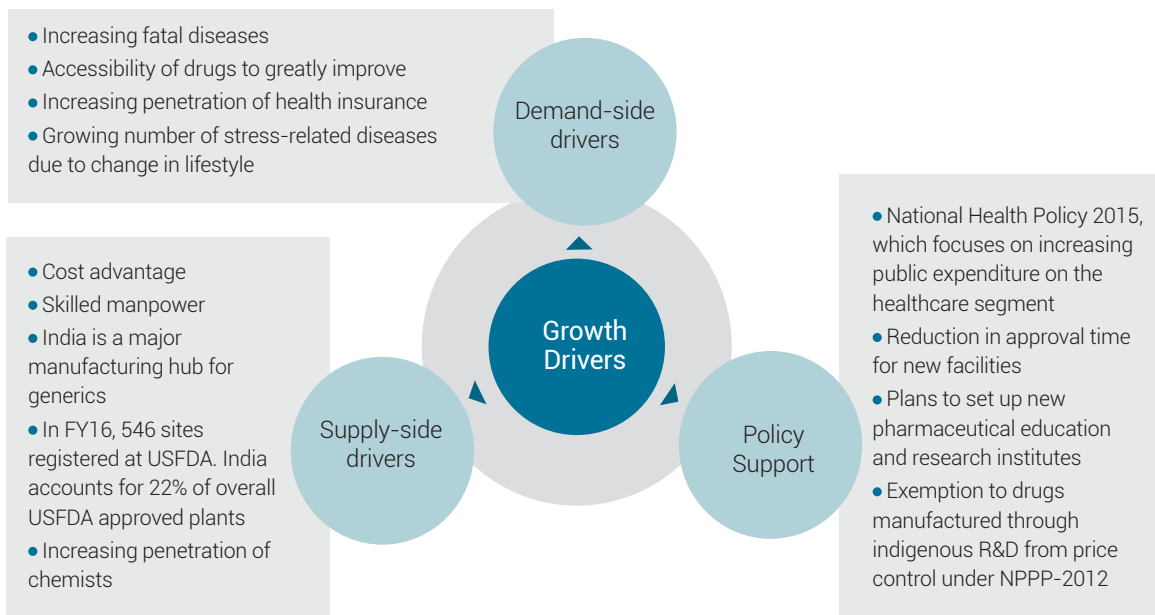
set up a US\$640 million venture capital fund to boost drug discovery and strengthen pharmaceutical infrastructure. The 'Pharma Vision 2020' by the government's Department of Pharmaceuticals aims to make India a major hub for end-to-end drug discovery.

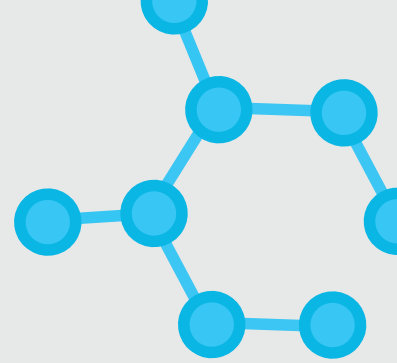
Estimates



The Indian pharmaceuticals market witnessed growth at a CAGR of 17.90%, during 2005-16, with the market increasing from US\$6 billion in 2005 to US\$36.7 billion in 2016 and is expected to expand at a CAGR of 15.92% to US\$55 billion by 2020.

By 2020, India is likely to be among the top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size.





The business and its operations

Overview:

Indian pharmaceutical sector accounts for about 2.4% of the global pharmaceutical industry in value terms and 10% in volume terms.

Venus possesses world class manufacturing facilities accredited with national and international certifications, state-of-the-art research centre and a strong global marketing network. The Company's three manufacturing facilities (Panchkula and Baddi in India) and Werne (in Germany) are certified for ISO 9001, ISO 14001 and OHSAS18001, European GMP and 14 other international regulatory authorities globally.

Venus is one of the very few R&D-led pharma companies in the world that are working on Antimicrobial Resistance (AMR). It is also among the few to have launched world-class products in critical care segments such as Anti-cancer, Anti-infective, Neurology, Skin and Wound care and Pain management.

Venus Remedies, among the 10 leading global fixed dosage injectable manufacturers, possesses a wide product basket catering to high-growth

therapeutic segments. The Company possesses a global footprint across 60 nations supported by overseas marketing offices (including a presence in the US and Germany). Its business operations are managed by a team of dedicated and highly efficient professionals.

The business model

Segment focus

Maintain a strong presence in niche high-growth therapeutic segments with the objective of emerging among the top-three global players in each.

Platform focus

Concentrate on the highly complex, high-investment injectable dosage forms, a segment addressed by only a handful of pharmaceutical players.

Research focus

Focus energies on developing 'remedy-defining' formulations in areas that demand in-depth knowledge of product chemistry and are marked by low competition.

Reach out focus

Adopt a two-pronged strategy – direct marketing and partnering large pharmaceutical companies (case-to-case basis), with the objective of reducing the time and investment needed in creating a large distribution network.

Geographic focus

Establish a strong research-led presence in regulated markets for volume-driven and value-led growth.



Research and Development

Venus Medicine Research Centre (VMRC) represents the backbone of Venus Remedies. Dedicated to formulations research, this Innovation Centre develops remedy-defining formulations.



VMRC focuses on the development of novel solutions that plug the gap between challenging ailments and available molecules. It focuses on critical care and super specialty segment, including anti-infective {Anti-Microbial Resistance (AMR)}, anticancer, neurology, pain management and skin & wound care.

The Research Centre comprises high-tech testing laboratories, which are at par with the stringent cGLP standards. These laboratories cover microbiology, toxicology, molecular biology, biochemistry, pharmacognosy and biotechnology, addressing tissue culture, stability and chemical analyses. The Centre also has a Cell Culture Molecular Biology (CCMB) laboratory, making it one of the few Indian pharmaceutical companies with this facility, accelerating the testing of cancer drugs.

The research strength is sub-divided into dedicated teams to ensure focused delivery across the value chain.

The R&D team focuses on developing novel solutions that plug gaps between challenging ailments and available molecules in uncluttered therapeutic spaces.

Novel Drug Delivery System (NDDS):

Venus has developed nanotechnology based sustained release and target delivery formulations. This has helped the Company to develop formulations with reduced side-effects and adverse drug reactions in diverse and challenging therapeutic areas.

Development of novel Antibiotic

Adjuvant Entity (AAE): AAE is a technology developed to enable existing antibiotics to be effective even in various multi-drug resistant infections.

Target-based Oncology Drug Delivery:

The team is working on target-based drug delivery for cancer treatment. The Company has designed a platform technology with a novel concept of triple conjugate i.e., Drug-Protein-Polymer-Conjugate (DPPC) for the purpose.

Developing Diagnostic devices:

The team has come up with two early detection techniques – one for Typhoid that will help diagnose the disease within few minutes as compared to the traditional 48 hours detection time; the other namely VRP1620 will facilitate cancer detection through simple X-rays in a few hours as opposed to the conventional 12-15 days.

At VMRC, the team focuses not only on developing a pipeline of niche products that enables the Company to stand out of the clutter, but also on the quality of filings which facilitates in faster product approvals and nurtures respect for the Company among global regulatory authorities.

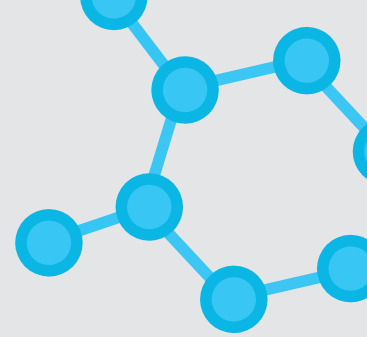
Venus DRA maintains the core competencies and regulatory intelligence internally to cater to any regulatory requirement globally. The team continually remains abreast with regulatory knowledge required for different geographical needs and to keep

periodic updates on upcoming changes in regulatory official guidelines/guidance and regulatory trends. The team, with the assistance of other departments, periodically updates dossiers in line with the dynamic global regulatory environment. Regulatory trainings of the DRA Team are done periodically to ensure best regulatory services to the internal and external customers.

To maintain the Quality Submission to Health Authorities worldwide, DRA has strengthened their functional capabilities to provide the most updated and complete dossiers in a timely fashion. It has created a Regulatory Repository harmonised by collating updated and complete Harmonised Documentations and Data received from Cross-Functional Departments (CFDs) by DRA. In addition, the team regularly updates the basic formats for CTD Sections and for specific documents/certificates for respective country regions - facilitating faster and more accurate filings.

The Right-At-First-Time approach is followed for each dossier submission to Health Authorities to minimise the queries raised from MOH evaluation, which further helps in timely approval of the Venus manufactured Products in the target countries. This also facilitates in the timely launching of the products.

In addition, the team has institutionalised the Checker-Reviewer and Anticipated Queries concepts to improve the Quality submissions at the Country Health Authorities as well as to plan & prepare CFDs for timely addressing of the upcoming queries with respect to anticipated gaps of the data.



Progress in 2016-17

Product development and launch

- Working on Antimicrobial Resistance and Combat Casualty Hemostatic products development in collaboration with DRDO
- Launched Swachhguard, the hand sanitizer, in India and Trois in Singapore

Intellectual property

The team prepared 127 fresh dossiers apart from the renewal and variations of existing Marketing Authorisations. The team submitted 74 dossiers to various parties across the globe and an additional 53 were submitted to MOH. The Company received 99 products, with market authorisation of total 318 filed

till date from various territories including Asia, CIS, LATAM, Africa and EU.

The team filed one new patent for oral form of Elores in India, the US, Canada and Europe. Besides, the Company received a patent grant from the US for its Pain management product Trois during 2016-17.

Priorities for 2017-18

- Secure approval from DCGI for the cancer detection product and launch the same
- Filing of human trial permission for VRP001 with DCGI
- Regulatory filing of Elores with Health

Canada after completion of Double Blind Clinical Trials, the report compilation of which is under process.

- Obtain market authorisation for Elores from the South Korean regulatory authority for launching the product in that market

- Registration and launch of Elores in Zazibona/ African market; launch of Elores in other territories where MA is already granted.

- Conducting trials with Indian defense on hemostatic products with a view to launch products with them.



Operations

Venus' operations are unique because they juxtapose domestic and international operating facilities, augmenting its capabilities to offer its clients an unparalleled value proposition: cutting-edge technology and optimised costs. The Company has three manufacturing units, two being in India and another in Germany. The quality of the service provided hinges on quality control, in-process control guidelines and staff training.

Panchkula

Venus' first manufacturing location commenced operation in 1991. A proactive investment in world-class equipment and a strict adherence to best practices enable the unit to manufacture complex and intravenous products, products in the Antibiotics, Total Parenteral Nutrition (TPN), Neuro and other super specialty therapeutic segments.

Baddi

This five-acre unit represents a prudent balance between environment friendliness and globally-benchmarked

manufacturing infrastructure. The unit manufactures high-end novel formulations across eight units dedicated to oncology liquid injections, oncology lyophilised, lyophilised injections, pre-filled syringes, cephalosporins, carbapenems, cardiology injections and liquid vials.

Venus Pharma, Germany:

Venus commenced its German operations in 2005 through Venus Pharma GmbH (wholly-owned subsidiary) to service the large European market. This unit is engaged in out-licensing CTDs, site variation projects,

testing and batch release for Europe, warehousing and logistics support.

Venus's passion for quality is reflected in its ability to align its organisation-wide operations to global standards, enabling it to secure global and national endorsements. Its manufacturing facilities have thus far obtained more than 20 GMP approvals.

During the year, the Company made significant investments in equipment and implemented important process improvements for strengthening its operational capability and business profitability.

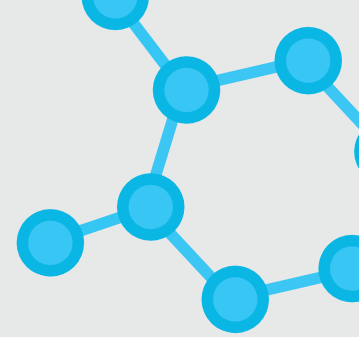
Investments	Invested in new Air Sampler, Particle Counter and Mobile LAF in keeping with the new cGMP norms	Replaced Static pass boxes with Dynamic Pass box	Increased storage capacity of Furnace oil from 12000 Litres to 24000 Litres
	Shifted PFS products to Blister and Pampac products to Cartonator	Increased batch sizes of all products	Upgraded the Multicolumn distillation water system for improving water quality
Process improvements	Altered operational process which resulted in significant control on online rejections	Made modifications of A, B,C, D and F Facility in line with the latest cGMP norms	Overhauled the G-Fejet Facility (ampoule filling machine) resulting in better productivity and lesser rejections

The team also worked on optimising energy consumption with satisfying results. For this the team installed energy-efficient capacitors, replaced old motors with energy efficient variants, installed LED lighting. Besides, the team intelligently re-calibrated boiler operation timings to meet the requirements of the

entire facility with optimising running costs. Additional steam generation was used for cooking purposes at the Annapurna canteen. As a result of these measures, energy costs declined over the previous year.

Going forward, the Company will

continue to identify opportunities for strengthening man-machine productivity, eliminate wastages and optimise costs. The Company has also planned to invest in certain new-age equipments, which will strengthen its capability matrix.



Quality assurance

Venus nurtures the belief that there is always room at the top. Over the years, the Company has built an enduring quality culture across all levels and at all functions by institutionalising globally-accepted operational tools and techniques

The success of the Company's quality passion is reflected in its ability of developing products that have received endorsements from global regulatory authorities and acceptance from large and respected global pharmaceutical leaders.

The Company's commitment to quality is showcased in the institutionalised quality management framework and practices that have become closely intertwined into every business activity.

Quality documentation: The Company's Validation Master Plan (VMP) addresses the stated validation and qualification strategy.

Quality investments: Venus' prudent investment towards ushering in state-of-the-art quality control and analytical laboratories facilitates the undertaking of stringent tests across the entire operational process. In addition, the Company has made investments in setting up niche facilities – microbiology laboratories to conduct microbial limit testing, bacterial endotoxin testing and sterility testing, among others – that strengthen its product development capability and quality commitment.

Quality checks: The team conducts stability checks for different environmental parameters as per ICH guidelines. The Company ensures round-the-clock video surveillance at the manufacturing sites and warehousing facilities. Periodic audits ensure strict adherence to procedural discipline.

Quality management: The Company's quality discipline is spearheaded by an apex-level team and has been further broken down into dedicated cross-functional teams at the shopfloor level.

In keeping with its belief that quality management is a continuous journey, the Company implemented important measures to further strengthen its quality promise.

The Company made small yet meaningful improvements to its operational processes which resulted in improved product quality and simplified regulatory compliance. The Company invested in an on-line particle monitoring system which eliminated the possibility of any sub-standard product (injectable) from leaving the Company's premises. In addition, the Company strengthened its quality assurance team by on-boarding 22 members to its team. This would help in more in-depth quality analysis of quality within the organisation.

Our quality policy

Venus delivers superior product and customer value through an ongoing compliance with the most demanding quality standards.



Marketing

Venus' product spaces comprise a portfolio of more than 75 injectables which cater to critical care segments – especially antimicrobial resistance (AMR) and anti-cancer – marked by relatively low competition and international relevance. It adopts a multi-pronged approach to ensure a wide product reach – retail sales, institutional sales and alliances with global pharmaceuticals.

International business

Venus enjoys a global footprint across 65 nations, largely through its marketing alliances for its niche products. The Company has forged business strengthening alliances with pharmaceutical leaders enjoying deep distribution networks in the geographies of our focus. In addition, global business acquisition and servicing has been facilitated through the Company's 11 global marketing offices. This made it possible for its key product brands to enhance its presence and offtake.

During 2016-17, revenue from international markets increased by about 10% over the previous year. This increase was owing to

- Volume-driven pricing strategies
- Active participation in the tender segment in each market of presence
- New product registration and their commercialisation
- New market commercial entries

The Company established a foothold in seven nations, in addition to securing the launch of more than 30 products in existing markets of its presence. Going forward, the Company has drawn an extensive blueprint for the current year for strengthening its global presence.

- Enter new markets with existing IPR, GMP approvals for easy business
- Seek new business collaborations in new and existing markets which showcase considerable growth potential
- Strengthen the 'Made-in-Venus' equity in premium hospitals by customising and implementing hospital-oriented strategies
- Lay impetus on oncology and antibiotic business for the retail segment
- Increase price-competitiveness to increase business volume from African and Asian markets

Domestic business

Over the years, Venus has created a robust distribution network comprising 1,500 stockists, 50,000 chemists and 50,000 specialty doctors, strengthening its entrenched pan-India presence.

The Company's 500+ member marketing team focuses on widening the Company's presence across the Indian market. The Company possesses a robust supply chain, making it possible to deliver products across India within a short time. Besides, the automated field staff reporting system facilitates in prompt decision-making.

In addition, the Company enjoys strategic tie-ups with leading Indian pharmaceutical companies. Moreover the Company's products find ready acceptance across the top-200 hospitals of the country.

Over the last five years, the business development team continued to invest their energies in creating a robust marketing edifice based on the following pillars:

- Focus on customers, people and products
- Conceptualise and execute innovative brand building campaigns for key products
- Create indication-wise customer segmentation
- Adoption of territories by senior managers to ensure Management by Example
- Strict adherence to basics of ethical Pharmaceutical selling

This has yielded rich dividends as the Company's research brands have started gaining recognition among the Key Opinion Leaders and renowned Research Institutions and Corporate Hospitals of India.

The Company has bagged prestigious government tenders from a number

of states namely Gujarat, Tamil Nadu, Rajasthan, Assam and Karnataka. In addition, the Company was able to secure interesting business volumes from the Indian Armed Forces, AIIMS Delhi, PGI Chandigarh, DMER Mumbai, BPPI (Jan Aushadhi) among others.

Moreover, the Company was able to get its research products namely Elores and Vancoplus registered with the prestigious health institutions namely Safdarjang Hospital Delhi, Ram Manohar Lohia Hospital Delhi, PGI Rohtak, GSVM Hospital Kanpur, among others. These successes promise to provide sizeable volumes going ahead.

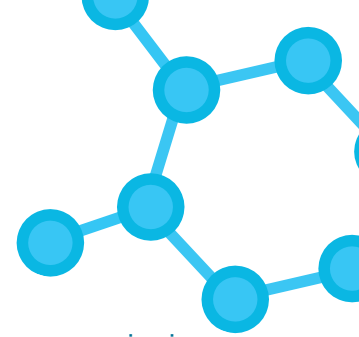
In addition, the Company forged tie ups with renowned companies like Cadila Healthcare, Lupin, IPCA, Glenmark, Gufic, Intas Pharmaceutical etc for contract manufacturing and marketing of some of its in-house developed innovative oncology products.

The Company launched 'Swachh Guard' a hand sanitizer developed in-house that contains active herbal ingredients with natural moisturiser which promises to kill upto 99.99% germs. This marks the Company's entry into the fast-growing ₹25 crore hand sanitizer business space.

Growing product awareness and sustained efforts in spreading wide and penetrating deep has resulted in sustaining business momentum in the domestic market.

Going forward, the team has set ambitious goals. They include:

- Getting the remaining Research Products registered with the formulary of renowned hospitals and research institutions.
- Creating brand recognition among doctors for Venus products, as solutions for unmet medical needs.
- Building 'ELORES' as ₹100 crore brand in India.



Intellectual capital

Venus firmly believes that its intellectual capital plays a defining role in transforming business strategies into on-ground realities and is the critical catalyst towards sustaining a profitable business growth. In line with this conviction, the management continues to invest in its people capital to nurture skill and build capabilities. With an average age of 34 years for the 900+ strong work force as on March 31, 2017, the Venus team is an invigorating combination of expertise, energy and enthusiasm.

The Company focuses on enhancing the knowledge capital of its team. Its learning and development calendar comprising multi-discipline training programmes (technical knowledge and soft skills) captures the development needs of employees through performance appraisals and business needs based on sectoral trends. Training programmes are conducted by internal faculty and sector experts and faculty invited from reputed institutions.

The Company practiced a unique training philosophy – ‘understand and impart’ – which involved understanding and imparting knowledge to others. Under this methodology, the trained executives cascaded the knowledge, experience and methods learnt across hierarchies, enabling the organisation to develop uniform expertise.

In addition, the Company encouraged its team to undertake challenging projects which widened their knowledge and allowed the senior management to handpick the next generation of leaders. The Company’s 150 star performers are fast-tracked through specialised training

programmes that enable them to get wider knowledge about diverse business functions and deeper insights into business strategies and their relevance.

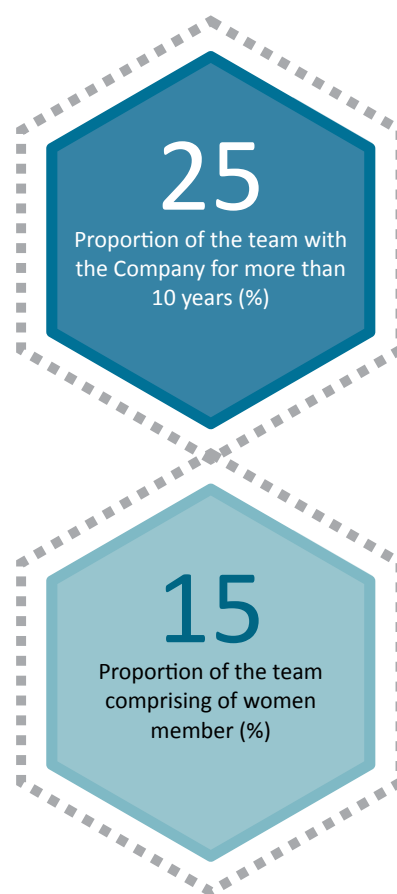
The Company supported team members to participate in national and international conferences/seminars/workshops. The Company facilitated, through collaborations with educational institutions, staff members to undertake courses to secure PhD and M.Phil degrees – increasing the knowledge capita resident with the organisation.

Venus has institutionalised a transparent performance management system that rewards star performers and encourages others to perform better.

In addition, the Company has created an environment that nurtures talent and has maintained a prudently balanced authority-responsibility structure across management hierarchies that facilitates in growing the entrepreneurial skills of its team members.

The Company has put Venus Service Commission (VSC) as an independent

body for impartial consideration on all service matters with the final authority in people-related issues.



Internal control systems and their adequacy

At Venus, we maintain a system of well-established policies and procedures for internal control of operations and activities.

We continuously strive to integrate the entire organisation from strategic support functions like finance, human resources, and regulatory affairs to core operations like research, manufacturing and supply chain. The internal audit function is further strengthened in consultation with statutory auditors for monitoring statutory and operational issues.

The Company has an internal audit team whose prime objective is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Significant issues are brought to the attention of the audit committee for periodical review.

The enterprise-wide risk evaluation and validation process is carried out regularly by the Board of Directors. Moreover, the Company has obtained ISO 9001 certifications and adheres to the standard operating procedures relevant to our manufacturing and operating activities.

Risk management

At Venus, the risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all key managers of the Company.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.



Business risk
The Company may not be able to sustain the growth momentum over the coming years.

Risk mitigation: The Company has selected to focus on niche and uncluttered therapeutic spaces such as AMR and oncology, which are large and growing. In addition, its R&D strength has enabled it to create a basket of innovative products that have received global recognition. Over the last couple of years, the Company has made significant headway in creating large awareness, in India, for its in-house developed product basket among government agencies and private healthcare institutions. These efforts are expected to

drive business growth in the coming years. In addition, the Company continues to rejuvenate its product basket by launching innovative products in the markets of its presence which strengthens the growth momentum. For instance, in 2016-17, the Company entered the high-growth hand sanitizer business space with its innovative product (developed in-house) which is expected to make an interesting contribution to business growth in the coming years



Geographic risk
Concentration in any particular geography could be detrimental to the Company's growth prospects.

Risk mitigation: Venus has prudently balanced its growth prospects by establishing a strong presence in India and in more than 65 nations across the globe – ensuring that business growth is not hinged on any particular nation.

In India, the Company has established a strong retail network in addition to cementing strong business relations with institutional customers. In international markets, the

Company has partnered with large and respected marketing companies that enjoy an entrenched presence in those nations; this is complemented with its own marketing offices that facilitate in business acquisition and servicing.

The Company continues to seek newer markets and launch new products in existing markets to strengthen its global presence. In 2016-17, the Company set foot in 7 new markets



Cost risk
Inflationary and competitive pressures could impact business profits and profitability going forward.

Risk mitigation: At Venus, process improvements, investment in modern equipment and small automation is a continuous journey. And 2016-17 was no different as the team focused their energies

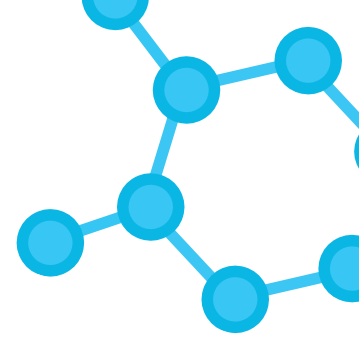
on enhancing man-machine productivity, eliminating wastages and optimising operating costs with considerable success. The painstaking efforts of the entire team has yielded heartening results



Quality risk
Aligning product quality to dynamic regulatory standards which are getting increasingly stringent could pose a challenge

Risk mitigation: Venus has built an enduring quality culture across all levels and at all functions by institutionalising globally-accepted operational tools and techniques. Moreover, its quality assurance team remains abreast of evolving regulatory standards and upgrades equipments, processes and

quality checks to remain aligned with the stringent norms at all times. The success of the Company's quality passion is reflected in its ability to develop products that have received endorsements from global regulatory authorities and acceptance from large and respected global pharmaceutical leaders.



Corporate social responsibility

Better India. Better world.

With a theme of Better India, Better world Venus has interwoven social consciousness with business responsibility. Venus always works with commitment & dedication to serve the community.

Venus firmly believe that it makes a valuable contribution to the society by not only developing and marketing medicines but by putting sincere efforts in ensuring employee health and safety at its operations, promoting access to healthcare, doing good for society in every possible way which touches the lives of people from all age groups, race and religions across the globe.

The Company is responsible in every action and day-to-day working to make a positive impact on the world. The Company's social responsibility initiatives are not limited to healthcare segment alone but it is actively working in every sphere of social framework including child education, empowering women and promoting gender equality, poverty reduction and eradicating hunger, environmental sustainability, empowering social business projects etc. To achieve the target of Better India, Better World, the Company has collaborated globally with many corporate social responsibility partners.

Swachh Bharat

As part of the Swachh Bharat campaign, Venus has constructed toilets for government schools in North India region and educated 5000 students with documentaries underlining the importance of health and sanitation.

Knowledge dissemination

The Company organised various awareness programmes on anti microbial resistance and wise use of medicines. In addition the Company undertakes initiatives to increase awareness of life-harming ailments. Venus Army has been actively visiting Government schools in and around Chandigarh to educate the students about the importance of Health and Sanitation.

Promoting education

Venus adopted some nearby schools where plantation, sanitary work was done and sports facilities were provided. Each year the Company adopts one Government school and upgrades it to a Smart School.

Health camps

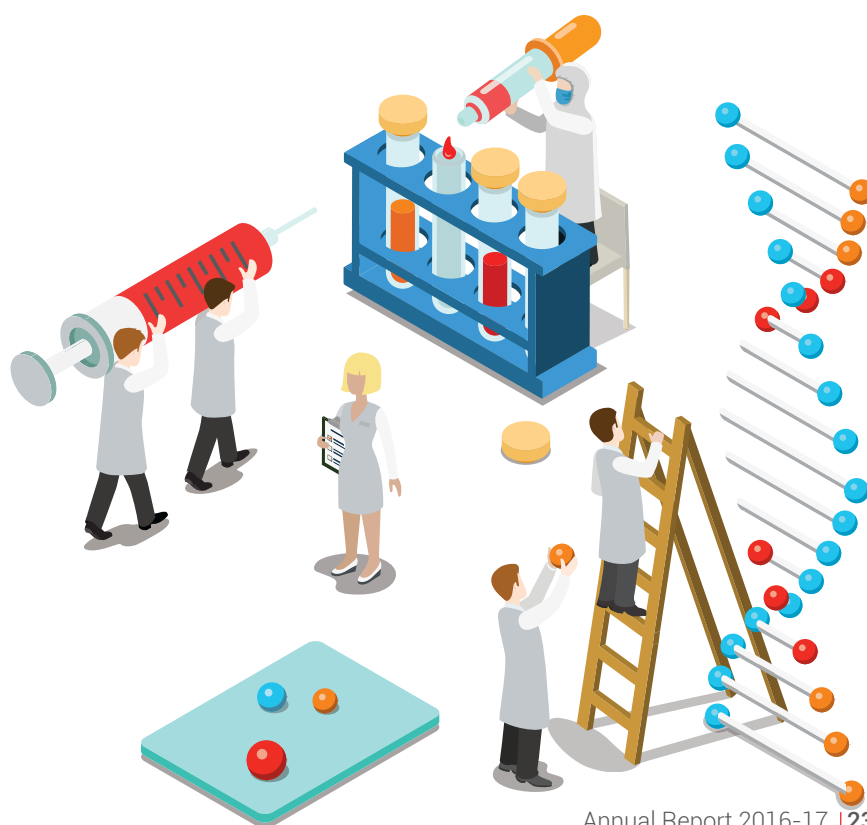
Venus engages in health awareness camps, diabetes detection camps, ECG and Dieticians Program Camps offering free diagnoses and medical facilities. Many members benefited from such free consultancy by specialist doctors. The Company also organised blood as well as organ donation camps at various locations.

Manav Uthan Yojna

Venus employees contribute a part of their salaries towards Manav Uthan Yojna, a programme to support the weaker sections. This fund was utilised to distribute, beds, cycles, sewing machines, blankets etc. Medical benefit and education support was also provided to the children of the workers.

Green cover

Venus encourages its team and visitors to plant trees. The expansive land parcels within its manufacturing units are populated by various shrubs, herbs and decorative plants. The Company has also created a herbarium at its Baddi unit comprising of medicinal plants which offer medicinal usage. Venus also undertook tree plantations at various medical institutions in North India, and planted more than 1500 trees during the year.



Promoting access to Health care



Preserving life of existing antibiotics (plea)

Plea is our step towards antibiotic stewardship. Currently used antibiotics in clinical practice are important since they have evidence of use but due to rising resistance these important resources are becoming scarce. The research team at VMRC (research wing of VRL) realised the need for effective antibiotics for tackling AMR over a decade ago and a continuous effort in this area has led to the development of various AMR policies and programs at VRL.



AMR Surveillance Portal

This is a comprehensive software system for pan India AMR surveillance program. Implemented through a vast network across 15 states, 250 districts through 150 centers including various Healthcare Institutions/ Hospitals/ Research Centers across India for data collection, feed and analysis of to understand trends of emerging resistance. The Company has mapped emerging microbial resistance pattern for more than 40 antibiotics/combinations for close to 25,000 strains and helping Physicians to take informed decision on designing therapy.



Health Sanitation and Hygiene Awareness Program

HSHAP is an impact full activity which focuses on health, sanitation and hygiene awareness in general public, school and colleges. Rolled out in Haryana, Himachal, Punjab and Chandigarh tricity, this program has attracted more than 4434 students in various primary schools.



Hospital acquired infection management program

Prevention of Hospital-acquired infections (HAIs) is deservedly high on the agenda for patients, nurses and decision makers. Zero tolerance to HAIs is part of our mission to promote excellence in practice. The promotion of HAIMP campaign will help to reduce the incidences of HAIs and associated AMR.



Awake AMR awareness program

AWAKE campaign is an effort to Create awareness among healthcare providers and general public about rational use of antibiotics across India .It further creates awareness for effectively development and implementation of a national policy to deal with AMR (Antimicrobial Resistance). VENUS through AWAKE hold hands to help India build an AMR free society.



Statutory
Section

Director's Report

To Dear Members,

To the esteemed stakeholders of
Venus Remedies Limited

Financial Highlights

(₹ in millions)

Particulars	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Sales & Other Income	3,762.35	4,033.60	4,023.10	4,202.76
Operating Surplus	750.37	795.55	784.70	811.60
Financial Charges	335.61	367.40	343.72	379.80
Depreciation	412.23	404.68	421.63	416.81
Profit before Tax	10.43	30.12	42.05	35.07
Profit After Tax (PAT)	47.47	12.04	79.09	16.99

Operations & Company's State of affairs

During the year under review, your Company achieved a turnover ₹3,762.35 millions. There was decline in sale in 2016-17 due to various external factors such as stiff competition, adverse currency fluctuation and demonetization.

The Company is fully integrated starting from research and development, markets, world class manufacturing facilities (accredited by national and international certifications), state-of-the-art research center (Venus Medicine Research Centre), strong marketing networks and competent manpower.

Extract of Annual Report:

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as annexure-1 to the Board's report.

No. of meetings of the Board:

The Board met 7 times during the financial year, the details are given in the Corporate Governance Report forms part of the Annual Report.

Directors' Responsibility Statement

Your Directors pursuant to Section 134(3)(c) of the Companies Act, 2013 state as follows:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors:

The Company has received necessary declaration from each independent director under section 149(6) of the Companies Act, 2013.

Policy on directors' appointment and remuneration:

Policy on directors' appointment and remuneration provided under section 178(3) of the Companies Act, 2013, adopted by the Board and is appended as Annexure 2 to the Board's report as Nomination and remuneration Policy.

Auditors

At the Annual general Meeting held on December 30, 2014, M/S J.K. Jain & Associates, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the Annual General Meeting to be held in calendar year 2017. Therefore, M/s. J K Jain & Associates retire as Statutory Auditors of the Company. Board in its meeting dated 13.04.2017 appointed M/s Prem Garg & Associates, Chartered Accountants as Statutory Auditors of the Company for 5 years subject to shareholders approval in the coming Annual General Meeting.

M/s C.L. Bansal & Associates, Cost Accountants was appointed as Cost Auditor for the financial year 2016-2017.

Further the Company appointed M/s P. Chadha & Associates, Company Secretaries as the Secretarial Auditor of the Company for financial year 2016-17. The secretarial audit report for FY 2016-17 forms part of Annual Report.

Qualifications, if any, in the Statutory audit report and Secretarial audit report are mentioned in the respective reports which are the part of this Annual Report.

Internal Financial Control:

The Company has appointed auditors for internal financial control. Auditors work in line with accounting standards. Various

policies and SOPs have been formed for various process.

Particulars of Loan, Guarantee or investment:

Company has provided guarantee/security under section 186 of the Companies Act, 2013 to banks for the credit facility provided to the company.

Particulars of Contract or Arrangements made with related parties:

Particulars of Contracts or Arrangements made with related parties referred in section 188(1) of the Companies Act, 2013 disclosed in form AOC-2 as annexure-3 and also forms part of the financial statement in annual report.

Transfer to Reserves:

During the period of review Company has not transferred any amount to Reserves & Surplus.

Dividend

The Board has not recommended the dividend for the year 2016-17.

Significant and material orders:

There are no material changes or commitments, effecting the Financial position of the Company happening between the end of the Financial Year of the Company and date of this Report

Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the going concerns status and Company's Operations in Future

There are no significant and material orders passed by the regulatory or courts or tribunals impacting the company's operations in future.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The prescribed particulars as required under section 134(3)(m) of the Companies Act 2013 read with Companies (Accounts) Rules, 2014 are set out in the annexure-4 & 5 forming a part of this report.

Development and Implementation of Risk Management

The Company has in place comprehensive risk assessment and minimization procedures. The Company is exposed to inherent uncertainties owing to the sectors in which it operates. Many risks exist in a company's operating environment and they emerge on a regular basis. The risks faced by the Company and their minimization procedures are assessed categorically under the broad heads of High,

Medium and Low risks. Further, the Company identifies risks and control systems are instituted to ensure that the risks in each business process are minimized/mitigated. The Board provides oversight and reviews the Risk Management Policy on a regular basis.

Subsidiaries/Associates/Joint Ventures

The Company has no Joint Venture or Associates as defined in the Companies Act, 2013. The company has one wholly owned foreign subsidiary in the name of Venus Pharma GmbH in Germany, Company owned 100 share in the subsidiary. The financial statement of the subsidiary forming part of this annual report in consolidated financial statement. Report on the performance and Financial position of the Subsidiary Company in the specified format AOC-1 is annexed to the Directors' Report as Annexure-6.

Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, Company could not spent on CSR activities as Company's financial position was not viable in financial year 2016-17. During the year there was a sharp fall in the liquidity position of the company due to stiff competition in generic product markets, loss of tenders, depreciation of currency of emerging markets, dip in the sales in overseas markets etc.

Due to liquidity problem, Company has to go for restructuring of its bank debts under Corporate Debt Restructuring (CDR) mechanism.

Therefore, due to unfavourable financial health and being under debt restructuring as per CDR mechanism, Company could not spend on CSR activities.

CSR spending during the year

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified	Sector in which the Project is covered./ Relevant Section of Schedule VII in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads*: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period*	Amount spent: Direct or through implementing agency
NIL							

Board Evaluation:

The evaluation of all the directors and board as a whole has made as per the Companies Act, 2013. Criteria and framework as adopted by the Board is explained in the Corporate Governance Report which forms part of the Annual Report.

Key Managerial Personnel

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of

the Companies Act, 2013 are as follows:

Sr. No.	Names	Designation
1	Mr. Pawan Chaudhary	Managing Director
2	Mrs. Neha Arora	Company Secretary
3	Mr. Pawan Chaudhary	CFO

During the year, there was no other change in the office of any KMP.

Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013

The Company has adopted a policy for prevention of

Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

Share Capital

- **ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS**
Company has not issued any shares with Differential Rights.
- **ISSUE OF SWEAT EQUITY SHARE**
During the year under review, Company has not issued any Sweat Equity shares or Employee Stock Options.

Management discussion and analysis

A detailed report on the Management discussion and analysis is provided as a separate section in the annual report

Pledge of Promoter's shareholding

The promoters have pledged 4630000 shares as collateral security to bank for credit facility sanctioned to the Company.

Change in the Nature of Business

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

Deposits:

Your Company has not accepted any fixed deposits and no amount of principal or interest was outstanding.

Particulars of Employees:

During FY 2016-17 no employee is taking remuneration more than one crore and two lakh rupees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Corporate Governance:

The company operates not only within the regulatory framework, but is also guided by broader business ethics. The idea is to ensure good conscience, transparency, integrity and openness which would lead to accountability of the persons in charge of the company and bring benefits to investors, customers, creditors, employees and the society at large.

Share/ warrants issued during the year:

Company Issued & allotted 9,00,000 warrants duly convertible into equity shares & same converted into 9,00,000 equity shares on 18.03.17

Transfer of unpaid and Unclaimed Amounts to

Investor Education and Protection Fund

In terms of Section 125 of the Companies Act, 2013, the Unclaimed Dividend of ₹ 5,99,544/- relating to the financial years 2008-09 was transferred to the Investor Education and Protection Fund established by the Central Government. Unclaimed dividend for the year 2009-10 is due on 26.09.2017 to be transferred to the Investor Education and Protection Fund

Disclosure of Accounting Treatment

The Company has followed prescribed Accounting Standards as laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

Vigil Mechanism/Whistle Blower Policy

Company has adopted Vigil Mechanism/ Whistle blower policy and same is available on Company Website www.venusremedies.com

Re-appointment:

As per the provisions of the Companies Act, 2013. Mr. Peeyush Jain (00440361) retires at the ensuing Annual General meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Committees of the Board:

Currently there are 4 committees of the Board. A detailed note on the Board and committee meeting forms the part of the Corporate Governance report. As per the provisions of the Companies Act, 2013 composition of the committees are as below:

Name of the Committee	Composition	Functions
Audit Committee	Mr. Jagdish Chander, Chairman Mr. Pawan Chaudhary Dr.. S.K. Chadha	<ul style="list-style-type: none"> Overseeing the Company's financial process and disclosure of financial information to ensure that the financial statement is correct; Recommending the appointment and removal of external and internal auditor, fixation of audit fee and approval for payment of any services; Reviewing with the management annual financial statement before submission to the Board; Reviewing significant audit finding with the management and external and internal auditors, the adequacy of internal control system.; Scrutiny of inter-corporate loans & Investments, if any; Approval of related party transaction; Discussing with internal auditors any significant finding and follow up on such issues; Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;

Name of the Committee	Composition	Functions
		<ul style="list-style-type: none"> ● Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval; ● Examining reasons for substantial default in the payment to depositors, debenture holders, shareholders and creditors, if any; ● Recommendation for appointment, remuneration and terms of appointment of auditors; ● To evaluation of internal financial controls and risk management systems; ● To review the functioning of the whistle blower mechanism; ● To review management letters / letters of internal control weaknesses issued by the statutory auditors.
Nomination and remuneration committee	Mr. Jagdish Chander, Chairman Dr. S.K. Chadha Dr. Rupinder Tewari	<ul style="list-style-type: none"> ● Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; ● Formulation of criteria for evaluation of Independent Directors and the Board; ● Devising a policy on Board diversity; ● Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the ● The Committee deals with all elements of the remuneration package of all Whole-time Directors and also administers the stock option plan of the Company, it any; ● Evaluate the Board performance.
Stake Holder Relationship Committee	Mr. Jagdish Chander, Chairman Mr. Peeyush Jain Dr. Rupinder Tewari	The stakeholders' Relationship Committee has been constituted to approve transfer, transmission, sub-division, issue of duplicate/ split/consolidation of shares/debentures, demat/remat and for redressal of Investor complaints on all matters.
Corporate Social Responsibility Committee	Dr. S.K. Chadha, Chairman Mr. Pawan Chaudhary Mr. Peeyush Jain	<ul style="list-style-type: none"> ● To formulate and recommend to the board, a CSR which shall indicate the activities to be undertaken by the company as specified in schedule VII of the Companies Act 2013. ● Recommend the amount to be incurred on CSR activities. ● Monitor CSR activities of the Company time to time. ● Prepare a transparent mechanism for ensuring implementation of project/ programs/ activities to be undertaken by the company.

Directors

Mr. Peeyush Jain (00440361) retires at the ensuing Annual General meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment. The details of the appointment are mentioned in the Notice of the meeting.

Acknowledgments

The Board sincerely thanks employees for their dedicated services at all levels. We also acknowledge the support and wise counsel extended to us by the analysts, bankers, government agencies, shareholders and investors at large, the advisers on our panel, all concerned regulatory authorities, our business associates, suppliers, the medical fraternity, patients and last but not the least, our shareholders for their unflinching support, constant guidance and trust in Venus Remedies Limited.

**For and on behalf of Board of Directors,
For VENUS REMEDIES LIMITED**

Place: Panchkula
Date: 01.09.17

Pawan Chaudhary
Chairman & Managing Director
DIN-00435503

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. Registration & Other Details:

1.	CIN	L24232CH1989PLC009705
2.	Registration Date	15.09.1989
3.	Name of the Company	Venus Remedies Limited
4.	Category/Sub-category of the Company	Pharmaceutical manufacturing
5.	Address of the Registered office & contact details	SCO-857, Cabine no. 10, NAC Manimajra, NAC, Chandigarh. Ph- 0172-3933090, Fax: 0172-2565566, Website:www.venusremedies.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. 44, Community Centre, 2nd Floor, Naraina Industrial, phase-1, Near PVR Naraina, New Delhi-110028 Phone: 011-41410592, Fax: 011-41410591, email- delhi@linkintime.co.in

II. Principal Business Activities of the Company

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

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pharmaceutical product manufacturing	210	100

III. Particulars Of Holding, Subsidiary & Associate Companies

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable section
1.	Venus Pharma GmbH AM bahnhof 1-3,D-59368, Werne, Germany		Subsidiary	100%	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 2016				No. of Shares held at the end of the year 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1430000	0	1430000	12.50	2330000	0	2330000	18.88	6.38
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2300000	0	2300000	20.10	2300000	0	2300000	18.63	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)	3730000	0	3730000	32.60	4630000	0	4630000	37.51	4.91
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	1200	1200	0.01	0	1200	1200	0.01	0
b) Banks / FI	51487	0	51487	0.45	33383	0	33383	0.27	(0.18)
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Portfolio Investor	66401	0	66401	0.58	58944	0	58944	0.48	(0.10)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	117888	1200	119088	1.04	92327	1200	93527	0.76	0.28
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	784340	7900	792240	6.92	659116	7800	666916	5.40	(1.52)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4601447	278038	4879485	42.65	4786663	270678	5057341	40.98	1.67
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	964519	0	964519	8.43	1056699	0	1056699	8.56	0.13
c) Others (specify)									
Non Resident Indians	341977	0	341977	2.99	286258	0	286258	2.32	(0.67)
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals	200	0	200	0.00	200	0	200	0.00	0
Clearing Members	299596	0	299596	2.62	221840	0	221840	1.80	0.82
Trusts									0
Foreign Bodies - D R	0	0	0		0	0	0		0
HUF	314883	0		2.32	314883	0	314883	2.75	0.43
Sub-total (B)(2):-	7306962	285938	7592900	66.35	7339983	278478	7618461	61.73	(4.62)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	7424850	287138	7711988	67.40	7432310	279678	7711988	62.49	(4.91)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	11154850	287138	11441988	100	12062310	279678	12341988	100	0

Note: % of change during the year shall be viewed taking into consideration increase in paid up share capital from 11441988 equity shares to 12341988 equity shares.

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year 2016			Shareholding at the end of the year 2017			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares capital	
1	Mr. Pawan Chaudhary	680000	5.94	5.94	1187000	9.62	9.62	3.68%
2	Mrs. Manu Chaudhary	750000	6.55	6.55	1143000	9.26	9.26	2.71%
3	Sunev Pharma Solutions Ltd.	2300000	20.10	20.10	2300000	18.64	18.64	*(1.46)%

*due to increase in paid share capital.

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

SN	Particulars	Shareholding at the beginning of the year 2016		Cumulative Shareholding during the year 2017	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Pawan Chaudhary				
	At the beginning of the year	680000	5.95	680000	5.95
	as on 18.03.2017 Acquired	507000	4.11	1187000	9.62**
	At the end of the year			1187000	9.62**
	Manu Chaudhary				
	At the beginning of the year	750000	6.66	750000	6.55
	as on 18.03.2017 Acquired	393000	3.18	1143000	9.26**
	At the end of the year			1143000	9.26**
	Sunev Pharma Solutions Ltd.				
	At the beginning of the year	2300000	20.10		
	At the end of the year	2300000	20.10	2300000	18.64**

** % of change in shareholding during the year shall be viewed taking into consideration increase in Paid Share Capital from 11441988 Equity Shares to 12341988 Equity Shares.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	Manu Gopaldas Chhabria	0	0.0000			0	0.0000
	Acquired			30 Sep 2016	32400	32400	0.2832
	Acquired			07 Oct 2016	37458	69858	0.6105
	Acquired			14 Oct 2016	342	70200	0.6135
	Acquired			21 Oct 2016	15920	86120	0.7527
	Acquired			28 Oct 2016	7650	93770	0.8195
	Acquired			04 Nov 2016	596	94366	0.8247
	Acquired			11 Nov 2016	5050	99416	0.8689
	Acquired			25 Nov 2016	1300	100716	0.8802
	Acquired			06 Jan 2017	7650	108366	0.9471
	Acquired			20 Jan 2017	9143	117509	1.0270
	At the end of the year					117509	1.0270

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
2	Girish Kumar Sharda	150026	1.3112			150026	1.3112
	Sold			30 Sep 2016	(8000)	142026	1.2413
	Sold			07 Oct 2016	(6000)	136026	1.1888
	Sold			14 Oct 2016	(2000)	134026	1.1714
	Sold			28 Oct 2016	(29447)	104579	0.9140
	Sold			04 Nov 2016	(11776)	92803	0.8111
	Sold			11 Nov 2016	(5879)	86924	0.7597
	Sold			18 Nov 2016	(5000)	81924	0.7160
	Sold			25 Nov 2016	(5000)	76924	0.6723
	Sold			30 Dec 2016	(5000)	71924	0.6286
	Sold			13 Jan 2017	(1745)	70179	0.6133
	At the end of the year					70179	0.6133
3	Vivek bharati	65000	0.5681			65000	0.5681
	At the end of the year					65000	0.5681
4	Girdhar lal sharda	61076	0.5338			61076	0.5338
	At the end of the year					61076	0.5338
5	K.Mohan	45000	0.3933			45000	0.3933
	Acquired			12 Aug 2016	15000	60000	0.5244
	At the end of the year					60000	0.5244
6	Fiducian india fund	61401	0.5366			61401	0.5366
	Sold			23 Dec 2016	(7457)	53944	0.4715
	At the end of the year					53944	0.4715
7	K.B. Shekar	25352	0.2216			25352	0.2216
	Acquired			03 Jun 2016	13987	39339	0.3438
	Acquired			10 Jun 2016	7138	46477	0.4062
	Acquired			30 Jun 2016	100	46577	0.4071
	Acquired			02 Dec 2016	5000	51577	0.4508
	At the end of the year					51577	0.4508
8	Shri Parasram Holdings Pvt. Ltd.	19701	0.1722			19701	0.1722
	Sold			08 Apr 2016	(50)	19651	0.1717
	Sold			15 Apr 2016	(650)	19001	0.1661
	Transfer			22 Apr 2016	30	19031	0.1663
	Sold			29 Apr 2016	(50)	18981	0.1659
	Acquired			06 May 2016	300	19281	0.1685
	Acquired			13 May 2016	150	19431	0.1698
	Acquired			20 May 2016	1546	20977	0.1833
	Acquired			27 May 2016	1654	22631	0.1978
	Acquired			03 Jun 2016	850	23481	0.2052
	Sold			10 Jun 2016	(610)	22871	0.1999
	Acquired			17 Jun 2016	400	23271	0.2034
	Acquired			24 Jun 2016	600	23871	0.2086
	Sold			30 Jun 2016	(425)	23446	0.2049
	Sold			01 Jul 2016	(150)	23296	0.2036

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Sold			08 Jul 2016	(35)	23261	0.2033
	Sold			15 Jul 2016	(115)	23146	0.2023
	Sold			22 Jul 2016	(1114)	22032	0.1926
	Acquired			29 Jul 2016	400	22432	0.1960
	Acquired			05 Aug 2016	2436	24868	0.2173
	Sold			12 Aug 2016	(2296)	22572	0.1973
	Sold			19 Aug 2016	(267)	22305	0.1949
	Sold			26 Aug 2016	(260)	22045	0.1927
	Sold			02 Sep 2016	(2040)	20005	0.1748
	Sold			09 Sep 2016	(3314)	16691	0.1459
	Acquired			16 Sep 2016	920	17611	0.1539
	Sold			23 Sep 2016	(378)	17233	0.1506
	Sold			30 Sep 2016	(2306)	14927	0.1305
	Sold			07 Oct 2016	(886)	14041	0.1227
	Acquired			14 Oct 2016	10625	24666	0.2156
	Acquired			21 Oct 2016	5484	30150	0.2635
	Sold			28 Oct 2016	(253)	29897	0.2613
	Acquired			04 Nov 2016	75	29972	0.2619
	Acquired			11 Nov 2016	895	30867	0.2698
	Acquired			18 Nov 2016	3395	34262	0.2994
	Acquired			25 Nov 2016	5327	39589	0.3460
	Sold			02 Dec 2016	(4840)	34749	0.3037
	Acquired			09 Dec 2016	1112	35861	0.3134
	Acquired			16 Dec 2016	1414	37275	0.3258
	Sold			23 Dec 2016	(4025)	33250	0.2906
	Acquired			30 Dec 2016	8885	42135	0.3682
	Acquired			06 Jan 2017	2500	44635	0.3901
	Sold			13 Jan 2017	(1800)	42835	0.3744
	Acquired			20 Jan 2017	2695	45530	0.3979
	Sold			27 Jan 2017	(9056)	36474	0.3188
	Acquired			03 Feb 2017	11262	47736	0.4172
	Acquired			10 Feb 2017	10218	57954	0.5065
	Sold			17 Feb 2017	(1653)	56301	0.4921
	Sold			24 Feb 2017	(4113)	52188	0.4561
	Sold			03 Mar 2017	(1700)	50488	0.4413
	Sold			10 Mar 2017	(841)	49647	0.4339
	Acquired			17 Mar 2017	1213	50860	0.4445
	Sold			24 Mar 2017	(850)	50010	0.4371
	Sold			31 Mar 2017	(390)	49620	0.4337
	At the end of the year					49620	0.4337
9	Puneet Mahendra Sharma	0	0.0000			0	0.0000
	Acquired			08 Jul 2016	15943	15943	0.1393
	Acquired			15 Jul 2016	5416	21359	0.1867
	Acquired			29 Jul 2016	13609	34968	0.3056
	Acquired			05 Aug 2016	7731	42699	0.3732
	Acquired			04 Nov 2016	1	42700	0.3732
	Acquired			25 Nov 2016	4657	47357	0.4139
	At the end of the year					47357	0.4139
10	Girdharlal Girish Sharda HUF	51493	0.4500			51493	0.4500
	Sold			20 Jan 2017	(5000)	46493	0.4063
	At the end of the year					46493	0.4063

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
	• Mr. Pawan Chaudhary				As Mentionend Above at IV (B)
	• Mrs. Manu Chaudhary				
	• Mr. Peeyush Jain			NIL	
	• Mr. Ashutosh Jain			NIL	
	• KMP			NIL	
	At the beginning of the year				
	• Mr. Pawan Chaudhary				As Mentionend Above at IV (B)
	• Mrs. Manu Chaudhary				
	• Mr. Peeyush Jain			NIL	
	• Mr. Ashutosh Jain			NIL	
	• KMP			NIL	

V) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment for the financial year 2016-17:
(₹ in million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2704.53	428.73	0	3133.26
ii) Interest due but not paid	39.5	136.00	0	175.5
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2744.03	564.73	0	3308.76
Change in Indebtedness during the financial year				
* Addition	42.19	15.18	0	57.37
* Reduction	114.425	88.635	0	203.06
Net Change	-72.24	-73.455	0	-145.69
Indebtedness at the end of the financial year				
i) Principal Amount	2590.105	340.095	0	2930.2
ii) Interest due but not paid	81.69	151.18	0	232.87
Total (i+ii+iii)	2671.80	491.275	0	3163.07

Remuneration of Directors and Key Managerial Personnel-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount (₹ in Cr.)
		Pawan Chaudhary	Manu Chaudhary	Peeyush Jain	Ashutosh Jain	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.63	0.60	0.36	0.33	1.92
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	-	0.007	-	0.017
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as % of profit					
	- others, specify...					
5	Others, please specify	-	-	-	-	
	Total (A)	0.64	0.60	0.365	0.33	1.94
	*Ceiling as per the Act					As per the Companies Act 2013

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in Cr.)
		Jagdish Chander	S.K. Chadha	Rupinder Tewari	Gilbert Wezel	
1.	Independent Directors					
	Fee for attending board committee meetings	0.003	0.003	0.002	NIL	0.008
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	0.003	0.003	0.002	NIL	0.008
2	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	0.003	0.003	0.002	NIL	0.008
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	As per the Companies Act 2013				

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ in lacs)

SN	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	-
	others, specify...	-
5	Others, please specify	-
	Total	5.64

VII. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment				N.A.	
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure 2

Annexure to Directors' Report

Nomination & Remuneration Policy

Introduction:

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

Objective

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in
- senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Recommend to the Board their appointment and removal;
- The Committee deals with all elements of the remuneration package of all Whole-time Directors and also administers the stock option plan of the Company;
- Evaluate the Board performance.

Definitions:

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" manes:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Wholetime Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) Such other officer as may be prescribed.
- (v) Such other officer as may be prescribed.

"Nomination and Remuneration Committee"

Appointment a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178of the Companies Act, 2013 and the Listing Agreement.

"Policy or This Policy" means, "Nomination and Remuneration Policy."

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Managerial Personnel" means:

The personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Policy for Appointment & Removal of Directors/ KMP/Senior Management Personnel

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;
- ii. The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term;
- iii. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company;
- iv. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated

- with the Company in any other capacity, either directly or indirectly;
- v. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act;
 - vi. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly);
 - vii. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company;
 - viii. The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy for Remuneration to Directors/KMP/ Senior Management Personnel

- i. The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company;
- ii. The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force;
- iii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration;
- iv. The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy;
- v. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Implementation, Review & Amendment

- i. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate;
- ii. The Nomination & Remuneration Committee or the Board may review the Policy as and when it deems necessary;
- iii. This Policy may be amended or substituted by the Nomination & Remuneration Committee or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

Annexure 3

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 arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

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

Sr. No.	Names of related party transaction	Nature of Contract/ Duration/ arrangements	Terms of Contract	Date of Board approval
1.	Spine Software Systems (P) Ltd.	11 months	Renting the property	09.11.2016

**For and on behalf of Board of Directors,
For VENUS REMEDIES LIMITED**

Place: Panchkula
Date: 01.09.17

Pawan Chaudhary
Chairman & Managing Director
DIN-00435503

Annexure 4

1. Conservation of Energy:

A) Steps Taken During The Year For Energy Conservation

- Water System** - Multi Column Distillation Plant machine was running on manual mode. Now its running on auto mode which saves lot of energy.
- Operation Area** - All electrical switches of lights were separated in all facilities (ABCDGHI) to save energy as the person switch on the required light.
- Streets Lights** - Switches and MCB provided separate for each light.

- Leakage** - All leakage arrested in al Air lines, All Nitrogen line and all Oxygen lines which saves maximum energy indirectly.
- Chilled water lines** - Insulation of all chilled water lines done where ever its required to save energy indirectly.

B) Impact of the above measures for reduction of energy consumption and consequent impact on the cost of reduction of goods:

The Company saved cost as well as energy through the measures outlined above.

C. Total energy consumption and energy consumption per unit of production:

FORM A

A. Power and Fuel Consumption:

		2016-17	2015-16
1	Electricity		
	a) Purchased		
	Units	3424331	3596744
	Total Amount (₹)	25607768	24860976
	Rate/Unit (₹)	7.48	6.91
	b) Own Generation		
	(i) Through D.G. Set		
	Units	247294	191803
	Total Amount (₹)	4865001	3387437
	Rate/Unit (₹)	19.67	17.66
	(ii) Through Steam Turbine/Generation	NIL	NIL
2	Coal Consumption	NIL	NIL
3	Furnace Oil and LDO		
	Quantity (Ltrs)	121975	144970
	Total Amount (₹)	3102205	3424619
	Average rate (₹ / Unit)	25.43	23.62
4	Other/Internal Generation	NIL	NIL

B. Consumption per unit of Production:

There are no specific standards as the consumption per unit depends on the product mix.

2. Technology absorption

FORM B

Research and Developments

- Specific areas in which R & D carried out by the Company:**
Venus Medicine Research Center (VMRC) is a fully equipped interdisciplinary drug discovery and development center duly approved by Department of Scientific and

Industrial Research (DSIR) Government of India. VMRC has established itself as an Intellectual Property wealth generation resource for the company. It is driven by a team of more than 40 intellectuals. A well qualified and experienced team of scientists conduct research in discovering the most needed and efficacious medicines which are safe and cost effective and also generating medical knowledge for evidence based healthcare. VMRC excels in translational research and pharmaceuticals having an in-depth experience and expertise into Novel Drug Delivery Systems, Nanomedicine and targeted oncology therapeutics. Thrust areas of research include antibiotics,

oncology, neurology, emergency care medicine, pain management and wound care.

VMRC is committed to developing Therapeutics to meet the challenges of antimicrobial resistance and has come up with many solutions. Modern medicine has made several advancements and newer classes of antibiotics such as Cephalosporins, Fluoroquinolones and Carbapenems have been developed. These constitute of both first-line antibiotics like Penicillin and last-resort antibiotics like Carbapenems.

Antimicrobial Resistance (AMR) can be defined as resistance of a microorganism to an antimicrobial medicine to which it was previously sensitive.

Antibiotic resistance refers to ability of the bacteria to render an antibiotic drug ineffective by developing mechanisms that counteract the functioning of antibiotic drugs. In other words, the antibiotic can no longer kill the bacteria and bacterial growth is not stopped.

This has severe life threatening implications as common infections like pneumonia that were otherwise treatable can now become fatal. Moreover, it challenges all the advances that we have made in modern medicine, making child birth and surgeries a much riskier proposition. At Venus, we provide a AMR surveillance portal for capturing and sharing resistance data.

Venus has a comprehensive software system for pan India AMR surveillance program . Implemented through a vast network across 15 states, 250 districts through 150 centers including various Healthcare Institutions/ Hospitals/ Research Centers across India for data collection, feed and analysis of to understand trends of emerging resistance.

Venus has mapped emerging microbial resistance pattern for more than 40 antibiotics/combinations for close to 25000 strains and helping Physicians to take informed decision on designing therapy.

Significant breakthroughs have been achieved by VMRC in 'Antibiotic Adjuvant Entities' for notable resistance barriers like ESBLs, carbapenem resistant metallo-beta-actamases, MRSA, CREs bacterial biofilms and efflux.

Modern Research Infrastructure

Dedicated Pilot Facilities for different forms of injections

Tech Research Laboratories of International standard following GLP

Well Developed Animal House approved by Committee for the Purpose of Control and Supervision on Experiments on Animals (CPCSEA)

Key drivers are:

1. Innovative Solutions for incurable diseases
2. Combating Antimicrobial resistance
3. Reduction in treatment time and cost
4. Improved QoL of patient
5. Reduction in side effects

6. Decreased frequency of drug administration

The Major functional divisions at VMRC include:

1. **Formulation Development:** NDDS (Novel Drug Delivery System) based product development, Nanotechnology, Targeted Delivery, Sustained Delivery, Pulsatile Drug Delivery and development of Antibiotic adjuvant entity, Non infringing formulations products with Improved Bioavailability, Process Development and Technology Transfer.
2. **Analytical Research:** Analytical method development and validation, Bioanalytical method development and validation, Drug drug interaction, Stability studies and Physio-chemical research, Elemental Analysis
3. **Pre- Clinical:** Toxicity studies, Pk/Pd Studies, Proof of Mechanism, Proof of Concept, Safety Pharmacology, QTC studies, Histopathological Study, Pharmacokinetic research using Hollow Fiber Infection Model.
4. **Cell Culture and Microbial Biotechnology (CCMB):** Genetic characterization of resistant strains, Novel Biomarker and Therapeutic target identification of oncology drugs, micro-imaging studies on cellular functions, molecular imaging and imaging biomarkers, Semi-quantitative and quantitative gene expression, Protein profiling, cytotoxicity, Method validation for BET and Sterility, Microbio Assay, Clinical microbiology, TKC, Carcinogenicity and Mutagenicity Studies.
5. **Clinical Research:** Early phase clinical studies (Phase I, II), Late phase clinical studies (Phase III and IV), Bridging phase trials, PK, BA/BE studies and Pharmacovigilence
6. **Intellectual Property Protection and Commercialization Cell:** Patent filing, prior art search, patent maintenance and prosecution, NBA NOC handling, Technology evaluation for in licensing, Research valuation, Market survey and lead generation
7. **Drug Regulatory Affairs:** Dossier preparation in eCTD, CTD, ACTD and Nees formats, filing and maintenance, variation filing, regulatory submissions for India DCGI, NDAC and International pre IND meetings, regulatory documents submission for tenders

Patents

The company has its well defined IP policy in place. Efforts of Venus Medicine Research Centre for innovations are well reflected in the number of patents filed so far, which stands around 360.

2. Benefits derived as a result of the above R & D:

Venus Medicine Research Centre has enhanced the value in terms of recognition of our capabilities, commitment, sustainability and creativity besides laurels for the nation. We have focused our research and development on discovering and developing potential new medical solutions for unmet medical needs and hard to treat diseases. The benefit of translational medicine is increasingly being recognized worldwide. We combine the

best of academia and corporate world. This attitude has led to the emergence of industry-academic-government networks to facilitate collaboration. Venus has been building a strategic portfolio of IP wealth which has not only catered the unmet social needs, the effort have brought extension of technologies in various products and applications. The effort in addition to economic benefit, have ensured a strategic and competitive benefit in the market place.

3. Future plan of action:

Energizing R&D activities to realize the Mission 2020 to be recognized globally and expand focus from product development and IP wealth creation to wealth propagation and to deliver timely healthcare solutions for unmet medical needs focused on improving patient outcomes. This imperative will require focused flexible approach to reach out to customer, radically evolve the value proposition for future differentiated products and to integrate all resources in pursuit of developing, delivering, understanding and maintaining the best possible therapies and services to the global market. Aligning our priorities across these functions ensures that we develop potential

therapeutics in a manner that not only addresses unmet medical needs abut also meets the changing demands of the market place.

Venus is looking strongly in development of a IP wealth cycle that would provide a seamless opportunities to gain predicted outcomes and balance risks.

The foremost priorities are given below.

1. To get approval from DCGI for our cancer detection product and lunch as soon as possible. Filing of human trial permission for VRP001 with DCGI.
2. Registration and launch of Elores in Zazibona/ African market.
3. Regulatory filing of Elores with Health Canada after completion of Double Blind Clinical Trials, the report compilation of which is under process.
4. To get market authorization for Elores from South Korea and to launch product there.
5. Launch of Elores in other territories where MA is already granted.

Besides, we would be conducting trials with Indian defense or hemostatic product and to launch products with them.

The annual spending on research would be kept incremental in proportion to the increase in the sales as per the Company's plans:

Particulars	2016-17		2015-16	
	₹ in million	% to turnover	₹ in million	% to turnover
Capital Expenditure (R&D-IPR)	265.84	7.08	302.07	7.50
Recurring Expenditure (R&D)	85.83	2.29	107.00	2.66

Technology Absorption, Adaptation and Innovation:

1) Efforts, in brief, made towards technology absorption, adaptation and innovation.

The Company fixes stringent targets for technology improvement and up-gradation based upon global competition and quality criteria. Scientists at Venus Remedies undertake extensive up-gradation programs to improve and acquire latest technology with far reaching beneficial effects from research to manufacturing to marketing. Venus Scientists work in close relation with the manufacturing team to ensure smooth understanding and transfer of technology for large scale manufacturing. A stringent quality standard is maintained by Venus scientists with respect to GXP (GMP, GLP, GCP, etc.). Venus does invest into technology/product in-licensing as well as collaborative development with the industry and academic.

In-licensed technology for Solid Tumor Detection from University of Illinois, Chicago, US which would help in early detection and stage of solid tumors. This technology would be helpful even in remote areas where advanced detection techniques are not available.

Venus Medicine Research Centre (VMRC), a research unit of Venus Remedies Limited entered into joint product development collaboration with Institute of Nuclear Medicine & Science (INMAS), a unit of DRDO. Under this collaboration, VMRC shall be developing various products for use in defence/paramilitary forces.

Venus also entered into a research collaboration with Shoolini

University, Solan(HP). This agreement is aimed at fostering the interaction between Venus and Shoolini in areas of mutual interest to enhance product development at both places by undertaking joint collaborative projects.

2) Benefits derived as a result of the above efforts e.g. product development, import, substitutions etc.

Commercial Launch of new products including novel drugs for antimicrobial resistance, oncology therapeutics, pain control etc. have differentiated Venus from the league of generic drug makers. Strengthening of Company's Product Basket specially with innovative and potential blockbuster drugs Supply of high Quality, research products with great potential to strategic partners

Venus has carved a niche for itself in super specialty parenterals especially in Oncology and Antimicrobial resistance and is one of the leading IPR wealth generator among Indian Pharma sector.

Venus has been building a strategic portfolio of IP wealth which has not only catered the unmet social needs, the efforts have brought extension of technologies in various products and applications. The effort in addition to economic benefit, have ensured a strategic and competitive benefit in the market place besides getting recognition for delivering unique solution for medical needs.

3) Import of Technology

The Company has not imported any technology during the financial year under review.

Annexure 5

FORM C

3. Foreign Exchange Earnings and Outgo

₹ in lacs

Particulars	Currency	Current Year	Previous Year
A. Total Foreign earned			
Sales	USD	91.98	64.92
	EURO	85.68	102.16
	GBP	21.61	-
R&D activities	USD	1.31	1.89
	EURO	0.06	0.18
B. Salary	USD	1.01	1.33
Traveling	USD	0.01	0.08
	EURO	0.0009	0.03
	RMB	0.01	
Regulatory Fee for Patent/ Products & Plant Registration/ Export	USD	10.51	10.56
	AUD	-	0.003
	EURO	0.11	0.03
	JPY	-	0.20
Subscription/ Publication	USD	-	0.002
Commission/ Incentive	USD	0.62	0.26
	EURO	0.03	0.11

Annexure 6

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in LACS)

Particulars	Name of the subsidiary
Reporting period for the subsidiary	1st April 2016 to 31st March 2017
Reporting currency and Exchange rate	EURO
The figures in the Balance sheet for the year have been translated from Euro at the Closing RBI reference rate as on 31.03.2017 i.e. 1 Euro = ₹ 69.2476. The figures in the profit & loss account for the year have been translated from Euro at the Average RBI reference rate for the year ending 31.03.2017 i.e 1 Euro = ₹ 72.1715.	
Share capital*	3422.77 LACS
Reserves & surplus	(1105.44)
Total assets	3508.23
Total Liabilities	3508.23
Investments	--
Turnover	11163.38
Profit before taxation	316.21
Provision for taxation	---
Profit after taxation	316.21
Proposed Dividend	--
% of shareholding	100%

Notes:

- Names of subsidiaries which are yet to commence operations: NIL
 - Names of subsidiaries which have been liquidated or sold during the year: NIL
- * Share Capital above includes money received against share capital amounting ₹ 3405.46 lacs.

Part "B": Associates and Joint Ventures: N.A.

Annexure 7

Particulars of Employees Remuneration

Particulars of employees pursuant to section 134(3)(q) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and remuneration of managerial personnel) Rules, 2014

The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year	Mr. Pawan Chaudhary	36.8:1
	Mrs. Manu Chaudhary	34.9:1
	Mr. Peeyush Jain	21.5:1
	Mr. Ashutosh Jain	19.1:1
The % of increase in remuneration of each director, Chief Financial officer, Chief Executive officer, Company Secretary or Manager, if any, in the Financial year	Mr. Pawan Chaudhary	(0.62)%
	Mrs. Manu Chaudhary	No change
	Mr. Peeyush Jain	(0.62)%
	Mr. Ashutosh Jain	No change
	Mrs. Neha	10%
The percentage increase in the median remuneration of the employees in the financial year	18.43%	
Total no. of employees as on 31.03.2017	903	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<p>*Average Salary increase/(decrease) in employees is (0.75)%</p> <p>There were no change in the remuneration of the managerial personnel from last financial year.</p> <p>There is no exceptional circumstances for increase in the managerial remuneration</p>	
the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Managing Director of the Company is the highest paid director and no other employee is getting remuneration higher than the Managing Director	
affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year is as per the Remuneration policy of the Company.	

* Decrease in average salary shall be viewed taking into consideration the decrease in total number of employees in FY 2016-17.

Secretarial Audit Report

for the Financial Year 31st March 2016

(Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies
(Appointment and remuneration Personnel)Rule, 2014

To,
The Members,
Venus Remedies Limited
(CIN: L24232CH1986PLC009705)

Our report of even date is to be read along with this letter.

- (i) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (iv) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
- (v) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (vi) The Secretarial Audit Report 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.

For M/s P. Chadha and Associates

(Prince Chadha)
Company Secretaries
M.No. : A32856

Place : Chandigarh
Date : 01.09.2017

Form No. MR-3

Secretarial Audit Report for the Financial Year ended

31st March, 2017

[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,

Venus Remedies Limited

(CIN: L24232CH1986PLC009705)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s Venus Remedies Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the Companies books, papers, minutes book, 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with statutory provisions listed hereunder and also that company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(A) We have examined the books, papers, minute books, forms and returns filed and other records maintained by Venus Remedies Limited and produced before us for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has paid managerial remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act;
 - The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package with banks. The Company is repaying the debt as per the approved package, however the company could

not serve the interest and principal repayments amounting to ₹ 1540.20 lacs to the financial institution, bank or debenture holders;

- The Company has not complied with the provision of Section 135 of the Companies Act, 2013 except Sub Section 135(1) regarding the constitution of CSR Committee;
- (ii) The Securities Contract (Regulation) Act,1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act,1996 and Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercials Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with clients;
 - We have also examined compliance with the applicable clauses of the following:
 - Secretarial standards issued by the institute of Company Secretaries of India approved by the Central Government with effective from July 1, 2015.
 - The Securities and Exchange Board of India (Listing Obligation Disclosure Requirements) Regulations 2015.

During the period under review, the Company has generally complied with the provision of the Acts, Rules, Regulations, Guidelines and Standards and there was no prosecution initiated against the Company under the Acts as mentioned above. However, the Company received notice no. TS/135/6839 dated 18/01/2017 under Section 135 of the Companies Act, 2013 from the office of Registrar of Companies, Chandigarh. Further as per management representation dated 8th August 2017, the Company did not received no other show cause notice under the above mentioned Acts.

During the period under review, the provision of the following Regulations (as enumerated in the prescribed format of Form MR-3) were not applicable to the Company:

- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; and
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

During the period under review, the Company carried on the business of Pharmaceuticals. As per Management Representation, the Company has complied with the provisions of following Acts and Rules made there under. The company has complied with the following acts specifically applicable to the pharmaceutical Industry.

- (i) Drugs and Cosmetics Act, 1940
- (ii) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- (iii) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- (iv) Food Safety And Standards Act, 2006
- (v) Drug Control Act 1950
- (vi) The Drug Price control order, 2013
- (vii) National Pharmaceuticals Pricing Policy, 2012

We 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 relevant act. However, the Company has paid managerial remuneration in excess of limits prescribed under Section 197 of the Companies Act, 2013 read with Schedule V of the Act;

- Further, the Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package with banks. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal repayments amounting to ₹ 1540.20 lacs to the financial institution, bank or debenture holders;

- Further, the Company has not complied with the provision of Section 135 of the Companies Act, 2013 except Sub Section 135(1) regarding the constitution of CSR Committee;

We further report that 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting three Board meetings were called on 24.06.2016, 22.02.2017 and 18.03.2017 on shorter notice after due compliance and obtaining requisite consents to transact some urgent matters.

We further report that majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and process in the company commensurate with the size and operations the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines referred to above.

We further report that during the audit period no specific events/ actions has taken place which has major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For P. Chadha & Associates
Company Secretaries**

**Sd/-
(Prince Chadha)
ACS 32856, CP 12409**

Place: Chandigarh
Date: 01.09.2017

Corporate Governance Report

(as required under Listing (Disclosure & Obligation) Regulations, 2015 entered into with the Stock Exchanges)

1. Company's philosophy on Corporate Governance:

The company operates not only within the regulatory framework, but is also guided by broader business ethics. The idea is to ensure good conscience, transparency, integrity and openness which would lead to accountability of the persons in charge of the company and bring benefits to investors, customers, creditors, employees and the society at large.

2. Board of Directors:

A. Composition, Category, attendance and number of other Directorships of the Directors are furnished below:

As at March 31, 2017, the Board consisted of 8 members. The Composition, category of directors and directorships held in other companies by the Directors on the Board of the Company was as under:

Name of Director	Category of Director	No. of outside Directorships in Indian Public Companies	No. of Board Committee other than Venus Remedies Limited In Which Chairman/Member
Mr. Pawan Chaudhary (Chairman & Managing Director)	Promoter, Whole-time Director	1	Nil
Mrs. Manu Chaudhary (Joint Managing Director)	Promoter, Whole-time Director	1	Nil
Mr. Peeyush Jain (Dy. Managing Director)	Whole-time Director	Nil	Nil
Mr. Ashutosh Jain (Executive Director)	Whole-time Director	1	Nil
Mr. Jagdish Chander	Independent Non-Executive	Nil	Nil
Dr. S. K. Chadha	Independent Non-Executive	Nil	Nil
Dr. Gilbert Wenzel	Independent Non-Executive	Nil	Nil
Dr. Rupinder Tewari	Independent Non-Executive	Nil	Nil

B. Details of Board Meetings held during the year:

Sr.No.	Date	Board Strength	No. of Directors present
1.	28.05.2016	8	7
2.	24.06.2016	8	7
3.	06.08.2016	8	6
4.	09.11.2016	8	7
5.	08.02.2017	8	7
6.	22.02.2017	8	6
7.	18.03.2017	8	7

C. Attendance of Directors of Board Meetings and at the last Annual General Meeting:

Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance at last AGM
Mr. Pawan Chaudhary	7	7	Yes
Dr. (Mrs.) Manu Chaudhary	7	7	No
Mr. Peeyush Jain	7	6	Yes
Mr. Ashutosh Jain	7	6	Yes
Mr. Jagdish Chander	7	7	Yes
Dr. S. K. Chadha	7	7	No
Dr. Gilbert Wenzel	7	1	No
Dr. Rupinder Tewari	7	6	No

E. Inter-se relationships among directors:

Mr. Pawan Chaudhary and Mrs. Manu Chaudhary are husband and wife. Mr. Peeyush Jain and Mr. Ashutosh Jain are brothers of Mrs. Manu Chaudhary. Except for this there are no inter se relationship among the Directors.

F. Number of shares and convertible instruments held by non-executive directors.

None of non-executive directors holds any share and convertible instruments of Venus Remedies Limited.

G. Familiarization programme imparted to Directors:

Details of familiarization programmes imparted to directors are uploaded on Company's website www.venusremedies.com

H. Independent Directors:

The Independent Directors fulfill the criteria of independence as per the provisions of Listing Agreement, Companies Act, 2013 and SEBI (Listing obligations and Disclosure requirements) Regulations 2015 and have given declaration of Independence. A Separate meeting of Independent Directors was held on 08.02.2017. All the Independent directors were present in the meeting. Independent Directors are appointed for the tenure of 5 years from the AGM held on 30.12.14 till the conclusion of the AGM held in the year 2019.

3. Audit Committee**A) The Audit Committee performs the following functions:**

- Overseeing the Company's financial process and disclosure of financial information to ensure that the financial statement is correct;
- Recommending the appointment and removal of external

and internal auditor, fixation of audit fee and approval for payment of any services;

- Reviewing with the management annual financial statement before submission to the Board;
- Reviewing significant audit finding with the management and external and internal auditors, the adequacy of internal control system.;
- Scrutiny of inter-corporate loans & Investments, if any;
- Approval of related party transaction;
- Discussing with internal auditors any significant finding and follow up on such issues;
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Examining reasons for substantial default in the payment to depositors, debenture holders, shareholders and creditors, if any;
- Recommendation for appointment, remuneration and terms of appointment of auditors;
- To evaluation of internal financial controls and risk management systems;
- To review the functioning of the whistle blower mechanism;
- To review management letters / letters of internal control weaknesses issued by the statutory auditors.

B) Composition:

Composition of audit committee is in compliance with the requirements of section 177 of the companies act, 2013, as per the regulation 18 of the SEBI (Listing obligations and disclosure requirements) regulations 2015.

The Committee is comprised of three directors. The committee is headed by Non-Executive Independent Director of the Company.

Sr. No.	Name of Director/ Member	Designation	Category
1	Mr. Jagdish Chander	Chairman	Non-Executive Independent
2	Mr. S.K. Chadha	Member	Non-Executive Independent
3	Mr. Pawan Chaudhary	Member	Managing Director

Company Secretary of the Company act as the Secretary to the audit committee.

C) Details of Audit Committee Meetings held during the year.

Sr. No.	Date	Committee Strength	No. of members present
1.	28.05.2016	3	3
2.	06.08.2016	3	3
3.	09.11.2016	3	3
4.	08.02.2017	3	3

D) Attendance at Audit Committee Meetings:

Director	No. of Meetings held	No. of Meetings attended
Mr. Jagdish Chander	4	4
Dr. S. K. Chadha	4	4
Mr. Pawan Chaudhary	4	4

4. Nomination & Remuneration Committee

A) Details of Nomination & Remuneration Committee Meetings held during the year:

Sr. No.	Date	Committee Strength	No. of members present
1.	28.05.2016	3	3

B) Composition & Attendance:

The Nomination & Remuneration Committee comprises of Mr. Jagdish Chander, Dr. S.K. Chadha and Dr. Rupinder Tewari. Mr. Jagdish Chander is the Chairman of the committee.

Sr. No.	Name of Director/ Member	Designation	Category	No. of Meetings Attended
1	Mr. Jagdish Chander	Chairman	Non-Executive Independent	1
2	Mr. S.K. Chadha	Member	Non-Executive Independent	1
3	Dr. Rupinder Tewari	Member	Non-Executive Independent	1

C) Role of Nomination and Remuneration committee is as follows:

- | | |
|--|---|
| <ul style="list-style-type: none"> a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; b) Formulation of criteria for evaluation of Independent Directors and the Board; c) Devising a policy on Board diversity; d) Identifying persons who are qualified to become directors | <ul style="list-style-type: none"> e) and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report; f) Recommend to the Board their appointment and removal; g) The Committee deals with all elements of the remuneration package of all Whole-time Directors and also administers the stock option plan of the Company; h) Evaluate the Board performance. |
|--|---|

D) Remuneration of Directors

Name of Director	Salary	Sitting Fee	Perquisites	Superannuation	PF	Commission	Total
Mr. Pawan Chaudhary	6272640	Nil	97241	Nil	Nil	Nil	6369881
Mrs. Manu Chaudhary	6044544	Nil	Nil	Nil	Nil	Nil	6044544
Mr. Peeyush Jain	3638135	Nil	77467	Nil	Nil	Nil	3715602
Mr. Ashutosh Jain	3311965	Nil	Nil	Nil	Nil	Nil	3311965
Mr. Jagdish Chander	Nil	30263	Nil	Nil	Nil	Nil	30263
Dr. S. K. Chadha	Nil	30263	Nil	Nil	Nil	Nil	30263
Dr. Gilbert Wenzel	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Rupinder Tewari	Nil	20175	Nil	Nil	Nil	Nil	20175

- None of the non-executive directors are holding any shares or convertible instruments in the Company.
- The non-executive directors are paid only sitting fees for attending the Board /Committee meetings.
- There is no provision for performance linked incentives to directors.

E) Evaluation Criteria:

The Nomination & Remuneration Committee lays down the criteria for performance of the Directors. The criteria for performance evaluation of Directors covers parameters such as decision taken in the interest of the organisation objectively, assist the Company in implementing the Corporate Governance, monitor performance of organisation based on agreed goals and financial performance, actively participate in the affairs of the Company as Board member and/or committees.

F) Policy for Remuneration to Directors/KMP/Senior Management Personnel

- The Remuneration/ Compensation/ Commission etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company;
- The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force;
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration;
- The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy;
- The Incentive pay shall be decided based on the balance between performance of the Company and performance

of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

G) Criteria for making payment to Non-Executive/ Independent Directors

With changes in the Corporate Governance norms, the Non-executive/ Independent Directors bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the Independent functioning of the Board.

The Non-Executive/ Independent Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission as detailed hereunder:

Payment to Independent Directors:

An Independent Director shall not be entitled to any stock option and shall receive Sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof , as may be permissible under the Companies Act, 2013 and any other applicable law at the discretion of the Board.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.

The above said policies are available at the link www.venusremedies.com

5. Stakeholders Relationship Committee:

The stakeholders' Relationship Committee has been constituted to approve transfer, transmission, sub-division, issue of duplicate/split/consolidation of shares/debentures, demat/remat and for redressal of Investor complaints on all matters. During the year 15 meetings of stakeholders' Relationship Committee held.

The present composition of of stakeholders' Relationship Committee:

Sr. No	Name of Director/ Member	Designation	Category
1	Mr. Jagdish Chander	Chairman	Non-Executive Independent
2	Dr. Rupinder Tewari	Member	Non-Executive Independent
3	Mr. Peeyush Jain	Member	Whole time director

All the members of the Committee attended all the meetings.

Name & Designation of compliance officer: Ms. Neha Arora, Company Secretary & Compliance Officer

During the year Shareholders' Complaints pending during the beginning of the year-NIL, Received during the year-9, Disposed of during the year-9, Remaining unresolved at the end of the year-NIL. No complaint pending to the satisfaction of shareholders.

The Company takes effective steps/actions for resolving queries and company stay interacted with Link Intime India Private Limited, Registrar & Transfer Agent of the Company.

6. Corporate Social Responsibility (CSR) Committee :

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with rules made thereunder, Company constituted the CSR committee with following members:

Name	Designation	Category
Dr. S.K. Chadha	Chairman	Non- Executive Independent
Mr. Pawan Chaudhary	Member	Whole time director
Mr. Peeyush Jain	Member	Whole time director

Function of the committee:

- To formulate and recommend to the board, a CSR which shall indicate the activities to be undertaken by the company as specified in schedule VII of the Companies Act 2013.
- Recommend the amount to be incurred on CSR activities.
- Monitor CSR activities of the Company time to time.
- Prepare a transparent mechanism for ensuring implementation of project/ programmes/ activities to be undertaken by the company.

During the review period, one meeting was held on 10.02.2016, all committee members attendede the said meeting. CSR policy is available on company's website www.venusremedies.com

7. General Body Meetings

Details of General Meetings held in last three years:

Financial Year	Meeting	Date	Time	Location
2013-2014	AGM	30.12.2014	10.00 AM	
2014-2015	AGM	25.08.2015	10.00 AM	Bal Bhawan, Sector- 23,
2015-2016	AGM	29.09.2016	10.00 AM	Chandigarh
2015-2016	EGM	21.03.2016	10.00 AM	

Special resolutions Passed in the previous AGMs:

- No Special Resolution was passed in FY 2013-14
- Special Resolution in FY 2014-15:
 1. To issue 900000 equity shares to promoter of the company on preferential basis.
 2. To borrow money upto a limit of ₹ 500 crores.
 3. To exercise powers under Section 180(1) (a) of Companies Act, 2013 for borrowing limits of ₹500 cr.
 4. To give powers to board under section 186 of th Companies Act 2013.
 5. To approve remuneration paid to Mr. Pawan Chaudhary exceeding limits under Companies Act, 2013
 6. To approve remuneration paid to Mrs. Manu Chaudhary exceeding limits under Companies Act, 2013
 7. To approve remuneration paid to Mr. Peeyush Jain exceeding limits under Companies Act, 2013
 8. To approve remuneration paid to Mr. Ashutosh Jain exceeding limits under Companies Act, 2013
- Special Resolution in FY 2015-16:
 1. To issue 900000 equity shares to promoter of the company on preferential basis.
 2. To approve remuneration paid to Mr. Pawan Chaudhary exceeding limits under Companies Act, 2013
 3. To approve remuneration paid to Mrs. Manu Chaudhary exceeding limits under Companies Act, 2013
 4. To approve remuneration paid to Mr. Peeyush Jain exceeding limits under Companies Act, 2013
 5. To approve remuneration paid to Mr. Ashutosh Jain exceeding limits under Companies Act, 2013
 6. To fix maximum remuneration to be paid to Mr. Pawan Chaudhary for three financial years starting from 1st April, 2016
 7. To fix maximum remuneration to be paid to Mrs. Manu Chaudhary for three financial years starting from 1st April, 2016
 8. To fix maximum remuneration to be paid to Mr. Peeyush Jain for three financial years starting from 1st April, 2016
 9. To fix maximum remuneration to be paid to Mr. Ashutosh Jain for three financial years starting from 1st April, 2016

E-voting & ballot voting were conducted during the year 2015-16 and Mr. Prince Chadha was appointed as the scrutinizor for the aforesaid purpose.

Details of the voting for AGM dated 29.09.2016 is as under:

Special resolution No. 5: Assent- 77.96%; Dissent-22.04%
 Special resolution No. 6: Assent- 99.87%; Dissent-0.13%
 Special resolution No. 7: Assent-99.87%; Dissent-0.13%
 Special resolution No. 8: Assent-99.87%; Dissent-0.13%
 Special resolution No. 9: Assent-77.96%; Dissent-22.04%
 Special resolution No. 10: Assent-77.96%; Dissent-22.04%
 Special resolution No. 11: Assent-77.96%; Dissent-22.04%
 Special resolution No. 12: Assent-77.96%; Dissent-22.04%
 Special resolution No. 13: Assent-77.96%; Dissent-22.04%

E-voting & ballot voting procedure is in compliance with the provisions of the Companies Act, 2013 and rules made thereunder, procedure is also mentioned in the AGM Notice.

Special resolution proposed for the current AGM: As per the Notice of Annual General Meeting dated 29.09.2017

8. Disclosures

(a) Related party Transaction:

There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their relatives, its subsidiaries etc that may have potential conflict with the interest of the Company a large. Transactions with related parties during the period are disclosed in Notes to the Accounts. The related party transactions are in compliance with the Accounting standard 18 and disclosed under then notes to Accounts. Related party repetitive in nature, are approved by audit committee on omnibus basis.

Policy to deal with Related Party Transactions and material subsidiary are uploaded on Company's Website www.venusremedies.com

(b) Compliance

There were no penalties, strictures imposed on the company by stock exchanges, SEBI or any other statutory authorities during the last three years.

(c) The Company has established the Vigil Mechanism and whistler Blower Policy and company affirm that no personnel has been denied access to the audit committee.

The above mentioned policies are uploaded on Company's Website www.venusremedies.com

(d) The Company has complied with all the statutory requirements and not adopted any non mandatory requirements of Listing Agreement and SEBI(Listing Obligation and Disclosure Requirements) Regulations 2015.

(e) Disclosure of commodity price risk and commodity hedging activities: Not applicable as company does not deal in commodities.

(f) The Company has complied with all the requirement of Corporate governance as per the para (2) to (10) of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. Further, the Company has not adopted the discretionary requirements as specified in Part -E of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

The Company has complied with the corporate governance requirement as specified in regulation 17 to 27 and regulation (b) to (i) of sub regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

(g) Code of Conduct

The Company has established a code of conduct for its management and senior officials. The company has placed the code of conduct on its website www.venusremedies.com. All the Board of Directors have affirmed that they have followed the code of conduct for the financial year ended on 31.03.2017 as annexed with the report.

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, Auditors' certificate on corporate governance annexed to the report. An Independent firm of Company Secretaries carried out the reconciliation of Share Capital as mandated by SEBI

(h) The preparation of financial statements are as per the accounting standards notified by the Ministry of Corporate affairs issued by the Institute of Chartered Accountants.

(i) Company's subsidiary Venus Pharma GmbH is unlisted and incorporated outside India. Venus does not have any unlisted material subsidiary incorporated in India. Company has framed a material subsidiary policy and uploaded the same on its website www.venusremedies.com

9. Demat Suspense Account:

Company does not have any share in demat suspense account or unclaimed suspense account

10. Means of Communication

- **Publication of Quarterly results:** Generally published in newspaper- Financial express & Business Standard. Financial results are also published on company's website www.venusremedies.com
- Company website also display the official news releases.
- Presentation made to institutional investor or to the analysts: No
- **Management Discussion & Analysis:** Published as a part of Annual Report under Director's Report.
- Shareholders Information Section Published as part of Annual Report under Corporate Governance Report
- **Information to stock exchange:** All the material developments in the com informed to

stock exchanges where the shares of the company are listed

- **Company Website:** The Company has its own website viz.
 - www.venusremedies.com
 - www.vmmcindia.com
 - Venuspharmagmbh.de

where information relating to financial results, launch of new products and official releases to news agencies are made available.

11. General Shareholders Information

a) AGM details :

Date: 29th September, 2017
 Venue: The Pelican Hotel,
 25/8, Industrial Cum Business Park,
 Phase-2, Chandigarh-160002
 Time: 10 A.M.
 Book Closure Dates: 23rd September, 2017 to
 29th September, 2017
 (Both days inclusive)

b) Financial Calendar for 2017-18

Tentative dates: 1st April 2017 to
 31st March 2018
 First Quarter results: On or before August 15, 2017
 Second Quarter results: On or before November 15, 2017
 Third Quarter results: On or before February 15, 2018
 Fourth Quarter results : On or before May 30, 2018

c) Dividend Payment date

The Board has not recommended dividend for the Financial Year 2016-17

d) Listing of Stock Exchange

The Company's securities(Equity share) are listed on the following Stock Exchanges,

Name	Address
BSE Limited	The Stock Exchange, Mumbai Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023 Scrip Code: 526953
NSE	The National Stock Exchange of India Limited 5th Floor, Exchange Plaza, Bandar (E, Mumbai) Scrip Code: VENUSREM

The Company has paid the annual listing fees for the year 2017-18 the exchanges where securities are listed.

Corporate Identification Number (CIN):

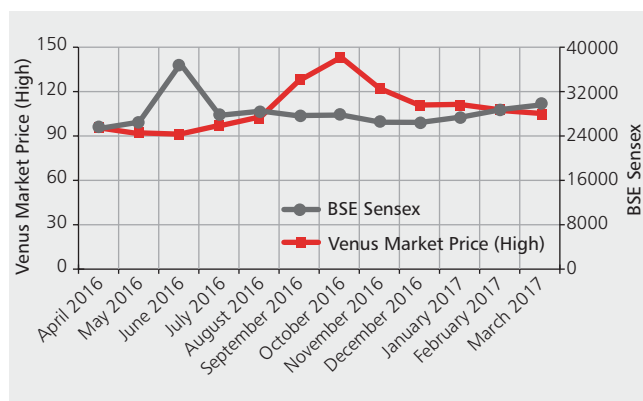
L24232CH1989PLC009705

e) Market Price data

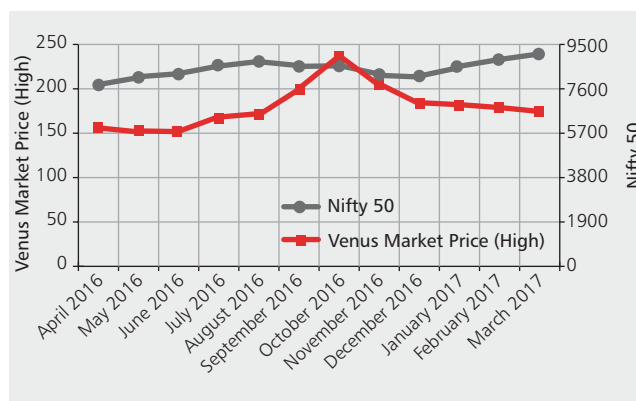
Market price data (High/Low) during each month in the year 2016-2017

Month	BSE			NSE		
	High	Low	Sensex	High	Low	Nifty 50
April 2016	93.50	87.00	25606.62	93.70	86.60	7849.80
May 2016	91.50	65.75	26667.96	91.40	65.25	8160.10
June 2016	91.00	65.00	36999.72	90.90	65.20	8287.75
July 2016	97.45	82.30	28051.86	101.00	81.50	8638.50
August 2016	102.80	81.65	28452.17	102.50	81.20	8786.20
September 2016	127.70	90.50	27865.96	120.65	91.10	8611.15
October 2016	142.80	114.05	27930.21	142.50	112.80	8625.70
November 2016	122.20	80.00	26652.81	122.80	80.10	8224.50
December 2016	111.00	91.00	26626.46	110.90	89.60	8185.80
January 2017	111.05	96.30	27655.96	109.55	96.05	8561.30
February 2017	107.70	94.40	28743.32	107.95	93.80	8879.60
March 2017	104.85	96.00	29620.50	104.60	96.60	9173.75

Graph for Comparison with Sensex



Graph for Comparison with Nifty 50



f) Registrar & Transfer Agent

Link Intime India Pvt Limited,

44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi -110028

E-mail: delhi@linkintime.com

Phone: 011-4141 0592/93/94, Fax: 011-41410591

g) Share Transfer System:

In order to make the process easy and fast, the board has delegated the powers to Registrar & Transfer Agent. Share certificates in case of transfer are generally returned to the transferee(s) within a period of 15 days. Company has also formed the Stakeholder Relationship Committee to look into transfer/ transmission/ demat/ remat/ duplicate issue of shares and for redressal of shareholders' complaints.

h) Shareholding Pattern as on 31.03.2017:

Sr. No.	Description	No. of holders	Shares	%
1	Promoters Individuals	5*	2330000	18.88
2	Promoters – Body Corporate	1	2300000	18.63
3	Mutual fund	2	1200	0.01
4	Foreign portfolio Investors	2	58944	0.48
5	Financial Institutions/Banks	2	33383	0.27
6	Individuals- Public	19101	6114040	49.54
7	Body Corporates	288	666916	5.40
8	Foreign Nationals	1	200	0.00
9	NRIs	424	286258	2.32
10	Clearing Members	173	221840	1.80
11	HUF	560	329207	2.67

* Mr. Pawan Chaudhary and Mrs Manu Chaudhary (individual promoters) are holding shares in the Company under different folio numbers due to which the total number of individual promoters is being reflected as 5 instead of 2 shareholders i.e. Mr. Pawan Chaudhary and Mrs Manu Chaudhary

i) Distribution of Shareholding

Sr.no.	Shares Range	Number of Shareholders	% of Total Shareholders	Total Shares for the Range
1	1 to 500	18179	88.4236	2338521
2	501 to 1000	1271	6.1822	1025364
3	1001 to 2000	590	2.8698	897907
4	2001 to 3000	198	0.9631	497726
5	3001 to 4000	85	0.4134	304425
6	4001 to 5000	67	0.3259	311460
7	5001 to 10000	94	0.4572	685980
8	10001 to *****	72	0.3648	6280605
Total		20559	100	12341988

j) Dematerialization of shares and liquidity

As on 31.03.2017, 12062310 equity shares representing 97.73% of total share capital of the company are in dematerialized form with NSDL and CDSL. Trading of shares only permitted in demat form. 100% promoters holding is in demat form.

Mode	No. of Shares	Percentage
DEMAT	12062310	97.73%
PHYSICAL	279678	2.27%
Total	12341988	100%

National Securities Depository Limited

Trade World, 4th Floor, A Wing Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai 400 013.
E-Mail : info@nsdl.co.in, Website: www.nsdl.co.in

Central Depository Services (India) Limited

17th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001
Website: www.centraldepository.com

k) Unclaimed Dividend

As per the section 124 of the companies Act, 2013 and rules there under, the company is required to transfer unpaid dividend which have remained unpaid/unclaimed for a period of 7 years from the date of declaration to Investor Education and Protection fund.

The details of unpaid Dividend and their due dates for transfer to Investor Education and Protection fund are as below:

Financial year	Due date of Transfer to Investor Education and Protection Fund
2009-2010	26.09.2017
2010-2011	29.09.2018
2011-2012	27.09.2019
2012-2013	29.09.2020

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

The Company has not issued GDRs/ADRs.

m) Commodity price risk or foreign exchange risk and hedging activities:

During the year there is no major foreign exchange risk due to the natural hedging on account of imports & exports.

n) Plant Location

1. Unit-I Plot 51-52, Industrial Area, Phase-I, Panchkula-134 113, India
2. Unit-II: Hill Top Industrial Estate, Jharmajri EPIP, Phase-I (Extn.), Village- Bhatoli Kalan, Baddi (H.P), India- 173 205

o) Address for correspondence

Shareholders are requested to contact the following:

Mrs. Neha Arora

Company Secretary & Compliance Officer

Venus Remedies Limited

51-52, Ind. Area, Ph.-I, Panchkula (Haryana)

E.mail:complianceofficer@venusremedies.com,

investorgrievance@venusremedies.com

Website: www.venusremedies.com

p) Registered Office

Venus remedies Limited

SCO 857, 2nd Floor, Cabin No. 10,

NAC Manimajra, Chandigarh.

12 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit to the company the prescribed Form.

13) Communication to Shareholders

All the quarterly reports, financial results, press releases are posted on our website www.venusremedies.com. Financial results are generally published in Business standard and Financial Express.

14) Details of Non Compliance:

No penalty has been imposed by Stock Exchnages, SEBI or on any matter related to capital market and there is not any non compliance with any legal requirement during last three years.

Declaration regarding affirmation to the Code of Conduct

In accordance with regulation 26(3) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed compliance to the Venus Remedies Limited Code of Conduct for the financial year ended on 31.03.2017.

For Venus Remedies Limited

Pawan Chaudhary

(Chairman & Managing Director)

DIN-00435503

Place: Panchkula

Date: 01.09.17

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of the Board,
Venus Remedies Limited

We have examined the compliance of conditions of Corporate Governance by Venus Remedies Ltd. for the year ended 31st March, 2017, as stipulated in SEBI(Listing Obligation & Disclosure Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of corporate governance.

Based on the certificate received from Share Transfer Agent and the minutes of the Share Transfer and Shareholders' Grievance Committee, we state that no investor grievance is pending for a period exceeding six months.

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

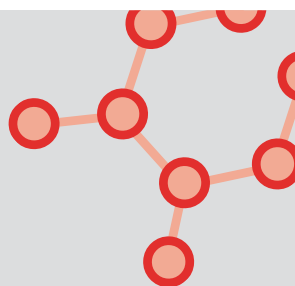
For J.K. Jain & Associates
Chartered Accountants
Firm Registration No. 004025N

(J. K. Jain)
Partner

Membership No. 083140

Place : Panchkula
Date : 01.09.17

Financial **Statements**



Independent Auditor's Report

To
The Members of
VENUS REMEDIES LIMITED
PANCHKULA

Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of M/s Venus Remedies Limited, which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information

required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Subject to the following:

- (i) The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal repayments amounting ₹1540.20 lacs to financial institution, bank or debenture holders.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143(3) of the Act, we further 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 purpose 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, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d. in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- e. On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42 to the financial statements;
 - (ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 10 to the financial statements; and
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The company has provided requisite disclosures in its Standalone Financial Statement as to the holding & dealing in Bank notes as specified during the period starting from 8th November, 2016 to 30th December, 2016 and these are in accordance with the Books of Accounts maintained by the company. Refer Note:39.

For J.K. JAIN & ASSOCIATES

Chartered Accountants

(J.K. JAIN)

(Partner)

M. No. :083140

FRN: 004025N

Place: Panchkula

Date: 30.05.2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 7 Our Report of even date to the members of Venus Remedies Limited on the accounts of the company for the year ended 31st March, 2017

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management once in a year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of immovable properties are held in the name of the company. However, company is paying rent for its Head Office & Guest House Building.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), iii (b), iii (c) of the order are not applicable to the Company.
4. In respect of loan, investments, guarantees & security, the company is complying with section 185 & 186 of companies act 2013 as applicable.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained but we have not carried out the examination of records.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes, except as mentioned in Note 42 to Notes on Financial Statements.
8. Based on our audit findings and on the information and explanations given to us by the management, we are of the opinion that, The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal repayments amounting ₹1540.20 lacs to financial institution, bank or debenture holders.
9. Based on our audit procedures and on the information and explanations given to us given by the management, we report that no money by way of Further Public Offer & Term Loan has been taken during the year.
10. The company has neither committed any fraud nor has any fraud on the company by its officers/employees been noticed or reported during the year.
11. The company has paid Managerial Remuneration in excess of limits prescribed u/s 197 read with Schedule V of the Companies Act, 2013, however the company has

- applied to the Central Govt. for its approval in this regard.
12. The company is not a Nidhi company, so the provisions of the same are not applicable.
13. (i) The company has disclosed all the transactions with the related party as prescribed by section 188 of Companies Act 2013 in notes (Note no 39).
- (ii) As per section 177 of the Companies Act, 2013, company has constituted the audit committee as required by the applicable accounting standard.
14. The company has made preferential allotment of 900000 equity shares during the year under review.

15. The company has not entered into any non cash transactions with Directors or persons connected with him and consequentially provisions of section 192 of Companies Act 2013 is not applicable.
16. The company is not required to be registered under section 45 IA of Reserve Bank India Act, 1934.

For J.K. JAIN & ASSOCIATES

Chartered Accountants

(J.K. JAIN)

(Partner)

Place: Panchkula

M. No. :083140

Date: 30.05.2017

FRN: 004025N

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S VENUS REMEDIES LIMITED.

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

To the Members of **Venus Remedies Limited**

We have audited the Internal financial controls over financial reporting of “M/s Venus Remedies Limited” (“the Company”) as at March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, Implementation and maintenance of adequate Internal financial controls that were operating effectively for ensuring the orderly and

efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the

Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls system over financial reporting and their operating effectiveness. Our audit of Internal controls over financial reporting included obtaining an understanding of Internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 Internal Financial Controls System over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures

of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal financial controls system over financial reporting and such Internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the Internal control over financial reporting criteria established by the Company considering the essential components of Internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J.K. JAIN & ASSOCIATES
Chartered Accountants

(J.K. JAIN)
(Partner)

Place: Panchkula
Date: 30.05.2017

M. No. :083140
FRN: 004025N

BALANCE SHEET as at 31st March, 2017

(₹ in Lacs)

Particulars	Note No.	Figures as at the end of 31.03.2017	Figures as at the end of 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1234.20	1144.20
(b) Reserves and Surplus	2	44482.32	43298.69
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	16181.89	19102.59
(b) Deferred Tax Liabilities (Net)	4	1288.25	1658.66
(c) Other Long term Liabilities	5	53.64	63.37
(d) Long Term Provisions	6	424.32	378.85
(3) Current Liabilities			
(a) Short-Term Borrowings	7	11569.70	11508.59
(b) Trade Payables	8	3055.73	2390.24
(c) Other Current Liabilities	9	4819.96	3663.43
(d) Short-Term Provisions	10	176.12	196.79
Total		83286.12	83405.40
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		19750.50	19409.59
(ii) Capital WIP		6625.27	7075.51
(iii) Intangible Assets		24639.67	23942.61
(iv) Intangible Assets under Development		837.32	961.50
(b) Non-current investments	12	2873.61	2873.61
(c) Long term loans and advances	13	3316.52	3289.79
(2) Current Assets			
(a) Inventories	14	13969.18	13769.33
(b) Trade receivables	15	4190.63	5388.49
(c) Cash and cash equivalents	16	314.90	304.37
(d) Short-term loans and advances	17	6768.52	6390.58
Total		83286.12	83405.40
Significant Accounting Policies and Notes on Accounts	1 to 42		

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Balance Sheet. This is the Balance Sheet referred to in our Report of even date.

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors**(Peeyush Jain)**

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

STATEMENT OF PROFIT & LOSS for the Period ended on 31st March, 2017

(₹ in Lacs)

Sr. No	Particulars	Note No.	Figures as at the end of 31.03.2017	Figures as at the end of 31.03.2016
I	Revenue from operations	18	37544.51	40269.48
II	Other Income	19	78.97	66.54
III	Total Revenue (I +II)		37623.48	40336.02
IV	Expenses:			
	Cost of materials consumed	20	22112.42	24199.79
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	50.76	(216.65)
	Employee Benefit Expenses	22	2510.05	2502.42
	Finance Costs	23	3356.08	3673.99
	Depreciation and Amortization Expenses	24	4122.29	4046.82
	Other Expenses	25	5367.60	5828.44
	Total Expenses (IV)		37519.19	40034.81
V	Profit before Tax	(III - IV)	104.29	301.21
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(370.41)	180.84
VII	Profit/(Loss) for the period		474.70	120.37
VIII	Earning per equity share:			
	(1) Basic		4.14	1.05
	(2) Diluted		4.14	1.05

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Statement of Profit & Loss. This is the Statement of Profit & Loss referred to in our Report of even date.

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors

(Peeyush Jain)

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

CASH FLOW STATEMENT for the Period ended on 31st March, 2017

(PURSUANT TO CLAUSE NO. 32 OF THE LISTING AGREEMENT)

(₹ in Lacs)

Particulars	As on 31.03.2017	As on 31.03.2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extraordinary items	104.29	301.21
Adjustment for Depreciation	4121.17	4036.18
Interest Expense	3587.43	3399.39
Increase in long term provision for gratuity and leave encashment	45.48	0.46
Adjustment of excess MAT Transferred to General Reserve	-	(2301.02)
Adjustment reversing effect on profit of non-cash non-operating activities		
Exchange Fluctuation	(231.35)	274.60
Interest Received	(24.13)	(37.44)
Operating Profit before working capital changes	7602.89	5673.38
Adjustments for increase /decrease in Current Assets	620.08	(3292.00)
Decrease / Increase in Current Liabilities/ Provisions	2032.69	1809.54
Net Cash Flow from operating activities (A)	10255.66	4190.92
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/Purchase of Fixed Assets Including		
Capitalization of Expenses(NET)	(5034.95)	(4971.76)
Increase/ Decrease in Capital work in progress	450.24	(46.80)
Interest Received	24.13	37.44
Proceeds from loans and advances	(26.73)	5301.29
Net Cash Flow from Investing Activities (B)	(4587.30)	320.17
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowing(Net)	(2131.50)	(1128.06)
Proceeds from Short term Borrowing(Net)	61.11	(31.32)
Interest Expense	(3587.43)	(3399.39)
Dividend Paid		
Net Cash from Financing Activities (C)	(5657.82)	(4558.77)
Net Increase in Cash & Cash Equivalents (A+B+C)	10.54	(47.68)
Cash & Cash Equivalents as at 31.03.2016	304.37	
Cash & Cash Equivalents as at 31.03.2017	314.90	
Cash & Cash Equivalents as at 31.03.2015		352.05
Cash & Cash Equivalents as at 31.03.2016		304.37

AUDITOR'S REPORT

As per our separate report of even date

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors**(Peeyush Jain)**

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS as on 31st March, 2017

(I) Accounting Concepts

The accounts are prepared under the historical cost convention and on the basis of going concern. All expenses and incomes to the extent ascertainable are accounted for on mercantile basis unless otherwise stated in accordance with Accounting Standard-1 (i.e. Disclosure of Accounting Policies).

(II) Fixed Assets

Fixed Assets are stated at historical cost (including expenses incurred upto the date of putting them in commercial use) less depreciation in accordance with Accounting Standard -10 i.e. Accounting for Fixed Assets.

(III) Depreciation

The Company is following the useful life method of depreciation as per the useful life specified in part C of Schedule II of the Companies Act 2013. The Carrying amount of assets is being depreciated over the remaining useful life of the assets.

On assets sold, discarded etc, during the year depreciation is provided up to the date of sale/discard.

(IV) Inventories

The inventories are valued in accordance, with the revised Accounting Standard-2 "(AS - 2)" Valuation of Inventories" and the revised "Guidance Note on Accounting Treatment for Excise Duty" issued by the Institute of Chartered Accountants of India. Accordingly the method of valuation of inventories adopted are as under :-

- Stock Raw Material and Packing Material: - At cost price.
- Stock of Work in Progress:- At material cost plus apportioned manufacturing overheads.
- Stock of Finished Goods:- At material cost plus apportioned manufacturing overheads plus excise duty and other costs incurred in bringing the inventories to their present location and condition or Net Realizable value whichever is lower.
- Spares and consumables:- at cost.

(V) Investments (AS-13)

- Long term investments are stated at cost of acquisition. Provision for Diminution is made only to recognize a decline other than temporary, if any, in the value of investments.
- Current investments are carried at lower of cost or fair market Value.

(VI) Retirement Benefits (AS-15)

- A short term employees benefits are recognized as an expenses at the undiscounted amount in the profit and loss accounts of the year in which the related service is rendered.
- Post employment and other long term employees benefits are recognized as an expense in the profit and loss account for the year in which the employees has rendered services. The expenses are recognized at the present value of the amount payable determined using actuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to profit and loss account.

(VII) Revenue Recognition (AS-9)

- Sales of goods and services are recognized upon passage of the title to the customer, which generally coincides with the delivery. Sale is net of sale returns but includes excise duty.
- Dividends are accounted for as and when received.
- Other income is accounted for on mercantile basis unless otherwise stated in other accounting standard.

(VIII) Research and Development Costs

- Capital Expenditure on assets for research and development is included in cost of fixed assets.
- The revenue expenditure incurred on research & development up to research phase comprising cost of materials consumed, salary & wages and other related costs, as identified have been charged to Profit & Loss account.
 - Expenditure on development phase in which the activity converts the results to a marketable product but doesn't result in to any intangible assets, such expenses incurred are not capitalized but otherwise charged to Profit & Loss account in accordance with AS-26 (Accounting Standard on Intangible Assets).
 - Expenditure on in-licensed development activities, where by research findings are applied to a plan or design for the production of new products and processes, is capitalized, if the cost can be reliably measured, the product and process is technically and commercially feasible and the Company has sufficient Technical, financial and other resources to complete the development and to use and sell the asset.

SIGNIFICANT ACCOUNTING POLICIES TO THE FINANCIAL STATEMENTS as on 31st March, 2017

(IX) Intangible Assets (AS-26)

- (i) The company has the policy to amortise the patent and trademarks over the period of 15 years as the estimated normal useful life of the patent is 15 years.

(X) Borrowing Costs (AS-16)

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of costs of such assets till such time as the assets is ready for its intended use. All other borrowing costs are recognized as an expense in the period in which incurred.

(XI) Translation of Foreign Exchange Transactions (AS-11)

- (a) Foreign exchange transactions in respect of import payments are stated at the exchange rate prevailing at the time of transaction and variation, if any, accounted for on the date of payment is squared during the same accounting year.
- (b) Monetary items denominated in foreign currencies remaining unsettled at the year end if not covered by forward exchange contracts are translated at year end rates.
- (c) Any income/expense arising from foreign currency transactions is dealt in the profit and loss account for the year except in cases where they relate to acquisition of fixed assets in which case they are adjusted in the carrying cost of such assets.

(XII) Income Tax

- (a) Current Tax: Provision is made for income tax based on the liability as computed after taking credit for allowance and exemptions. Adjustments in books are made only after the completion of the assessment.
- (b) Deferred Tax: Consequent to the Accounting Standard 22 "Accounting for taxes on income" the differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another. The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted regulations. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.
- (c) MAT: Minimum Alternative Tax payable under the provisions of the income tax Act, 1961 is recognized as an asset in the year in which credit becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates and shall be reversed in the year in which it lapses.

(XIII) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Government grants related to depreciable assets are treated as deferred income and are recognized in the statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of Profit and Loss over the period necessary to match them with the related costs which they are intended to compensate.

(XIV) Impairment of Assets (AS-28)

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit & loss account in the year in which an asset is identified as impaired if there is any indication that asset may be impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. Accounting policies not specially referred to are consistent with generally accepted accounting principles.

(XV) Provisions, Contingent Liabilities and Contingent Assets (AS-29)

Provisions involving substantial degree of estimation in management are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(XVI) Forward Exchange Contracts (AS-30)

A company may enter into a forward exchange contract or another financial Instrument that is in substance a forward exchange contract, which are not intended for trading or speculation purposes, to establish the amount of the reporting currency required or available at the settlement date of the transaction. As per AS-11 (R) any premiums or discount at the inception of such a forward exchange contract are amortized over the life of the contract and exchange difference on such contracts are recognized in the statement of profit or loss in the reporting period.

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 1 SHARE CAPITAL

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	AUTHORIZED SHARE CAPITAL		
	1,50,00,000 Equity Shares of ₹10/- each.	1500.00	1500.00
	(Previous Year 1,50,00,000 Equity Shares of ₹10/- each)		
		1500.00	1500.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	1,23,41,988 Equity Shares of ₹10/- each, Fully paid up	1234.20	1144.20
	(Previous year 1,14,41,988 Equity Shares of 10/- each)		
	Total	1234.20	1144.20

1.2 The details of Shareholders holding more than 5% shares:

Sr. No	Name of Shareholders	31.03.2017 No. of Shares (%)	31.03.2016 No. of Shares (%)
1	Sunev Pharma Solutions Limited	2300000 (18.64%)	2300000 (20.10%)
2	Pawan Chaudhary	1187000 (9.62%)	680000 (5.94%)
3	Manu Chaudhary	1143000 (9.26%)	750000 (6.55%)

1.3 The reconciliation of the number of shares outstanding is set out below:

Sr. No	Particulars	31.03.2017 No. of Shares	31.03.2016 No. of Shares
1	Equity Shares at the beginning of the year	11441988.00	11441988.00
2	Add: Shares issued during the year	900000.00	-
	Equity Shares at the end of the year	12341988.00	11441988.00

Note : 2 RESERVE & SURPLUS

Sr. No	Particulars	31.03.2017	31.03.2016
1	Securities Premium		
	As per last Balance Sheet	6851.15	6851.15
	Add: Securities Premium collected on share issue	708.93	-
	Total A	7560.08	6851.15
2	General Reserve		
	As per last Balance Sheet	21146.30	23447.32
	Less : Mat Credit for Previous Years	-	(2301.02)
	Total B	21146.30	21146.30
3	Retained Earnings		
	As per last Balance Sheet	15301.23	15180.87
	Add: Profit for the period	474.70	120.37
	Total C	15775.94	15301.23
	Total	44482.32	43298.69

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 3 LONG TERM BORROWINGS**

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Term Loans Secured by first charge on Fixed Assets & second charge on current assets of the company & personal guarantee of the promoters	11264.24	13449.01
2	Long Term Maturities of Vehicle loan obligation (Secured by way of hypothecation vehicle financed)	4.86	6.20
	Total	11269.10	13455.20

3.1 Maturity Profile of Term Loans are as set below: (₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
2665.35	2512.44	2869.00

3.2 Maturity Profile of Vehicle Loan obligation are as set below: (₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
1.53	1.69	1.64

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Foreign Currency Convertible Bonds	3946.60	3882.26
2	Loan from Promoters	966.19	1765.12
	Total	4912.79	5647.38

Note : 4 DEFERRED TAX LIABILITY (NET)

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Deferred Tax Liability	1288.25	1658.66
	Total	1288.25	1658.66

Note : 5 OTHER LONG TERM LIABILITIES

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Security Retained from Staff	19.04	18.17
2	Security Retained from Contractors	20.56	36.15
3	Security in lieu of C Form	14.04	9.05
	Total	53.64	63.37

Note : 6 LONG TERM LIABILITIES

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Provision For Employees Benefit		
	Provision for Gratuity	264.07	231.00
	Provision for Leave Encashment	160.25	147.85
	Total	424.32	378.85

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 7 SHORT TERM BORROWINGS (SECURED LOANS)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Working Capital Loan from Bank Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Promoters.	11569.70	11508.59
	Total	11569.70	11508.59

Note : 8 TRADE PAYABLES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Micro, Small and Medium Enterprises	65.10	58.25
2	Others	2990.62	2331.99
	Total	3055.73	2390.24

Note : 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Current Maturities of Long Term debts	3060.86	2079.63
2	Current Maturities of Vehicle Loan Obligation	1.39	1.85
3	Advance From Customers	250.22	388.14
4	Creditors for Capital Expenditure	45.27	66.44
5	Unclaimed Dividends	27.11	33.13
6	Creditor For Expenses	150.94	310.72
7	Other Payable	1284.17	783.53
	Total	4819.96	3663.43

9.1 Other payables includes salary payable, sales tax, TDS payable and all other payables.

Note : 10 SHORT TERM PROVISIONS

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Provision for Gratuity	50.13	44.54
2	Provision for Leave Encashment	14.11	12.95
3	Provision for MIT	87.63	103.62
4	Provision for Excise Duty on Finished Goods	24.26	35.68
	Total	176.12	196.79

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 11 FIXED ASSET

(₹ in Lacs)

Sr. No	Particulars	Useful Life	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deletion during the year	Value at the end	WDV as on 31.03.2017	WDV as on 31.03.2016
I	Tangible Assets											
1	Land		922.94	-		922.94	-	-		-	922.94	922.94
2	Building	30	4532.91	698.31		5231.22	1187.32	175.35		1362.67	3868.55	3345.59
3	Building for R & D	30	1302.70	-		1302.70	374.97	45.37		420.34	882.37	927.73
4	Plant & Machinery	20	8760.77	321.60		9082.36	2783.89	476.69		3260.58	5821.78	5976.87
5	R & D Pilot Plant	20	1235.54	175.14		1410.68	302.69	68.98		371.67	1039.01	932.86
6	R & D Equipment	15	4703.87	508.25		5212.12	1509.23	366.56		1875.80	3336.32	3194.63
7	Computer, I.T and Communication Equipment	6	2664.47	184.68		2849.15	2130.25	228.69		2358.93	490.22	534.22
8	D G Set	10	215.27	0.21		215.47	157.65	15.12		172.76	42.71	57.62
9	Electrical Installation	10	903.63	55.81		959.44	478.36	103.64		582.00	377.44	425.27
10	Furniture & Fixture	10	678.93	57.78		736.70	383.57	69.46		453.03	283.67	295.36
11	Lab Equipment	10	2722.66	211.65		2934.31	921.14	300.52		1221.66	1712.65	1801.53
12	Misc. Fixed Assets	15	653.54	37.00		690.55	225.65	48.18		273.83	416.72	427.90
13	Office Equipment/ Security Equipment	5	452.13	79.03		531.16	346.96	68.67		415.64	115.52	105.16
14	Pollution Control	15	549.41	48.58		597.99	132.77	32.83		165.60	432.39	416.63
15	Vehicles	8	469.92	0.10	1.63	468.39	424.64	36.67	1.12	460.19	8.20	45.28
	TOTAL		30768.68	2378.15	1.63	33145.20	11359.09	2036.73	1.12	13394.69	19750.50	19409.59
	(PREVIOUS YEAR)		28817.59	1963.94	12.86	30768.68	9217.80	2151.93	10.64	11359.09	19409.59	19599.79
II	Capital Work-in-progress											
1	Building Under Construction		6945.27								6476.42	6945.27
2	Plant & Machinery		50.11								71.45	50.11
3	Electrical		30.53								36.89	30.53
4	R & D Block		49.61								40.51	49.61
	TOTAL		7075.51								6625.27	7075.51
	(PREVIOUS YEAR)		7028.71								7075.51	7028.71
III	Intangible Assets											
1	Patent IPR Technologies	15	23767.71	1789.78	-	25557.49	7676.81	1409.63	-	9086.44	16471.05	16090.90
2	Product & Process Development	15	11524.93	992.84	-	12517.76	3673.21	675.93	-	4349.14	8168.62	7851.71
	TOTAL		35292.63	2782.62	-	38075.25	11350.02	2085.56	-	13435.58	24639.67	23942.61
	(PREVIOUS YEAR)		32432.56	2860.08	-	35292.63	9455.13	1894.89	-	11350.02	23942.61	22977.43
IV	Intangible Assets Under Development		961.50								837.32	961.50
	TOTAL		961.50								837.32	961.50
	(PREVIOUS YEAR)		800.91								961.50	800.91

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 12 NON CURRENT INVESTMENT

A. Other Investments

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	In the Equity Shares of WOS Unquoted, fully paid up Venus Pharma GmbH	2873.61	2873.61
	Total	2873.61	2873.61

Note : 13 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Security Deposit	81.75	55.02
2	In Licensing of Technology	3234.77	3234.77
	Total	3316.52	3289.79

Note : 14 INVENTORIES

(As taken, valued and certified by the management)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Raw Material	8914.59	8650.39
2	Work-in-Progress	2572.83	2490.13
3	Finished Goods	2378.75	2512.20
4	Consumables	6.20	5.01
5	Stores & Spares	5.06	4.22
6	Printing & Stationary	4.13	3.76
7	Goods-in-transit		
	a) Raw Material	70.68	68.60
	b) Packing Material	16.95	35.03
	Total	13969.18	13769.33

14.1 Inventories are valued as per method described in significant accounting policies.

Note : 15 TRADE RECEIVABLES

(Unsecured, Considered good)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Outstanding for more than six months	93.67	21.96
2	Others	4096.95	5366.53
	Total	4190.63	5388.49

15.1 The Company has sent letter of balance confirmation to all the parties but only a few have responded so far. So the balance in the party accounts whether in debit or credit are subject to reconciliation.

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 16 CASH & CASH EQUIVALENT**

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Cash-in-Hand		
	Cash Balance	14.45	6.77
	Foreign Exchange in Hand	1.56	1.52
	Sub Total (A)	16.02	8.29
2	Bank Balance		
	In current Accounts	47.03	21.23
	Sub Total (B)	47.03	21.23
3	Fixed Deposits		
	Fixed Deposit being Margin Money	251.85	274.85
	Sub Total (C)	251.85	274.85
	Total [A + B +C]	314.90	304.37

16.1 Balance with Banks includes Unclaimed Dividend of ₹27.11 Lacs (Previous Year ₹33.13 Lacs).

16.2 An amount of ₹251.85 Lacs (Previous Year ₹274.85 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit.

Note : 17 SHORT TERMS LOANS AND ADVANCES

(Unsecured, Considered Good)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Balance with Revenue Authorities under Indirect Taxes	666.86	188.23
2	Loan to Staff	1.83	2.61
3	Other Loans & Advances (Advance Recoverable in cash or in kind or for value to be considered good)	3281.60	3381.51
4	Income Tax Receivable	2818.23	2818.23
	Total	6768.52	6390.58

17.1 Other Loans and Advances includes Advances to suppliers, Prepaid Expenses & TDS Receivable etc.

Note : 18 REVENUE FROM OPERATIONS

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Sale of products (Net)	37034.76	39698.40
2	Income from research activities	131.76	238.22
3	Other Operating Revenue	377.99	332.87
	Total	37544.51	40269.48

18.1 Other Operating Revenue includes ₹377.99 Lacs received / receivable from Government as Export Incentives.

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 19 OTHER INCOME

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Bank Interest	24.13	37.44
2	Misc. Income (Recovery & Income)	36.62	18.62
3	Claim Received	7.74	2.56
4	Income from Sales of Scrap	10.47	7.93
	Total	78.97	66.54

Note : 20 COST OF MATERIAL CONSUMED

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
	Opening Stock		
	- Raw Material	8650.39	9156.15
	Add : Purchases	22376.62	23694.04
	Total	31027.00	32850.18
	Less : Closing Stock	8914.59	8650.39
	Total	22112.42	24199.79

20.1 Detail of Material Consumed

Sr. No	Particulars	31.03.2017		31.03.2016	
		Kgs.	(₹ in Lacs)	Kgs.	(₹ in Lacs)
1	Cephalosporins / FDC	37448	4090.23	47806	4773.48
2	Carbapenem	8331	6762.06	7151	6097.89
3	Anti-Cancer	306	1862.56	464	2716.36
4	Other Material	-	5902.87	-	6093.47
5	Packing Material	-	3494.71	-	4518.60
	Total	46085.00	22112.42	55421.00	24199.79

20.2 Particulars of Material Consumed

(₹ in Lacs)

Sr. No	Particulars	As on 31.03.2017 (% Consumed)	As on 31.03.2016 (% Consumed)
1	Imported	7261.23 (32.84)	8385.30 (34.65)
2	Indigenous	14851.19 (67.16)	15814.49 (65.35)
	Total	22112.42 (100)	24199.79 (100)

Note : 21 CHANGE IN INVENTORIES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Opening Stock		
	- Finished Goods	2512.20	2240.14
	- Work In Progress	2490.13	2545.54
	Total (A)	5002.33	4785.68
2	Closing Stock		
	- Finished Goods	2378.75	2512.20
	- Work in progress	2572.83	2490.13
	Total (B)	4951.58	5002.33
	Change in Inventories (A-B)	50.76	(216.65)

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 22 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Salaries & Wages	2302.03	2280.13
2	Contribution to Provident Fund and other funds	147.35	147.96
3	Staff Welfare Expenses	60.66	74.34
	Total	2510.05	2502.42

22.1 Reconciliation of fair value of assets and obligations

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Gratuity		
	Fair Value of Plan Assets	-	-
	Present value of obligation	314.20	275.54
	Amount recognised in balance Sheet	314.20	275.54
2	Leave Encashment		
	Fair Value of Plan Assets	-	-
	Present value of obligation	174.36	160.80
	Amount recognised in balance Sheet	174.36	160.80

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

22.2 Expenses recognised during the year

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Gratuity		
	Current Service Cost	39.97	35.75
	Interest Cost	19.29	21.21
	Net Actuarial (gain)/loss recognised in the period	3.05	(10.69)
	Expense recognised in the P&L Statement	62.31	46.27
2	Leave Encashment		
	Current Service Cost	59.01	48.94
	Interest Cost	11.26	13.47
	Net Actuarial (gain)/loss recognised in the period	(33.68)	(39.54)
	Expense recognised in the P&L Statement	36.59	22.87

Note : 23 FINANCIAL COST

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Interest Expenses	3367.77	3212.85
2	Exchange Fluctuation	(231.35)	274.60
3	Other Borrowing Cost	219.66	186.54
	Total	3356.08	3673.99

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 24 DEPRECIATION & AMORTISED COST

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Depreciation	2036.73	2151.93
2	Amortisation of Intangible Assets	2085.56	1894.89
	Total	4122.29	4046.82

Note : 25 OTHER EXPENSES

(₹ in Lacs)

A. Manufacturing Expenses

Sr. No	Particulars	31.03.2017	31.03.2016
1	Power & Fuel	307.74	289.72
2	Consumables	84.65	96.46
3	Repair & Maintenance		
	- Building	38.37	22.38
	- Electrical	17.92	8.33
	- Plant & Machinery	72.22	42.03
4	Other Manufacturing Expenses	78.88	71.79
	Total	599.78	530.72

B. Administration Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Rent	1.47	1.35
2	Rates, Fee & Taxes	13.86	7.16
3	Insurance	24.92	26.18
4	Legal and Professional Expenses	45.11	53.30
5	Postage, Telex & Telegram	3.78	2.48
6	Printing & Stationery	24.19	18.70
7	Telephone Expenses	26.14	26.38
8	Traveling & Conveyance:		
	- Staff	58.36	42.04
	- Directors	8.06	12.54
	- Others	2.45	0.51
9	Running, Repair & Maintenance :		
	- Vehicles	73.09	64.38
	- Computer	7.38	10.05
	- Others	10.11	6.38
10	Auditors' Fees	6.90	12.40
11	Directors Remuneration	195.23	195.49
12	Other Administrative Expenses	246.48	112.75
13	Other Corporate Expenses	111.55	66.81
	Total	859.09	658.89

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

C. Selling and Distribution Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Discount / Commission	1211.53	1107.88
2	Other Selling Expenses	574.29	835.41
3	Advertisement & Sales Promotion	524.54	968.48
4	Sample Distribution	125.20	149.61
5	Incentive to Field Force	181.32	16.58
6	Traveling and conveyance Field Staff (Incl. Hotel)	433.51	490.86
	Total	3050.39	3568.82

D. Research and Development Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Remuneration of R & D Staff	430.17	434.63
2	R & D Expenses	170.91	225.27
3	Material used for Development of new products	187.00	320.47
4	R & D Consumables	70.26	89.64
	Total	858.34	1070.01
	GRAND TOTAL	5367.60	5828.44

26. The previous year figures have been re-arranged and re-grouped where ever found necessary.
27. The company operates only in one business segment viz "Pharmaceutical Formulation" and is engaged in manufacturing and trading of medicines. Since in the opinion of management, the inherent nature of activities engaged by the company are governed by the same set of risks and rewards, so these have been grouped and identified as a single segment in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by ICAI.

28. Earning per Share (AS-20)

The calculation of Earning per share (EPS) are based on the earnings and number of shares as computed below:

Profit after Tax	₹4,74,70,238	₹1,20,36,777
	No. of shares as on 31.03.2017	No. of shares as on 31.03. 2016
Weighted average number of shares in calculating the basic EPS	1,14,76,509	1,14,41,988
Weighted average number of shares in calculating Diluted EPS	1,14,76,509	1,14,41,988
Earning per share (Face value ₹10 /each)		
Earning per share - Basic in ₹	4.14	1.05
Earning per share - Diluted in ₹	4.14	1.05

29. During the year, the company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountant of India. Based on such review, no provision for impairment is required to be recognized for the year.
30. In the opinion of the board, and to the best of their knowledge and belief, the value on realization of the current assets, loans & advance shown in the Balance Sheet in the ordinary course of business will be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities has been made.
31. As per the provisions of FCCB agreement, the FCCB was to be converted into equity shares by 01-02-2015. However, the bond holder have not exercise their option to convert the bonds into equity shares. Therefore, the company has made the provision of interest amount in the books of accounts.

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017

- 32.** The CDR package as approved by the Corporate Debt Restructuring Cell (CDR Cell) as on 25.11.2014 is under implementation in the company.

Lenders with the approval of CDR EG shall have the right to recompense the reliefs / sacrifices / waivers extended by respective CDR lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the company and many other conditions, the outcome of which is currently materially uncertain. The tentative recompense amount upto 31.03.2017 comes to ₹22.15 Crs. (previous year ₹17.63 Crs.).

- 33.** As per section 135 of the Companies Act, 2013, company is required to spend 2% of average net profit of preceding three years on CSR activities. During the year there was a sharp fall in the liquidity position of the company due to dip in the sales & profitability specially in overseas markets, loss of tenders, stiff competition in generic product market, foreign exchange fluctuations resulting in rupees devaluation etc. During the financial year 2016-17 the financial position of the company was not Good.

Due to liquidity problem, Company had to go for restructuring of its bank debts under Corporate Debt Restructuring (CDR) mechanism.

Therefore, due to unfavorable financial health and being under debt restructuring as per CDR mechanism, Company could not spend on CSR activities.

- 34.** The figures in the Balance Sheet and Profit & Loss Account for the year have been rounded off to nearest lacs.

35. Payments to Auditors

(₹ in Lacs)

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Audit Fees	5.00	9.26
2	Tax Audit Fees	1.00	1.57
	Add: Service Tax	0.90	1.57
	Total	6.90	12.40

36. Value of Imports on CIF Basis in respect of

(₹ in Lacs)

Sr. No	Particulars	Current Year	Previous Year
1	Raw & Packing Material	7363.05	8583.29

37. Expenditure in Foreign Exchange

(Currency in Lacs)

Particulars		Current Year	Previous Year
Salary	USD	1.01	1.33
Traveling	USD	0.01	0.08
	EURO	0.0009	0.03
	RMB	0.01	
Regulatory Fee for Patent / Products & Plant Registration / Export	USD	10.51	10.56
	AUD	-	0.003
	EURO	0.11	0.03
Subscription / Publication	JPY	-	0.20
	USD	-	0.002
Commission / Incentive	USD	0.62	0.26
	EURO	0.03	0.11

38. Earnings in Foreign Exchange

Value of Export on FOB Basis

(Currency in Lacs)

Sr. No.	Particulars		Current Year	Previous Year
1	Sales	USD	91.98	64.92
		EURO	85.68	102.10
		GBP	21.61	-
2	R & D Activities	USD	1.31	1.89
		EURO	0.06	0.18

NOTES ON FINANCIAL STATEMENTS for the period ended on 31st March, 2017**39. Detail of SBN's from 08-11-2016 to 30-12-2016**

(Amount in ₹)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8-11-2016	352000	266538	618538
(+) Permitted receipts	-	1360157	1360157
(-) Permitted payments	-	1333887	1333887
(-) Amount deposited in Banks	352000	-	352000
Closing cash in hand as on 30-12-2016			292808

40. Related Party Disclosures:

As per AS-18, the disclosures of transactions with related parties during the year are given below.

(₹ in Lacs)

Related Party Relationship	Subsidiaries	Associates	Key managerial Personnel	Current Year	Previous Year
Sales & Others	7950.28	27.93		7978.21	7354.37
Purchases and Others	810.61	267.59		1078.21	177.77
Remuneration to Directors /KMP			195.23	195.23	195.48
Advance paid / (Recovered) for in licensing of Technology				-	(191.00)

Names of related parties and description of relationship:

1.	Wholly Owned Subsidiary	Venus Pharma GmbH
2.	Associates	Sunev Pharma Solutions Limited Spine Software Systems Pvt Limited
3.	Key Management Personnel	Mr.Pawan Chaudhary Mrs. Manu Chaudhary Mr. Peeyush Jain Mr. Ashutosh Jain

41. There is no remittance in foreign currency on account of dividend.

42. Contingent Liabilities and Commitments

(₹ in Lacs)

Particulars	Current Year	Previous Year
Contingent Liabilities		
a) Letter of Credit / Bank Guarantees – Inland	177.02	137.40
b) Bank Guarantees foreign	-	30.09
c) Letter of credit – Foreign	33.57	9.55
d) Tax demand pending in appeal	16.34	23.16

Auditors' Report In term of our separate report of even date annexed here to.

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors

(Peeyush Jain)

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

VENUS PHARMA GmbH GERMANY

Sr. No.	Particulars	31.03.2017		31.03.2016	
		Euro in lacs	₹ in lacs	Euro in lacs	₹ in lacs
1	Share capital	0.25	17.31	0.25	18.77
2	Reserves & surplus	(15.96)	(1,105.44)	(20.22)	(1,518.70)
3	Total assets	50.66	3508.23	56.21	4221.09
4	Total Liabilities	50.66	3508.23	56.21	4221.09
5	Turnover	154.68	11163.38	131.28	9361.00
6	Profit before taxation	4.26	316.21	0.78	49.52
7	Provision for taxation	NIL	NIL	NIL	NIL
8	Profit after taxation	4.26	316.21	0.78	49.52
9	Proposed Dividend	NIL	NIL	NIL	NIL

Independent Auditor's Report

To
The Members of
VENUS REMEDIES LIMITED
PANCHKULA

Report on the Financial Statements

1. We have audited the accompanying Consolidated financial statements of **M/s Venus Remedies Ltd.** and its wholly owned subsidiary, **Venus Pharma GMBH** which comprise the Consolidated Balance Sheet as at March 31, 2017, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit of Venus Remedies Limited, in accordance with auditing Standards generally accepted in India and also we have conducted audit of subsidiary, Venus Pharma GMBH according to generally accepted audit Standards in Germany i.e "International Accounting Standards". Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with International Accounting Standard (IFRS) issued by International Accounting Standard which are generally accepted in Germany.

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit/ loss for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Subject to the following:

- (i) The Company has gone for Debt Restructuring and the CDR Cell has approved its CDR package. The Company is repaying the debt as per the approved package, however the company could not serve the interest and principal repayments amounting ₹1540.20 lacs to financial institution, bank or debenture holders.

Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, we further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;

For J.K. JAIN & ASSOCIATES

Chartered Accountants

(J.K. JAIN)

(Partner)

Place: Panchkula

Date: 30.05.2017

M. No. :083140

FRN: 004025N

CONSOLIDATED BALANCE SHEET as at 31st March, 2017

(₹ in Lacs)

Particulars	Note No.	Figures as on 31.03.2017	Figures as on 31.03.2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1234.20	1144.20
(b) Reserves and Surplus	2	43926.03	42618.19
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	16181.89	19104.59
(b) Deferred Tax Liabilities (Net)	4	1288.25	1658.66
(c) Other Long term Liabilities	5	53.64	63.37
(d) Long Term Provisions	6	424.32	378.85
(3) Current Liabilities			
(a) Short-Term Borrowings	7	11915.94	12332.35
(b) Trade Payables	8	2972.97	2513.64
(c) Other Current Liabilities	9	4737.82	4270.87
(d) Short-Term Provisions	10	176.12	196.79
Total		82911.17	84281.50
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		21316.21	21178.79
(ii) Capital Work-in-Progress		6625.27	7075.51
(iii) Intangible Assets		24753.77	24068.97
(iv) Intangible Assets under Development		837.32	961.50
(b) Long term loans and advances	12	3316.52	3289.79
(2) Current Assets			
(a) Inventories	13	14059.92	14328.78
(b) Trade receivables	14	4728.62	6158.86
(c) Cash and cash equivalents	15	355.98	707.11
(d) Short-term loans and advances	16	6917.56	6512.18
Total		82911.17	84281.50
Significant Accounting Policies and Notes on Accounts	1 to 37		

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of Balance Sheet This is the Balance Sheet referred to in our report of even date.

AUDITOR'S REPORT

As per our separate report of even date

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors

(Peeyush Jain)

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the Period ended on 31st March, 2017

(₹ in Lacs)

Sr. No	Particulars	Note No.	Figures as on 31.03.2017	Figures as on 31.03.2016
I	Revenue from operations	17	40004.03	41826.81
II	Other Income	18	226.98	200.76
III	Total Revenue (I +II)		40231.01	42027.57
IV	Expenses:			
	Cost of materials consumed	19	22357.96	24203.57
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	349.27	(353.29)
	Employee Benefit Expenses	21	3434.32	3244.10
	Finance Costs	22	3437.16	3797.99
	Depreciation and Amortization Expenses	23	4216.30	4168.11
	Other Expenses	24	6015.49	6616.37
	Total Expenses (IV)		39810.51	41676.84
V	Profit before Tax		420.50	350.73
VI	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		(370.41)	180.84
VII	Profit/(Loss) for the period		790.91	169.88
VIII	Earning per equity share : Basic earning per share		6.89	1.48

Notes and Significant Accounting Policies referred to above and annexed there to form an integral part of statement of Profit & Loss This is the statement of Profit & Loss referred to in our report of even date.

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors

(Peeyush Jain)

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

CONSOLIDATED CASH FLOW STATEMENT for the Period ended on 31st March, 2017

(₹ in Lacs)

Particulars	As on 31.03.2017	As on 31.03.2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax & extraordinary items	420.50	350.73
Adjustment for Depreciation	4215.18	4157.47
Increase in Long Term Provision for Gratuity and Leave encashment	45.48	0.46
Adjustment of excess MAT Transferred to General Reserve	-	(2301.02)
Exchange Fluctuation	(244.83)	348.47
Interest Received	(24.13)	(37.57)
Interest Paid	3637.91	3473.07
Operating Profit before working capital changes	8050.12	5991.61
Adjustments for increase /decrease in Current Assets	755.52	(3932.80)
Decrease / Increase in Current Liabilities/ Provisions	1166.73	2629.26
Net Operating Cash Flow before adjusting tax and extraordinary items	9972.36	4688.07
Net Cash Flow from operating activities (A)	9972.36	4688.07
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale/Purchase of Fixed Assets Including	(25.88)	(27.82)
Capitalization of Expenses(NET)	(5034.95)	(4971.76)
Increase/ Decrease in Capital work in progress	450.24	(46.80)
Interest Received	24.13	37.57
Proceeds from loans and advances	(26.73)	5301.29
Net Cash Flow from Investing Activities (B)	(4613.18)	292.48
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(3637.91)	(3473.07)
Proceeds from Long Term Borrowing (Net)	(2133.51)	(1130.56)
Proceeds from Short term Borrowing (Net)	61.11	(31.32)
Net Cash from Financing Activities (C)	(5710.30)	(4634.95)
Net Increase in Cash & Cash Equivalents (A+B+C)	(351.13)	345.60
Cash & Cash Equivalents as at 31.03.2017	355.98	
Cash & Cash Equivalents as at 31.03.2016	707.11	
Cash & Cash Equivalents as at 31.03.2015		361.51
Cash & Cash Equivalents as at 31.03.2016		707.11

AUDITOR'S REPORT

As per our separate report of even date

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors**(Peeyush Jain)**

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS as on 31st March 2017

1. Principles of Consolidation

The consolidated financial statements relates to Venus Remedies Limited ('the Company') and its subsidiary "Venus Pharma GmbH" ('the Subsidiary'). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21-"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- b) In case of foreign subsidiary, being non-integral foreign operations, revenue items are consolidated at average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserve.
- c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- d) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated statement of Profit and loss account as the profit or loss on disposal of investment in subsidiary.
- e) In case of associated companies where the company directly or indirectly through subsidiaries holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with accounting Standard (AS) 23-"Accounting for investments in associates in consolidated financial statements "issued by the Institute of Chartered Accountants of India.
- f) The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associated to the extent of its share, through its profit and loss account to the extent such change is attributable to the associated' profit and loss account and through its reserves for the balance, based on available information.
- g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

2. Investment other than in subsidiaries and associates has been accounted as per Accounting Standard (AS-13) on "Accounting for Investments".

3. Other significant accounting policies:-

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Venus Remedies Limited and its subsidiary.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 1 SHARE CAPITAL**

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	AUTHORIZED SHARE CAPITAL		
	1,50,00,000 Equity Shares of ₹10/- each.	1500.00	1500.00
	(Previous Year 1,50,00,000 Equity Shares of ₹10/- each)		
		1500.00	1500.00
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL		
	1,23,41,988 Equity Shares of ₹10/- each, Fully paid up	1234.20	1144.20
	(Previous year 1,14,41,988 Equity Shares of 10/- each)		
	Total	1234.20	1144.20

1.2 The details of Shareholders holding more than 5% shares:

Sr. No	Name of Shareholders	31.03.2017 No. of Shares (%)	31.03.2016 No. of Shares (%)
1	Sunev Pharma Solutions Limited	2300000 (18.64%)	2300000 (20.10%)
2	Pawan Chaudhary	1187000 (9.62%)	680000 (5.94%)
3	Manu Chaudhary	1143000 (9.26%)	750000 (6.55%)

1.3 The reconciliation of the number of shares outstanding is set out below:

Sr. No	Particulars	31.03.2017 No. of Shares	31.03.2016 No. of Shares
1	Equity Shares at the beginning of the year	11441988.00	11441988.00
2	Add: Shares issued during the year	900000.00	-
	Equity Shares at the end of the year	12341988.00	11441988.00

Note : 2 RESERVE & SURPLUS

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Securities Premium		
	As per last Balance Sheet	6851.15	6851.15
	Add: Securities Premium collected on share issue	708.93	-
	Total A	7560.08	6851.15
2	General Reserve		
	As per last Balance Sheet	21146.30	23447.32
	Add : Mat Credit for Previous Years	-	(2301.02)
	Total B	21146.30	21146.30
3	Foreign Exchange Translation Reserve		
	As per last Balance Sheet	847.29	79.47
	Add: During the year	(192.00)	767.82
	Total C	655.29	847.29
4	Surplus (Profit & Loss Account)		
	As per last Balance Sheet	13773.45	13603.56
	Add: Profit for the period	790.91	169.88
	Total C	14564.36	13773.45
	Total (A+B+C)	43926.03	42618.19

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 3 LONG TERM BORROWINGS

A. Secured Loans		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Term Loans Secured by first charge on Fixed Assets & second charge on current assets of the company & personal guarantee of the promoters	11264.24	13449.01
2	Long Term Maturities of Vehicle loan obligation	4.86	8.20
Total		11269.10	13457.21

3.1 Maturity Profile of Term Loans are as set below: (₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
2665.35	2512.40	2869.00

3.2 Maturity Profile of Vehicle Loan obligation are as set below: (₹ in Lacs)

1-2 Years	2-3 Years	3-4 Years
1.53	1.69	1.64

B. Unsecured Loans		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Bonds		
1	Foreign Currency Convertible Bonds	3946.60	3882.26
2	Loan from Promoters	966.19	1765.12
Total		4912.79	5647.38

Note : 4 DEFERRED TAX LIABILITY (NET)

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Deferred Tax Liability	1288.25	1658.66
Total		1288.25	1658.66

Note : 5 OTHER LONG TERM LIABILITIES

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Security Retained from Staff	19.04	18.17
2	Security Retained from Contractors	20.56	36.15
3	Security in lieu of C Form	14.04	9.05
Total		53.64	63.37

Note : 6 LONG TERM LIABILITIES

		(₹ in Lacs)	
Sr. No	Particulars	31.03.2017	31.03.2016
1	Provision For Employees Benefit		
	Provision for Gratuity	264.07	231.00
	Provision for Leave Encashment	160.25	147.85
Total		424.32	378.85

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 7** SHORT TERM BORROWINGS (SECURED LOANS)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Working Capital Loan from Bank Secured by first charge on current assets of the company & second charge on fixed assets & further secured by personal Guarantee of Directors	11915.94	12332.35
	Total	11915.94	12332.35

Note : 8 TRADE PAYABLES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Micro, Small and Medium Enterprises	65.10	58.25
2	Others	2907.87	2455.39
	Total	2972.97	2513.64

Note : 9 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Current Maturities of Long Term debts	3060.86	2079.63
2	Current Maturities of Vehicle Loan Obligation	3.23	4.85
3	Advance From Customers	121.47	112.10
4	Creditors for Capital Expenditure	45.27	66.44
5	Unclaimed Dividends	27.11	33.13
6	Creditor For Expenses	150.94	310.72
7	Other Payable	1328.92	1664.00
	Total	4737.82	4270.87

Note : 10 SHORT TERM PROVISIONS

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Provision for Gratuity	50.13	44.54
2	Provision for Leave Encashment	14.11	12.95
3	Provision for MIT	87.63	103.62
4	Provision for Excise Duty on Finished Goods	24.26	35.68
	Total	176.12	196.79

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 11 FIXED ASSET (PARENT COMPANY)

(₹ in Lacs)

Sr. No	Particulars	Useful Life	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deletion during the year	Value at the end	WDV as on 31.03.2017	WDV as on 31.03.2016
I	Tangible Assets											
1	Land		922.94	-		922.94	-	-		-	922.94	922.94
2	Building	30	4532.91	698.31		5231.22	1187.32	175.35		1362.67	3868.55	3345.59
3	Building for R & D	30	1302.70	-		1302.70	374.97	45.37		420.34	882.37	927.73
4	Plant & Machinery	20	8760.77	321.60		9082.36	2783.89	476.69		3260.58	5821.78	5976.87
5	R & D Pilot Plant	20	1235.54	175.14		1410.68	302.69	68.98		371.67	1039.01	932.86
6	R & D Equipment	15	4703.87	508.25		5212.12	1509.23	366.56		1875.80	3336.32	3194.63
7	Computer, I.T and Communication Equipment	6	2664.47	184.68		2849.15	2130.25	228.69		2358.93	490.22	534.22
8	D G Set	10	215.27	0.21		215.47	157.65	15.12		172.76	42.71	57.62
9	Electrical Installation	10	903.63	55.81		959.44	478.36	103.64		582.00	377.44	425.27
10	Furniture & Fixture	10	678.93	57.78		736.70	383.57	69.46		453.03	283.67	295.36
11	Lab Equipment	10	2722.66	211.65		2934.31	921.14	300.52		1221.66	1712.65	1801.53
12	Misc. Fixed Assets	15	653.54	37.00		690.55	225.65	48.18		273.83	416.72	427.90
13	Office Equipment/ Security Equipment	5	452.13	79.03		531.16	346.96	68.67		415.64	115.52	105.16
14	Pollution Control	15	549.41	48.58		597.99	132.77	32.83		165.60	432.39	416.63
15	Vehicles	8	469.92	0.10	1.63	468.39	424.64	36.67	1.12	460.19	8.20	45.28
	TOTAL		30768.68	2378.15	1.63	33145.20	11359.09	2036.73	1.12	13394.69	19750.50	19409.59
	(PREVIOUS YEAR)		28817.59	1963.94	12.86	30768.68	9217.80	2151.93	10.64	11359.09	19409.59	19599.79
II	Capital Work-in-progress											
1	Building Under Construction		6945.27								6476.42	6945.27
2	Plant & Machinery		50.11								71.45	50.11
3	Electrical		30.53								36.89	30.53
4	R & D Block		49.61								40.51	49.61
	TOTAL		7075.51								6625.27	7075.51
	(PREVIOUS YEAR)		7028.71								7075.51	7028.71
III	Intangible Assets											
1	Patent IPR Technologies	15	23767.71	1789.78	-	25557.49	7676.81	1409.63	-	9086.44	16471.05	16090.90
2	Product & Process Development	15	11524.93	992.84	-	12517.76	3673.21	675.93	-	4349.14	8168.62	7851.71
	TOTAL		35292.63	2782.62	-	38075.25	11350.02	2085.56	-	13435.58	24639.67	23942.61
	(PREVIOUS YEAR)		32432.56	2860.08	-	35292.63	9455.13	1894.89	-	11350.02	23942.61	22977.43
IV	Intangible Assets Under Development		961.50								837.32	961.50
	TOTAL		961.50								837.32	961.50
	(PREVIOUS YEAR)		800.91								961.50	800.91

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 11 FIXED ASSET (SUBSIDIARY COMPANY)

(₹ in Lacs)

Sr. No	Particulars	Useful Life	Gross Block				Depreciation				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	WDV as on 31.03.2017	WDV as on 31.03.2016
I	Tangibles											
1	Land	-	193.80			193.80		-		-	193.80	210.17
2	Building	33	1837.82			1837.82	569.72	55.13		624.86	1212.96	1375.19
3	Building Premises	10	39.06			39.06	38.48	0.57		39.05	0.00	0.62
4	Out Door Facilities	15	121.50			121.50	60.80	8.10		68.90	52.60	65.82
5	Plant & Machinery	13	153.04			153.04	121.42	11.77		133.19	19.85	34.29
6	Plant & Equipment – I	3	9.37	1.72		11.09	8.90	0.61		9.51	1.58	0.51
7	Plant & Equipment – II	10	51.65			51.65	16.62	5.10		21.72	29.94	38.10
8	Plant & Equipment – III	5	1.36			1.36	1.20	0.08		1.28	0.08	0.38
9	Plant & Equipment – IV	8	12.48	24.03		36.51	8.86	3.18		12.05	24.46	3.28
10	Plant & Equipment – V	6	6.81			6.81	5.20	0.51		5.71	1.10	1.71
11	Plant & Equipment – VI	7	12.34			12.34	2.24	1.76		4.00	8.35	10.96
12	Plant & Equipment – VII	14	13.16			13.16	0.63	0.94		1.57	11.59	13.59
13	Warehouse Equipment – I	11	0.64			0.64	0.58	0.06		0.63	0.00	0.07
14	Warehouse Equipment – II	15	16.26			16.26	10.27	1.08		11.36	4.90	6.49
15	Computer	3	2.70			2.70	2.67	0.03		2.70	0.00	0.04
16	Computer	2	0.14			0.14	0.08	0.06		0.14	0.00	0.06
17	Miscellaneous Fixed Assets	5	8.23	0.13		8.37	7.78	0.40		8.18	0.18	0.75
18	Office Equipment / F & F	10	8.03			8.03	7.93	0.11		8.03	0.00	0.12
19	CAR	2	6.23			6.23	5.54	0.00		5.54	0.69	0.75
20	Vehicle	5	10.88			10.88	5.08	2.18		7.26	3.63	6.29
	SUB TOTAL (A)		2505.51	25.88	-	2531.39	873.99	91.69	-	965.68	1565.71	1769.20
II	Intangibles											
1	Intellectual Property Rights	5	344.68			344.68	228.25	2.33		230.58	114.10	126.36
	SUB TOTAL (B)		344.68	-	-	344.68	228.25	2.33	-	230.58	114.10	126.36
	TOTAL (A+B)		2850.19	25.88	-	2876.07	1102.24	94.02	-	1196.26	1679.81	1895.56
	(Previous Year)		3063.33	28.07	0.25	3091.15	1074.31	121.29	-	1195.60	1895.56	1787.50

Note : 12 LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Security Deposit	81.75	55.02
2	In Licensing of Technology	3234.77	3234.77
	Total	3316.52	3289.79

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 13 INVENTORIES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Raw Material	8914.59	8650.39
2	Work-in-Progress	2572.83	2490.13
3	Finished Goods	2469.49	2926.20
4	Consumables	6.20	5.01
5	Stores & Spares	5.06	4.22
6	Printing & Stationary	4.13	3.76
7	Goods-in-transit		
	a) Raw Material	70.68	68.60
	b) Packing Material	16.95	35.03
	c) Finished Goods	-	145.45
	Total	14059.92	14328.78

Inventories are valued as per method described in significant accounting policies.

Note : 14 TRADE RECEIVABLES

(Unsecured, Considered good)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Outstanding for more than six months	93.67	21.96
2	Others	4634.95	6136.90
	Total	4728.62	6158.86

14.1 The Parent company has sent letter of balance confirmation to all the parties but only a few have responded so far. So the balance in the party accounts whether in debit or credit are subject to reconciliation.

Note : 15 CASH & CASH EQUIVALENT

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Cash-in-Hand		
	Cash Balance	15.02	7.72
	Foreign Exchange in Hand	1.56	1.52
	Sub Total (A)	16.58	9.24
2	Bank Balance		
	In current Accounts	87.54	423.02
	Sub Total (B)	87.54	423.02
3	Fixed Deposits		
	Fixed Deposit being Margin Money	251.85	274.85
	Sub Total (C)	251.85	274.85
	Total [A + B +C]	355.98	707.11

15.1 Balance with Banks includes Unclaimed Dividend of ₹27.11 Lacs (Previous Year ₹33.13 Lacs).

15.2 An amount of ₹251.85 Lacs (Previous Year ₹274.85 Lacs) is held with Banks as margin money for Bank Guarantees/ Letter of Credit.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 16** SHORT TERMS LOANS AND ADVANCES**(Unsecured, Considered Good)**

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Balance with Revenue Authorities under Indirect Taxes	814.08	306.42
2	Loan to Staff	1.83	2.61
3	Other Loans & Advances (Advance Recoverable in cash or in kind or for value to be considered good)	3283.43	3384.92
4	Tax Credit Receivable	2818.23	2818.23
	Total	6917.56	6512.18

16.1 Other Loans and Advances includes Advances to suppliers, Prepaid Expenses & TDS Receivable etc.

Note : 17 REVENUE FROM OPERATIONS

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Sale of products	39494.28	41255.72
2	Income from research activities	131.76	238.22
3	Other Operating Revenue	377.99	332.87
	Total	40004.03	41826.81

Note : 18 OTHER INCOME

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Bank Interest	24.13	37.56
2	Misc. Income (Recovery & Income)	184.45	152.71
3	Insurance Claim Received	7.92	2.56
4	Income from Sales of Scrap	10.47	7.93
	Total	226.98	200.76

Note : 19 COST OF MATERIAL CONSUMED

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
	Opening Stock		
	- Raw Material	8650.39	9156.15
	Add : Purchases	22622.16	23697.81
	Total	31272.55	32853.95
	Less : Closing Stock	8914.59	8650.39
	Total	22357.96	24203.57

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

Note : 20 CHANGE IN INVENTORIES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Opening Stock		
	- Finished Goods	2905.29	2496.59
	- Work In Progress	2490.13	2545.54
	Total (A)	5395.42	5042.13
2	Closing Stock		
	- Finished Goods	2473.33	2905.29
	- Work in progress	2572.83	2490.13
	Total (B)	5046.15	5395.42
	Change in Inventories (A-B)	349.27	(353.29)

Note : 21 EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Salaries & Wages	3059.44	2882.86
2	Contribution to Provident Fund and other funds	312.13	285.24
3	Staff Welfare Expenses	62.75	76.00
	Total	3434.32	3244.10

21.1 Reconciliation of fair value of assets and obligations

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Gratuity		
	Fair Value of Plan Assets	-	-
	Present value of obligation	314.20	275.54
	Amount recognised in balance Sheet	314.20	275.54
2	Leave Encashment		
	Fair Value of Plan Assets	-	-
	Present value of obligation	174.36	160.80
	Amount recognised in balance Sheet	174.36	160.80

As per Accounting Standard 15 "Employee Benefits", the disclosures as defined in the Accounting Standard are given below :

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognised each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

21.2 Expenses recognised during the year

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Gratuity		
	Current Service Cost	39.97	35.75
	Interest Cost	19.29	21.21
	Net Actuarial (gain)/loss recognised in the period	3.05	(10.69)
	Expense recognised in the P&L Statement	62.31	46.27
2	Leave Encashment		
	Current Service Cost	59.01	48.94
	Interest Cost	11.26	13.47
	Net Actuarial (gain)/loss recognised in the period	(33.68)	(39.54)
	Expense recognised in the P&L Statement	36.59	22.87

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017**Note : 22 FINANCIAL COST**

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Interest Expenses	3407.25	3262.01
2	Exchange Fluctuation	(200.59)	324.92
3	Other Borrowing Cost	230.50	211.07
	Total	3437.16	3797.99

Note : 23 DEPRECIATION & AMORTISED COST

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Depreciation	2128.41	2253.65
2	Amortisation of Intangible Assets	2087.89	1914.46
	Total	4216.30	4168.11

Note : 24 OTHER EXPENSES

(₹ in Lacs)

A. Manufacturing Expenses

Sr. No	Particulars	31.03.2017	31.03.2016
1	Power & Fuel	414.10	400.96
2	Consumables	267.33	235.98
3	Repair & Maintenance		
	- Building	51.93	41.59
	- Electrical	17.92	8.33
	- Plant & Machinery	86.90	52.93
4	Other Manufacturing Expenses	100.24	89.45
	Total	938.43	829.24

B. Administration Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Rent	11.58	8.49
2	Rates, Fee & Taxes	22.45	16.06
3	Insurance	37.87	38.82
4	Legal and Professional Expenses	81.88	84.21
5	Postage, Telex & Telegram	5.20	4.16
6	Printing & Stationery	27.71	20.91
7	Telephone Expenses	28.89	29.66
8	Traveling & Conveyance:		
	- Staff	58.36	42.04
	- Directors	8.06	12.54
	- Others	2.45	0.51
9	Running, Repair & Maintenance :		
	- Vehicles	84.75	72.02
	- Computer	16.37	19.01
	- Others	12.94	7.09
10	Auditors' Fees	11.95	17.39
11	Directors Remuneration	195.23	195.49
12	Other Administrative Expenses	251.80	134.94
13	Other Corporate Expenses	111.55	66.81
	Total	969.05	770.15

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

C. Selling and Distribution Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Discount / Commission	1230.07	1107.88
2	Other Selling Expenses	747.45	1205.41
3	Advertisement & Sales Promotion	525.54	968.56
4	Sample Distribution	125.20	149.61
5	Incentive to Field Force	181.32	16.58
6	Traveling and conveyance Field Staff (Incl. Hotel)	441.64	498.92
	Total	3251.22	3946.97

D. Research and Development Expenses

(₹ in Lacs)

Sr. No	Particulars	31.03.2017	31.03.2016
1	Remuneration of R & D Staff	430.17	434.63
2	R & D Expenses	170.91	225.27
3	Material used for Development of new products	187.00	320.47
4	R & D Consumables	68.71	89.64
	Total	856.79	1070.01
	GRAND TOTAL	6015.49	6616.37

25. AUDITOR'S REMUNERATION

(₹ in Lacs)

Sr. No	Particulars	Current Year	Previous Year
1	Statutory Audit Fees	5.00	9.26
2	Tax Audit Fees	1.00	1.57
	Add: Service Tax	0.90	1.57
	Total	6.90	12.40

26. In the Parent Company disclosure as required by AS-18 (Related Party) issued by ICAI.

(i) List of related parties where control exist and related parties with whom transactions have taken place and relationship:

Names of related parties and description of relationship:

Sr. No	Name of Related Party	Relationship
1.	Sunev Pharma Solutions Limited Spine Software Systems Pvt Limited	Associates
2.	Mr.Pawan Chaudhary Mrs. Manu Chaudhary Mr. Peeyush Jain Mr. Ashutosh Jain	Key Managerial Personnel

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

(ii) Transactions during the year with related parties: (₹ in Lacs)

Related Party Relationship	Associates	Key managerial Personnel	Current Year	Previous Year
Sales & Others	27.93		27.93	39.48
Purchases and Others	267.59		267.59	116.91
Remuneration to Directors /KMP		195.23	195.23	195.48
Advance paid / (Recovered) for in licensing of Technology			-	(191.00)

(iii) There is no remittance in foreign currency on account of dividend.

- 27.** The Parent company operates only in one business segment viz."Pharmaceutical Formulation" and is engaged in manufacturing and trading of medicines. Since in the opinion of management, the inherent nature of activities engaged by the company are governed by the same set of risks and rewards, so these have been grouped and identified as a single segment in accordance with the Accounting Standard on Segment Reporting (AS-17) issued by ICAI.
- 28.** In the opinion of the board, and to the best of their knowledge and belief, the value on realization of the current assets, loans & advance shown in the Balance Sheet in the ordinary course of business will be at least equal to the amount at which they are stated in the Balance Sheet and provision for all known and determined liabilities has been made.
- 29.** The wholly Owned Subsidiary "Venus Pharma GmbH" was operated at Werne, Gernany, Accordingly, the Balance Sheet of Wholly Owned Subsidiary has been consolidated along with the Parent Company in accordance with the Accounting Standard on Consolidated Financial Statement" (AS-21).
- 30.** The audited/unaudited financial statements of foreign subsadaries/associates have been prepared in accordance with Generally Accepted Principles of its Country of Incorporation or International Financial Reporting Standards. The differences in accounting policies of the company and its subsidiaries are not material.

31. CONTINGENT LIABILITIES:

(Not provided for in the books of accounts)

(In the books of Parent Company)

(₹ in Lacs)

Particulars	Current Year	Previous Year
Contingent Liabilities		
a) Letter of Credit / Bank Guarantees – Inland	177.02	137.4
b) Bank Guarantees foreign	-	30.09
c) Letter of credit – Foreign	33.57	9.55
d) Tax demand pending in appeal	16.34	23.16

There is no liability in the books of Subsidiary Company.

- 32.** During the year, both the parent & subsidiary company has undertaken a review of all fixed assets in line with the requirements of AS-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India. Based on such review, no provision for impairment is required to be recognized for the year.
- 33.** The figures in the Balance Sheet and Profit & Loss Account for the year have been rounded off to nearest multiple of rupee in lacs.
- 34.** In the books, Parent company has provided for gratuity and leave encashment as per valuation which was done as required under accounting standard (AS-15) "accounting for retirement benefits". Whereas in subsidiary the Employee law prevailing in the state are complied with.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS for the period ended on 31st March, 2017

- 35.** The parent company's CDR package as approved by the Corporate Debt Restructuring Cell (CDR Cell) as on 25.11.2014 is under implementation.

Lenders with the approval of CDR EG shall have the right to recompense the reliefs/sacrifices/ waivers extended by respective CDR lenders as per the CDR guidelines. The recompense payable is contingent on various factors including Improved performance of the company and many other conditions the outcome of which is currently materially uncertain. The tentative recompense amount upto 31.03.2017 comes to ₹22.15 Crs. (previous year ₹17.63 Crs.).

- 36.** As per the provisions of FCCB agreement, the FCCB was to be converted into equity shares by 01-02-2015. However, the bond holder have not exercise their option to convert the bonds into equity shares. Therefore, the company has made the provision of interest amount in the books of accounts.

- 37.** As per section 135 of the Companies Act, 2013, company is required to spend 2% of average net profit of preceding three years on CSR activities. During the year there was a sharp fall in the liquidity position of the company due to dip in the sales & profitability specially in overseas markets, loss of tenders, stiff competition in generic product market, foreign exchange fluctuations resulting in rupees devaluation etc. During the financial year 2016-17 the financial position of the company was not Good.

Due to liquidity problem, Company had to go for restructuring of its bank debts under Corporate Debt Restructuring (CDR) mechanism.

Therefore, due to unfavorable financial health and being under debt restructuring as per CDR mechanism, Company could not spend on CSR activities.

Auditors' Report In term of our separate report of even date annexed here to.

For J. K. Jain & Associates

Chartered Accountants

Firm Registration No. 004025N

(J.K. Jain)

Partner

M. No. : 083140

Place : Panchkula

Date : 30.05.2017

For and on behalf of the Board of Directors

(Peeyush Jain)

Deputy Managing

Director

(Neha Kodan)

Company Secretary

(Pawan Chaudhary)

Chairman cum

Managing Director

(Ajeet Kapoor)

GM Accounts

CORPORATE INFORMATION

Board of Directors

Mr. Pawan Chaudhary, *Chairman & Managing Director*

Dr. (Mrs.) Manu Chaudhary, *Joint Managing Director*

Mr. Peeyush Jain, *Dy. Managing Director*

Mr. Ashutosh Jain, *Executive Director*

Dr. Gilbert Wenzel, *Non-Executive Director*

Dr. S. K. Chadha, *Non-Executive Director*

Mr. Jagdish Chander, *Non-Executive Director*

Dr. Rupinder Tewari, *Non-Executive Director*

Bankers

State Bank of India

IDBI Bank Ltd

Allahabad Bank

HDFC Bank

Union Bank of India

Kotak Mahindra Bank

Statutory Auditors

M/s J. K. Jain & Associates

Cost Auditors

M/s C. L. Bansal & Associates

Corporate Advisor

Mr. Atul V. Sood

Registered Office

S.C.O. 857, C. No. 10, IIInd Floor, NAC Manimajra

Chandigarh - 160101 (INDIA)

Corporate Office and Unit - I

CIN: L24232CH1989PLC009705

Plot 51-52, Industrial Area, Phase-I,

Panchkula (Haryana) - 134 113 (INDIA)

www.venusremedies.com

info@venusremedies.com

Unit II

Hill Top Industrial Estate,

Near Jharmajri, E.P.I.P.

Phase - I, (Extention) Village Bhatoli Kalan,

Baddi, Himachal Pradesh - 173 205 (INDIA)

Venus Medicine Research Centre

Hill Top Industrial Estate,

Near Jharmajri, E.P.I.P.

Phase - I, (Extention) Village Bhatoli Kalan,

Baddi, Himachal Pradesh - 173 205 (INDIA)

Wholly owned Subsidiary

Venus Pharma GmbH

Am Bahnhof 1-3,D-59368

Werne, Germany

Website: www.venuspharma.de

Board Committees

Audit Committee

Stakeholder Relationship Committee

Nomination & Remuneration Committee

CSR Committee

Registrar and Share Transfer Agent

Link Intime India Pvt. Ltd.

44 Community Center, 2nd Floor

Naraina Industrial Area, Phase I

Near PVR, Naraina

New Delhi - 110028

Email Address : delhi@linkintime.co.in

Visit us at

www.venusremedies.com

www.vmcindia.com

www.venuspharma.de

Cautionary statement

In this annual report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion on future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and estimates taken as assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

VENUS REMEDIES LIMITED

Registered Office:

SCO 857, Cabin No. 10, 2nd Floor,
NAC Manimajra Chandigarh (U.T.) 160101, India

Corporate Office:

51-52, Industrial Area, Phase-1, Panchkula, Haryana - 134113, India
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