



VRL/SEC/EXCHANGE

30.05.2019

National Stock Exchange of India Ltd. 5 th Floor, Exchange Plaza Bandra (E), Mumbai- 400 051 Script Code: VENUSREM	Dept. of Corporate Services The Stock Exchange, Mumbai 25 th Floor, Phiroze Jeejeebhoy Towers Dalal Street Mumbai Script Code: 526953
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Sub: Submission of Audited Financial results for the quarter & year ended on 31.03.2019

Dear Sir/Madam,

Please find enclosed herewith Audited Financial Results for the quarter & year ended on 31.03.2019 along with Audit Report and statement of audit qualification which were taken on record by the Board of Directors at its meeting held on 30.05.2019.

Kindly acknowledge the receipt.

Thanking you.

**Yours faithfully,
for VENUS REMEDIES LIMITED**


(Company Secretary)

VENUS REMEDIES LIMITED

Corporate Office :
51-52, Industrial Area, Phase- I, Panchkula (Hry.) 134113, India

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

Unit-I :
51-52, Industrial Area, Phase-I, Panchkula (Hry.) 134113, India
Tel. : +91-172-3933094, 3933090, 2565577, Fax : +91-172-2565566

Unit-II :
Hill Top Industrial Estate, Jharmajri EPIP, Phase-I, (Extn.),
Bhatoli Kalan, Baddi (H.P.) 173205, India
Tel. : +91-1725-222100, 222101, 222102, Fax : +91-1725-221020

STATEMENT OF STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st March 2019

(Rs. In millions)

S. No.	Particulars	STANDALONE QUARTER ENDED ON			STANDALONE YEAR ENDED ON		CONSOLIDATED YEAR ENDED ON	
		31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Revenue							
	(a) Revenue from Operations	863.70	690.63	932.07	3018.42	3550.72	3218.92	3724.14
	(b) Other Income	37.95	4.66	3.34	45.07	11.86	60.94	22.55
	Total Income	901.65	695.29	935.41	3,063.49	3,562.58	3,279.86	3,746.69
2	Expenses							
	(a) Cost of Material Consumed	580.58	442.73	572.24	1897.64	2057.22	1896.74	2048.39
	(b) Changes in Inventories of finished goods, work-in-progress, Stock in Trade	(15.45)	(30.18)	8.51	(79.80)	(2.96)	(77.19)	2.40
	(c) Employee benefits expense	87.40	71.06	74.19	302.61	278.24	421.02	393.09
	(d) Finance Cost	-	94.46	97.90	251.46	354.42	254.05	354.27
	(e) Depreciation & amortization expense	82.50	82.54	61.50	329.53	327.27	339.80	338.33
	(f) Selling, Manufacturing and Administrative expenses	133.89	126.21	159.47	408.53	476.23	506.57	666.17
	(g) Research & Development expenses	48.33	33.36	23.74	146.53	306.38	146.53	219.35
	Total Expense	917.25	820.18	997.55	3,256.50	3,796.80	3,487.52	4,022.00
3	Profit before exceptional items and taxes (1-2)	(15.60)	(124.89)	(62.14)	(193.01)	(234.22)	(207.66)	(275.31)
	Adjusted EBIDTA (3+2d+2e+adjustments for non cash expenses)	96.37	52.11	97.26	417.45	447.47	415.66	417.29
4	Exceptional items	(89.61)	-	-	(89.61)	-	(89.61)	-
5	Profit before tax (3 +/- 4)	(105.21)	(124.89)	(62.14)	(282.62)	(234.22)	(297.27)	(275.31)
6	Income Tax Expense /Deferred Tax(Benefits)	(1.03)	(5.55)	31.60	(11.51)	31.60	(11.51)	31.60
7	Net Profit / (Loss) for the period (5- 6)	(104.18)	(119.34)	(93.74)	(271.11)	(265.82)	(285.76)	(306.91)
8	Other Comprehensive Income (Net of taxes)							
A	(I) Items that will not be classified to profit & loss	0.70	-	4.73	0.70	3.44	0.70	3.44
B	(II) Items that will be classified to profit & loss	-	-	-	-	-	-	-
	Total other comprehensive Income Net of Income Tax	0.70	-	4.73	0.70	3.44	0.70	3.44
9	Total comprehensive Income for the period (7+-8)	(103.48)	(119.34)	(89.01)	(270.41)	(262.38)	(285.06)	(303.47)
10	Paid up equity share capital (Face Value of Equity Shares)	123.42	123.42	123.42	123.42	123.42	123.42	123.42
11	Earning per share (of Rs. 10/- each) (Not annulized)							
	(a) Basic	(8.44)	(9.67)	(7.60)	(21.97)	(21.54)	(23.15)	(24.87)
	(b) Diluted	(8.44)	(9.67)	(7.60)	(21.97)	(21.54)	(23.15)	(24.87)

Statement of Assets and Liabilities

(₹ In Millions)

Particulars	Standalone		Consolidated	
	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)	As at 31/03/2019 (Audited)	As at 31/03/2018 (Audited)
ASSETS				
Non-current assets				
(a) Property, Plant & Equipment	1801.56	1906.23	1964.39	2085.72
(b) Capital work in progress	647.64	647.65	647.64	647.64
(c) Intangible assets	1667.32	1793.04	1680.10	1806.32
(d) Financial Assets				
(I) Investment	1.39	1.39		
(II) Other Non Current Financial Assets	304.82	293.6	18.85	7.63
(e) Other non-current assets	362.94	357.66	362.94	357.65
Total non current assets	4785.67	4999.57	4673.92	4904.96
Current assets				
(a) Inventories	1409.37	1359.76	1427.25	1381.74
(b) Financial Assets				
(I) Trade receivables	313.94	441.51	380.41	472.73
(ii) Cash and cash equivalents	4.99	1.88	20.33	5.34
(ii) Bank Balances other than (II) above	7.77	34.49	7.77	34.49
(iii) Other financial assets	62.36	60.01	55.66	102.96
(c) Current Tax Assets	284.61	283.57	284.61	283.57
(d) Other Current Assets	452.84	304.12	478.3	321.83
Total current assets	2535.88	2485.34	2654.33	2602.66
Total Assets	7321.55	7484.91	7328.25	7507.62
EQUITY AND LIABILITIES				
(a) Equity Share capital	123.42	123.42	123.42	123.42
(b) Other Equity	3266.1	3556.51	3201.82	3495.67
Total equity	3409.52	3679.93	3325.24	3619.09
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(I) Borrowings	1160.84	1368.58	1160.18	1374.39
(ii) Other financial liabilities	4.54	5.02	4.54	5.02
(b) Provisions	53.24	44.97	53.24	44.98
(c) Deferred tax liabilities (net)	148.82	160.33	148.81	160.33
Total non-current liabilities	1367.44	1578.9	1366.77	1584.72
Current liabilities				
(a) Financial Liabilities				
(I) Borrowings	1089.19	1172.27	1128.04	1212.58
(ii) Trade payables				
(a) Total outstanding dues of micro and small enterprises	29.26	7.64	29.26	7.64
(b) Total outstanding dues of creditors other than micro and small enterprises	304.87	264.23	330.77	285.69
(iii) Other financial liabilities	1067.00	759.34	1092.84	774.1
(b) Other Current Liabilities	9.08	9.40	10.14	10.60
(c) Provisions	45.19	13.20	45.19	13.20
Total Current liabilities	2544.59	2226.08	2636.24	2303.61
Total equity and liabilities	7321.55	7484.91	7328.25	7507.62

Notes to the financial results:-

1. The above audited financial results of the company have been reviewed by the Audit Committee meeting held on 29th May , 2019 and approved by the Board of directors at their meetings held on 29th and 30th May, 2019. The statutory auditors of the company have conducted a audit of the above audited financial results for the quarter and year ended 31st March, 2019.
2. The audited financial results are prepared in accordance with the Indian Accounting Standards (IND-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
3. The comparative financial results of the Company for the quarter and year ended on 31st March 2018, included in these financial results, have been audited by another Firm of Chartered Accountants, being the predecessor auditors, who, vide their reports dated 28th May, 2018 expressed an unmodified opinion on these financial results.
4. The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package.



The company has provided interest expenses of Rs 2612.41 Lakhs upto 3rd quarter of financial year 2018-19 on all loans. However, the company has reversed the interest expenses of Rs 834.23 lakhs on loans for which interest is not applied by the banks in their accounts and also not provided interest of Rs 299.71 lakhs pertaining to 4th Quarter of financial year 2018-19 for such loans. As result, interest expense of Rs 1133.94 lakhs pertains to financial year 2018-19 has not been provided in the books .

5. Effective April1, 2018, the Company has adopted Ind AS 115- Revenue from Contracts with Customers, using the cumulative effect method and the comparative information is not restated. The adoption of the standard did not have any material impact on the results of the Company.
6. Figures of the quarter ended March 31, 2019 and March 31, 2018 are the balancing figures between audited figures in respect of the full financial year and published unaudited year to date figures up to the third quarter of the relevant financial year.
7. Statement of Assets and Liabilities as at March 31, 2019 along with comparatives is annexed.
8. The capital work in progress consist of new office building under construction. The carrying amount of which as on 31st March, 2019 is Rs.6476.42 Lakhs .The construction work on the building is stopped in previous years.The company intends to complete the building in the future years and use it for their marketing office and training centre. The company expects to complete this building and accordingly no impairment study was carried out by the company.



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9. Exceptional item stated in the statement which resulted due to contamination, expiry and obsolence of inventory and changed regulatory guidelines.

Details are as follows:

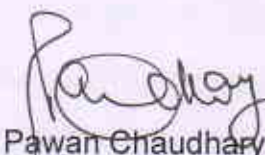
Particulars	Amount (Rs. in Lakhs)
Raw Material	682.57
Packing Material	39.93
Finished Goods	173.55

10. Previous year / period figures have been regrouped/ reclassified wherever necessary.

11. The Company has only one reportable segment namely "Pharmaceuticals"

For and on behalf of Board of Directors

For VENUS REMEDIES LIMITED



Pawan Chaudhary

(Managing Director)

Din: 00435503

Date: 30-05-2019



Independent Auditor's Report on Quarterly and Year to date Standalone financial results of VENUS REMEDIES LIMITED pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To
The Board of Directors of
VENUS REMEDIES LIMITED

1. We have audited the accompanying standalone financial results of **VENUS REMEDIES LIMITED** ("the Company"), for the quarter ended 31st March 2019 and the year to date results for the period from 1st April 2018 to 31st March 2019 ("the statement") attached herewith being submitted by the company pursuant to requirement of regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.
2. The quarterly standalone financial results as well as the year to date standalone financial results have been prepared on the basis of the reviewed standalone financial results upto the end of the third quarter and audited annual IND AS Standalone financial statements respectively, which are the responsibility of the company's management and have been approved by the board of directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS"), prescribed under section 133 of the companies act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial results are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amount disclosed in standalone financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

4. Basis of Qualified Opinion

- (a) The capital work in progress consist of new office building under construction. The carrying amount of which as on 31st March, 2019 is Rs.6476.42 Lakhs.
The construction work on the building is stopped in previous years. The company intends to complete the building in the future years and use it for their marketing office and training centre. The company expects to complete this building and accordingly no impairment study was carried out by the company.
In light of above, the consequential impact of impairment loss, if any, on the standalone Financial Results is currently not ascertainable.
(Refer Note no.8 to the Statement)



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Corporate Office:

GLOBAL BUSINESS SQUARE
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Mumbai:

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Madhava Building,
Bandra Kurla Complex,
Bandra East.

Karol Bagh:

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Gurudwara Road,
Karol Bagh,
New Delhi- 110005

Chandigarh:

800-205, 1st Floor,
NAC Main Market
Chandigarh-160101, India
Tel : +91-172-5077789,

with the provisions of section 197 of the Companies Act, 2013 as amended vide the Companies (Amendment) Act, 2017 till date.

7. The comparative standalone financial information of the Company for the quarter and year ended 31st March 2018, included in these standalone financial results, have been audited by another Firm of Chartered Accountants, being the predecessor auditors, who, vide their reports dated 28th May, 2018, expressed an unmodified opinion.
8. The statement includes the standalone financial results for the quarter ended 31st March, 2019 and the corresponding quarter ended in the previous year as reported in these standalone financial results are the balancing figure between audited figures in respect of full financial year, as above, and the published year to date figures up to end of third quarter of the current and previous financial year respectively.
9. Also the figures up to the end of the third quarter of the respective financial year were only reviewed and were not subjected to an audit.

Our opinion is not modified in respect of above matters.

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N


Mukesh Dadhich
Partner

M.No. 511741

Date: 30th May, 2019

Place: Panchkula



Independent Auditor's Report on Annual Consolidated financial results of VENUS REMEDIES LIMITED pursuant to the regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

**To
The Board of Directors of
VENUS REMEDIES LIMITED**

1. We have audited the accompanying consolidated financial results of **VENUS REMEDIES LIMITED ("the Company")** and its subsidiary listed in Annexure 1 (collectively referred to as '**the Group**'), for the year to date results for the period from 1st April 2018 to 31st March 2019 ("the statement") attached herewith being submitted by the company pursuant to requirement of regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016.
2. The year to date consolidated financial results have been prepared based on audited annual IND AS Consolidated financial statements, which are the responsibility of the company's management and have been approved by the board of directors of the Company. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS"), prescribed under section 133 of the companies act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amount disclosed in consolidated financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 7 below, is sufficient and appropriate to provide a reasonable basis for our qualified opinion.
4. **Basis of Qualified Opinion**
 - (a) The capital work in progress consist of new office building under construction. The carrying amount of which as on 31st March, 2019 is Rs.6476.42 Lakhs.
The construction work on the building is stopped in previous years. The company intends to complete the building in the future years and use it for their marketing office and training centre. The company is expects to complete this building and accordingly no impairment study was carried out by the company.
In light of above, the consequential impact of impairment loss, if any, on the standalone Financial Results is currently not ascertainable.
(Refer Note no. 8 to Statement)

- (b) The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package.

The company has provided interest expenses of Rs.2612.41 Lakhs upto 3rd quarter of financial year 2018-19 on all loans. However, the company has reversed the interest expenses of Rs. 834.23 Lakhs on loans for which interest is not applied by the banks in their accounts and also not provided interest of Rs. 299.71 Lakhs pertaining to 4th Quarter of financial year 2018-19 for such loans. As a result, interest expenses of Rs. 1133.94 Lakhs pertaining to financial year 2018-19 has not been provided in the books.

(Refer Note no.4 to the Statement)

We further report that, without considering items mentioned at paragraphs (a) above, the effects of which could not be determined, had the qualification made by us in paragraph (b) above been considered during year ended 31st March , 2019, finance costs would have been Rs.3674.44 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs. 2540.50 Lakhs for the year ended 31st March 2019), the loss would have been Rs.3991.54 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs. 2857.60 Lakhs for the year ended 31st March 2019), other equity in the balance sheet as on 31st March ; 2019 would have been Rs.30,884.26 Lakhs (as against the reported figure of Rs.32,018.20 Lakhs) and other financial liabilities (current) as on 31st March, 2019 would have been Rs. 12,062.34Lakhs (as against the reported figure of Rs.10,928.40 Lakhs).

5. Qualified Opinion

Based on our audit conducted as above, in our opinion and to the best of our information and according to explanations given to us, except for the effects/possible effects described in the Basis for Qualified Opinion section of our report, and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary referred to in paragraph 7 below these year to date consolidated financial results:

- a) is presented in accordance with the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in this regard as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016, in this regard; and
- b) give a true and fair view in conformity with the Ind-AS and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the year to date results for the period 1st April, 2018 to 31st March, 2019.

Other Matters

6. The company has paid/provided managerial remuneration of Rs. 194.05 Lakhs during the year ended 31st March, 2019 for which the company has filed applications to seek the approval from Central Government under section 197 of the Companies Act, 2013.

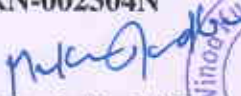
The central government has communicated that the application made to it shall abate considering the Companies (Amendment) Act, 2017 and closed the applications. The central government also clarified that the onus of compliance with provisions of the Companies Act, 2013 as amended vide the Companies (Amendment) Act, 2017 lies with the company.

The Company is yet to take steps to comply the provisions and the said managerial remuneration so paid/provided is subject to the approvals to be obtained in accordance with the provisions of section 197 of the Companies Act, 2013 as amended vide the

7. We did not audit the Ind AS financial statements of a subsidiary included in the consolidated financial results, whose financial statements reflect total assets of Rs. 4190.14 Lakhs as at 31 March, 2019, total revenues of Rs. 8814.09 Lakhs, total loss after tax (net) of Rs. 146.39 Lakhs and total comprehensive Income of Rs. (146.39) Lakhs for the year ended on that date, as considered in the consolidated financial results.
Our opinion, in so far as it relates to the financial information of such subsidiaries located outside India, is based on the report of other auditor.
8. The comparative consolidated financial information of the Company for year ended 31st March 2018, included in these consolidated financial results, have been audited by another Firm of Chartered Accountants, being the predecessor auditors, who, vide their reports dated 28th May, 2018, expressed an unmodified opinion.

Our opinion is not modified in respect of above matters.

For Vinod Kumar & Associates
Chartered Accountants
FRN-002304N


Mukesh Dadhich
Partner
M.No. 511741



Date: 30th May, 2019

Place: Panchkula

Annexure I: List of Subsidiary consolidated as at 31 March 2019

- 1. Venus Pharma Gmbh**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
For Standalone annual financial results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

Rs. in millions

No	Particulars	Audited figures(as reported before adjusting for qualifications)	Audited figures(as reported after adjusting for qualifications)
1	Total Income/ Turnover	3063.49	3063.49
2	Total expenditure	3256.50	3369.89
3	Net profit/(Loss)	(271.11)	(384.51)
4	Earnings Per Share	(21.97)	(31.15)
5	Total Assets	7321.55	7321.55
6	Total Liabilities	7321.55	7321.55
7	Net Worth	3409.52	3296.13
8	Any other financial item(s)		
	Other financial Liability (Current)	1067.00	1180.39

II Audit Qualification

a Details of Audit Qualification

a) The capital work in progress consist of new office building under construction. The carrying amount of which as on 31st March, 2019 is Rs.6476.42 Lakhs.

The construction work on the building is stopped in previous years. The company intends to complete the building in the future years and use it for their marketing office and training centre. The company expects to complete this building and accordingly no impairment study was carried out by the company.

In light of above, the consequential impact of impairment loss, if any, on the standalone Financial Results is currently not ascertainable.

b) The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package.

The company has provided interest expenses of Rs.2612.41 Lakhs upto 3rd

quarter of financial year 2018-19 on all loans. However, the company has reversed the interest expenses of Rs. 834.23 Lakhs on loans for which interest is not applied by the banks in their accounts and also not provided interest of Rs. 299.71 Lakhs pertaining to 4th Quarter of financial year 2018-19 for such loans. As a result, interest expenses of Rs. 1133.94 Lakhs pertaining to financial year 2018-19 has not been provided in the books.

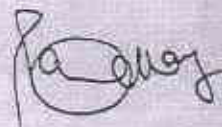
We further report that, without considering items mentioned at paragraphs (a) above, the effects of which could not be determined, had the qualification made by us in paragraph (b) above been considered during the quarter ended and year ended 31st March, 2019, finance costs would have been Rs.299.71 for the quarter and Rs. 3648.54 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs. NIL for the quarter and Rs. 2514.60 Lakhs for the year ended 31st March 2019), the loss for the quarter would have been Rs.1341.51 Lakhs and Rs.3845.05 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs.1041.80 Lakhs for the quarter and Rs. 2711.10 Lakhs for the year ended 31st March 2019), other equity in the balance sheet as on 31st March , 2019 would have been Rs.31727.06 Lakhs (as against the reported figure of Rs. 32861 Lakhs) and other financial liabilities (current) as on 31st March, 2019 would have been Rs.11803.94 Lakhs (as against the reported figure of Rs. 10670 Lakhs).

b. Type of Qualification	Qualified opinion
c. Frequency of qualification	First
d. For audit qualification where the impact is quantified by the auditors, management's view	The company has reversed the interest expenses on loans for which interest is not applied by the lenders.
e. For audit qualification where the impact is not quantified by the auditors	The management intends to complete the building in the future years and use

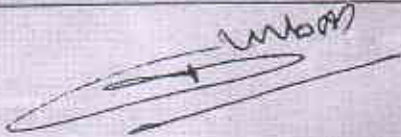
	it for their marketing office and training centre. The company expects to complete this building and accordingly no impairment study was carried out by the company.
Auditors' Comments on (e) above:	The Company has not carried out Impairment study of the Capital work in progress consist of new office building under construction the consequential impact of impairment loss, if any, on the standalone Financial Results is currently not ascertainable.

Signatories

Managing Director



CGM Accounts



Audit Committee Chairman



Statutory Auditor
 For Vinod Kumar & Associates,
 Chartered Accountants,
 (FRN): 002304N

Mukesh Dadhich
 M.No.: 511741




Place: Panchkula
 Date: 30.05.2019

Statement on Impact of Audit Qualifications (for audit report with modified opinion)

For Consolidated annual financial results

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019

Rs. in Millions

No	Particulars	Audited figures(as reported before adjusting for qualifications)	Audited figures(as reported after adjusting for qualifications)
1	Total Income/ Turnover	3279.86	3279.86
2	Total expenditure	3487.52	3601.91
3	Net profit/(Loss)	(285.76)	(399.15)
4	Earnings Per Share	(23.15)	(32.34)
5	Total Assets	7328.25	7328.25
6	Total Liabilities	7328.25	7328.25
7	Net Worth	3325.24	3211.85
8	Any other financial item(s)		
	Other financial Liability (Current)	1092.84	1206.23

II Audit Qualification

a Details of Audit Qualification

a) The capital work in progress consist of new office building under construction. The carrying amount of which as on 31st March, 2019 is Rs.6476.42 Lakhs. The construction work on the building is stopped in previous years. The parent company intends to complete the building in the future years and use it for their marketing office and training centre. The parent company is expects to complete this building and accordingly no impairment study was carried out by the company.



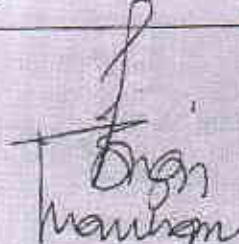
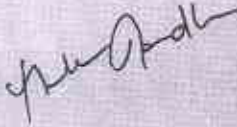

In light of above, the consequential impact of impairment loss, if any, on the consolidated Financial Results is currently not ascertainable.

b) The lenders of the company has approved corporate debt restructuring package of the company in financial year 2014-15. However, the company has defaulted in repayment of borrowing to lenders and was unable to comply with terms of repayment approved by lenders in corporate debt restructuring package.

The company has provided interest expenses of Rs.2612.41 Lakhs upto 3rd quarter of financial year 2018-19 on all loans. However, the company has reversed the interest expenses of Rs. 834.23 Lakhs on loans for which interest is not applied by the banks in their accounts and also not provided interest of Rs. 299.71 Lakhs pertaining to 4th Quarter of financial year 2018-19 for such loans. As a result, interest expenses of Rs. 1133.94 Lakhs pertaining to financial year 2018-19 has not been provided in the books.

We further report that, without considering items mentioned at paragraphs (a) above, the effects of which could not be determined, had the qualification made by us in paragraph above been considered during year ended 31st March , 2019, finance costs would have been Rs.3674.44 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs. 2540.50 Lakhs for the year ended 31st March 2019), the loss would have been Rs.3991.54 Lakhs for the year ended 31st March 2019 (as against the reported figure of Rs. 2857.60 Lakhs for the year ended 31st March 2019), other equity in the balance sheet as on 31st March, 2019 would have been Rs.30,884.26 Lakhs (as against the reported figure of Rs.32,018.20 Lakhs) and other financial liabilities (current) as on 31st March, 2019 would have been Rs. 12,062.34Lakhs (as against the reported figure of Rs.10,928.40 Lakhs).

b. Type of Qualification	Qualified opinion
c. Frequency of qualification	First
d. For audit qualification where the impact is quantified by the auditors, management's view	The company has reversed the interest expenses on loans for which interest is not applied by the lenders.
For audit qualification where the impact is not quantified by the auditors	The management intends to complete the building in the future years and use it for their marketing office and training centre. The company expects to complete this building and accordingly no impairment study was carried out by the company.

Auditors' Comments on above:	The parent Company has not carried out Impairment study of the Capital work in progress consist of new office building under construction the consequential impact of impairment loss, if any, on the consolidated Financial Results is currently not ascertainable.
Signatories	
Managing Director	
CGM Accounts	
Audit Committee Chairman	
Statutory Auditor For Vinod Kumar & Associates, Chartered Accountants. (FRN): 002304N Mukesh Dadhich M.No.: 511741	 

Place: Panchsule
Date: 30.05.19