



VRL/SEC/EXCHANGE

30.05.2017

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 as on 31.03.2017

Dear Sir/Madam,

Please find enclosed herewith copy of Audited Financial Results for the quarter and year ended on 31.03.2017 along with Auditors' Report which were taken on record by the Board of Directors at its meeting held on 30.05.2017.

Disclosure regarding qualification of audit report also enclosed herewith.

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

Website : www.venusremedies.com
www.vmrindia.com

email : info@venusremedies.com

CIN No. : L24232CH1989PLC009705

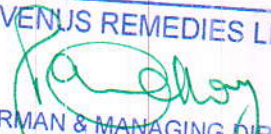
Unit-I :
51-52, Industrial Area, Phase-I, Panchkula (Hry.) 134113, India
Tel. : +91-172-3933094, 3933090, 2565577, Fax : +91-172-2565566

Unit-II :
Hill Top Industrial Estate, Jharmajri EPIP, Phase-I, (Extn.),
Bhatoli Kalan, Baddi (H.P.) 173205, India
Tel. : +91-1795-302100, 302101, 302107, Fax : +91-1795-271272

Unit-V :
VENUS PHARMA GmbH
AM Bahnhof 1-3, D-59368, Werne, Germany

AUDITED FINANCIAL RESULTS
FOR THE QUARTER & YEAR ENDED 31st MARCH, 2017

S. No.	PARTICULARS	Standalone					(Rs. In Millions)	
		Quarter Ended on			Year Ended on		Consolidated	
		31/03/17 Audited	31/12/16 Unaudited	31/03/16 Audited	31/03/17 Audited	31/03/16 Audited	31/03/17 Audited	31/03/16 Audited
1	Net Sales/ Income from operations							
	(a) Net Sales (Net of Excise Duty)	783.28	844.92	1009.23	3,703.48	3,969.84	3,949.42	4,125.57
	(b) Other Operating Income	14.93	8.7	(15.01)	50.97	57.11	50.98	57.11
	Total Income from Operation (Net)	798.21	853.62	994.22	3,754.45	4,026.95	4,000.40	4,182.68
2	Expenses							
	(a) Consumption of raw materials	424.56	453.99	571.31	2,211.24	2,419.98	2,235.79	2,420.36
	(b) (Increase)/ Decrease in stock in trade	(2.13)	25.43	(8.9)	5.08	(21.66)	34.93	(35.33)
	(c) Employee benefits expense	66.1	63.16	74.13	251.00	250.24	343.43	324.41
	(d) Depreciation & amortisation expense	98.58	115.07	102.30	412.23	404.68	421.63	416.81
	(e) Other expenses	125.95	116.18	137.58	536.76	582.84	601.55	661.64
	Total expense	713.06	773.83	876.42	3,416.31	3,636.08	3,637.33	3,787.89
3	Profit from operations before other income, finance costs and exceptional items (1-2) EBIDTA (3+2(d))	85.15	79.79	117.80	338.14	390.87	363.07	394.79
4	Other income	183.73	194.86	220.10	750.37	795.55	784.70	811.60
5	Profit before finance costs and exceptional items (3+4)	3.09	2.07	3.66	7.90	6.65	22.70	20.08
6	Finance Costs	88.24	81.86	121.46	346.04	397.52	385.77	414.87
7	Profit after finance costs but before exceptional items (5-6)	80.03	102.89	106.88	335.61	367.40	343.72	379.80
8	Exceptional items	8.21	(21.03)	14.58	10.43	30.12	42.05	35.07
9	Profit from ordinary activities before tax (7+8)	0	0.00	00.00	00.00	00.00	00.00	00.00
10	Tax expense	8.21	(21.03)	14.58	10.43	30.12	42.05	35.07
11	Profit from ordinary activities after tax (9-10)	(37.04)	0.00	18.08	(37.04)	18.08	(37.04)	18.08
12	Exceptional items (net of tax expense)	45.25	(21.03)	(3.50)	47.47	12.04	79.09	16.99
13	Net profit for the period (11-12)	0	00.00	00.00	0.00	0.00	0.00	0.00
		45.25	(21.03)	(3.50)	47.47	12.04	79.09	16.99
14	Paid up Equity Share Capital	123.42	114.42	114.42	123.42	114.42	123.42	114.12
15	Reserves excluding revaluation reserves	N. A.	N. A.	N. A.	4,448.32	4,329.87	4,392.60	4,261.82
16	E.P.S - Basic not annualised for the qtr - Annualised	3.94	(1.84)	(0.31)	4.14	1.05	6.89	1.49
		N.A	N.A.	N.A.	4.14	1.05	6.89	1.49

For **VENUS REMEDIES LIMITED**

CHAIRMAN & MANAGING DIRECTOR

Standalone / Consolidated Statement of Assets and Liabilities

(Rs.In Millions)

Particulars	Standalone Year Ended on		Consolidated Year Ended on	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	123.42	114.42	123.42	114.42
(b) Reserves and surplus	4448.23	4329.87	4392.6	4261.82
Sub-total – Shareholders' funds	4571.65	4444.29	4516.02	4376.24
2 Non-current liabilities				
(a) Long-term borrowings	1618.19	1910.26	1618.19	1910.46
(b) Deferred tax liabilities (net)	128.83	165.86	128.82	165.86
(c) Other long-term liabilities	5.36	6.34	5.36	6.34
(d) Long-term provisions	42.43	37.88	42.43	37.89
Sub-total – Non-current liabilities	1794.81	2120.34	1794.8	2120.55
3 Current liabilities				
(a) Short-term borrowings	1156.97	1150.86	1191.59	1233.24
(b) Trade payables	305.57	239.02	297.30	251.36
(c) Other current liabilities	481.99	366.34	473.78	427.08
(d) Short-term provisions	17.62	19.68	17.62	19.68
Sub-total – Current liabilities	1962.15	1775.9	1930.29	1931.36
TOTAL – EQUITY AND LIABILITIES	8328.61	8340.53	8291.11	8428.15
B ASSETS				
1 Non-current assets				
(a) Fixed assets	5185.28	5138.92	5353.26	5328.48
(b) Non-current investments	287.36	287.36		
(c) Long-term loans and advances	331.65	328.98	331.65	328.98
Sub-total – Non-current assets	5804.29	5755.26	5684.907	5657.46
2 Current assets				
(a) Current investments				
(b) Inventories	1396.92	1376.93	1405.99	1432.88
(c) Trade receivables	419.06	538.85	472.86	615.89
(d) Cash and cash equivalents	31.49	30.44	35.6	70.71
(e) Short-term loans and advances	676.85	639.05	691.75	651.21
Sub-total – Current assets	2524.32	2585.27	2606.2	2770.69
TOTAL – ASSETS	8328.61	8340.53	8291.11	8428.15

For **VENUS REMEDIES LIMITED**

CHAIRMAN & MANAGING DIRECTOR



Notes:

1. The above financial Results were reviewed by the Audit Committee and taken on record at the Board Meeting on May 30, 2017.
2. Statutory auditors have carried out the Audit for the said results.
3. The Company caters to only one segment i.e. "Pharmaceutical Formulations"
4. Previous quarter/period's figures have been regrouped/rearranged wherever necessary.

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

For VENUS REMEDIES LIMITED

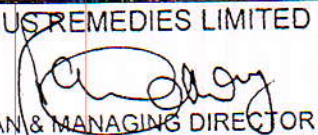




CHAIRMAN & MANAGING DIRECTOR

Date: 30.05.2017

**Pawan Chaudhary
(Chairman & Managing Director)
DIN: 00435503**

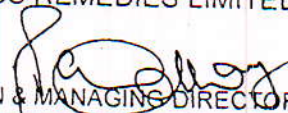


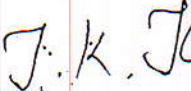
**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
For Consolidated annual financial results**

(Rs. in crores)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017			
I. S. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Audited figures (as reported after adjusting for qualifications)
1	Total Income	402.31	402.31
2	Total expenditure	398.10	404.71
3	Net profit/(Loss)	7.90	14.51
4	Earnings Per Share	6.42	11.80
5	Total Assets	829.11	829.11
6	Total Liabilities	829.11	829.11
7	Net Worth	451.60	458.21
8	Any other financial item(s)	N.A.	N.A.
II Audit Qualification			
a	Details of Audit Qualification	There is delay in making payments of interest on loans & principal to banks amounting Rs. 15.40 cr.	
	Type of Qualification	Delay in repayment of interest and principal amounted to Rs. 15.40 cr.	
	Frequency of qualification	Second Time	
	For audit qualification where the impact is quantified by the auditors, management's view	There was a temporarily delay in servicing the interest of term loan and principal amounting Rs. 15.40 cr. However, the company has cleared the dues as on date.	
	For audit qualification where the impact is not quantified by the auditors	N.A.	
III Signatories			
Managing Director	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> For VENUS REMEDIES LIMITED  CHAIRMAN & MANAGING DIRECTOR </div>		
GM Accounts			
Audit Committee Chairman			
Statutory Auditor For J.K. Jain & Associates Chartered Accountants (FRN: 004025N (J.K. Jain) (Partner) M. N. : 083140	 		

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

(Rs. in crores)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017				
I.	S. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Audited figures (as reported after adjusting for qualifications)
	1	Total Income	376.23	376.23
	2	Total expenditure	375.19	368.58
	3	Net profit/(Loss)	4.74	11.35
	4	Earnings Per Share	3.85	9.23
	5	Total Assets	832.86	832.86
	6	Total Liabilities	832.86	832.86
	7	Net Worth	457.17	463.78
	8	Any other financial item(s)	N.A.	N.A.
II Audit Qualification				
a	Details of Audit Qualification	There is delay in making payments of interest on loans & principal to banks amounting Rs. 15.40 cr.		
	Type of Qualification	Delay in repayment of interest and principal amounted to Rs. 15.40 cr.		
	Frequency of qualification	Second Time		
	For audit qualification where the impact is quantified by the auditors, management's view	There was a temporarily delay in servicing the interest of term loan and principal amounting Rs. 15.40 cr. However, the company has cleared the dues as on date.		
	For audit qualification where the impact is not quantified by the auditors	N.A.		
III Signatories				
	Managing Director	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> For VENUS REMEDIES LIMITED  CHAIRMAN & MANAGING DIRECTOR </div>		
	GM Accounts			
	Audit Committee Chairman			
	Statutory Auditor For J.K. Jain & Associates Chartered Accountants (FRN: 004025N (J.K. Jain) (Partner) M. N. : 083140	 <div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block; text-align: center;"> JAIN & ASSOCIATES CHARTERED ACCOUNTANTS FRN 004025N CHANDIGARH </div>		



J. K. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

S.C.O. 1136-37, Sector 22-B, CHANDIGARH - 160 022

0172-270 4536-37 Fax : 0172-270 4537

E-mail : jkjcaps@rediffmail.com

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 Rs. 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 41 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 31st December, 2016 and these are in accordance with the Books of Accounts maintained by the company. Refer Note

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 41 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 Rs. 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
(J.K. JAIN)
(Partner)



Place: Panchkula

Date: 30.05.2017

M. No. :083140

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 (I) 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.

Place: Panchkula
Date : 30.05.2017

For J.K. JAIN & ASSOCIATES
Chartered Accountants

J.K. Jain
J. K. JAIN
(Partner)

M. No. 083140
FRN: 004025N





J. K. JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

S.C.O. 1136-37, Sector 22-B, CHANDIGARH - 160 022

0172-270 4536-37 Fax : 0172-270 4537

E-mail : jkjcaps@rediffmail.com

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 Rs. 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

FRN: 004025N

J.K. Jain
(J.K. JAIN)
Partner

M. No. : 083140

Place: Panchkula

Date : 30.05.2017

